

The Humane Studies Review: A Research and Study Guide

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Introduction

The second issue of the *Humane Studies Review* continues our outline of the history of libertarian thought with a brief discussion of the 18th century Enlightenment in America, France, and Germany. The 18th century was an exciting time for libertarians; the Old Regime of privilege, restrictions on economic activities, and imperial warfare was challenged both theoretically and politically. Antistate revolutions in the American colonies and France were, in the main, the result. As will be seen in the following installment, the 18th century revolutions in thought and politics laid the foundations for the flourishing of classical liberalism and free trade during the 19th century.

Since a major theme of 17th and 18th century liberal thought was the importance of natural law and natural rights, it is appropriate to include in this issue the first of a two-part article on "An Introduction to the Literature of Natural Law and Natural Rights," by the philosopher George Smith. It is vitally important to understand and reincorporate a theory of natural rights into classical liberal thought, because a major factor in the decline and failure of liberal thought in the 19th century was its abandonment of natural rights. In place of an objective moral standard to which all private, as well as State, activities could be compared and judged, the weaker and ultimately fatal creed of utilitarianism was adopted. In order to avoid a similar mistake, modern liberal thought must be based on a firmer foundation than "greatest happiness." George Smith's article is important for directing us to an alternative tradition upon which we can build a rigorous defense of individual liberty.

An Outline of the History of Libertarian Thought

Part II. From the Radical Whigs to the German Enlightenment

IV. The Radical Whigs and the American Revolution

Key Introductory Readings

David L. Jacobson (ed.), *The English Libertarian Heritage: From the Writings of John Trenchard and Thomas Gordon* (Indianapolis: Bobbs-Merrill, 1965). Introduction.

Bernard Bailyn, *The Ideological Origins of the American Revolution*, (Harvard University Press, 1967). Especially Part II, "Sources and Tradition" and Part III, "Power and Liberty: A Theory of Politics."

Cecilia Kenyon (ed.), *The Anti-Federalists* (Indianapolis: Bobbs-Merrill, 1965). The Introduction.

The two most widely-read polemical Radical Whig authors were Thomas Gordon and John Trenchard. By means of their anti-clerical and anti-military essays, known collectively as *The Independent Whig* and *Cato's Letters* (written between 1720–23), they kept alive the Radical Whig traditions of natural rights, suspicion of the ever-encroaching nature of State power, and justified rebellion. Gordon and Trenchard were able to transmit these revolutionary ideas in popular form to the American colonies. One must savor the strong defense of liberty made by Trenchard and Gordon in the original; the complete *Letters* have been reprinted by Da Capo Press as John Trenchard and Thomas Gordon, *Cato's Letters: Essays on Liberty, Civil and Religious, and Other Important Subjects*, 2 vols. (N.Y., 1971). A useful selection from both the *Independent Whig* and *Cato's Letters*, and a good introduction to their ideas, is found in *The English Libertarian Heritage: From the Writings of John Trenchard and Thomas Gordon*, ed. David L. Jacobson (Indianapolis: Bobbs-Merrill, 1965). On Trenchard's opposition to standing armies see Lois G. Schworer, "No Standing Armies!": *The Antiarmy Ideology in 17th Century England* (John Hopkins University Press, 1974). Also see Caroline Robbins, *The 18th Century Commonwealthman* (New York: Atheneum, 1968), pp. 115–125.

Thomas Hollis was an important connecting link between the English Commonwealthman tradition and the American Revolution. Hollis distributed libertarian tracts in both England and America and subsidized the publication of American revolutionary pamphlets, as well as reprinting the classics of the 17th century Commonwealthman tradition (such as Sidney and Locke). He was instrumental in supplying radical republican and libertarian literature to libraries in France, Switzerland, Italy, and to Harvard University. Caroline Robbins has written on "The Strenuous

Whig: Thomas Hollis of Lincoln's Inn," *William and Mary Quarterly*, 3rd series, no. 7 (1950), pp. 407-53. See also Colin C. Bonwick, *English Radicals and the American Revolution* (Chapel Hill: University of North Carolina Press, 1977).

The radical libertarian nature of the American revolutionaries has only been recently acknowledged by historians. The pathbreaking work showing the connection between 17th-century English commonwealthmen and the American Revolution is Bernard Bailyn's collection of revolutionary pamphlets. Drawing upon Caroline Robbins' work, his "General Introduction" to the *Pamphlets of the American Revolution 1750-1776*, vol. 1: 1750-1765, ed. Bernard Bailyn and

It is the Nature of Power to be ever encroaching, and converting every extraordinary Power, granted at particular Times, and upon particular Occasions, into an ordinary Power, to be used at all Times, and when there is no Occasion; nor does it ever part willingly with any Advantage. — John Trenchard and Thomas Gordon, February 9, 1722, Cato's Letters.

Jane N. Garrett: (Cambridge, Mass.: Belknap Press of Harvard University, 1965) shows the "transforming libertarian radicalism" of the American Revolution in the writings of such revolutionary leaders as Jonathan Mayhew, Thomas Fitch, James Otis, Oxenbridge Thacher, Daniel Dulany and John Dickinson. An expanded version of the Introduction was published as *The Ideological Origins of the American Revolution* (Cambridge, Mass.: Belknap Press of Harvard University, 1967) and in summary form Bailyn's thesis can be found in his "The Central Themes of the American Revolution: An Interpretation," in S. Kurtz and J. Hudson, eds., *Essays on the American Revolution* (Chapel Hill: University of North Carolina Press, 1973).

The ideological war against the British empire and the monarchy was continued by the radicals Thomas Paine and Richard Price. Paine is best remembered for his popular tract, *Common Sense* (1776), which attacked monarchical government and urged an immediate declaration of independence from the crown and the formation of a Republic, as well as for his passionate defense of the French Revolution, *Rights of Man* (1791, 1792). The dissenting clergyman, Richard Price, a self-styled "Honest Whig," defended natural rights, justice, and the right of a people to rebel against oppression, in his *Observations on the Nature of Civil Liberty . . . and the Justice of the War in America*, also published in 1776. Paine's rousing pamphlets can be found in the sometimes inaccurate edition of Philip S. Foner, *Life and Major Writings of Thomas Paine* (Secaucus, N.J.: Citadel Press, 1974). The two best biographies are these by Alfred Owen Aldridge, *Man of Reason* (Philadelphia: Lippincott, 1959) and David Freeman Hawke, *Paine* (N.Y.: Harper and Row, 1974). Eric Foner's *Tom Paine and Revolutionary America* (N.Y.: Oxford University Press, 1976) and C. C. Bonwick, *English Radicals and the American Revolution* (Chapel Hill: University of North Carolina Press, 1977) are also useful studies. For a very useful critical survey of the literature on Paine see A. O. Aldridge's "Thomas Paine: A Survey of Research and Criticism since 1945," *The British*

Studies Monitor 5, 1975, pp. 3-29. Selections from Price's works can be found in B. Peach (ed.), *Richard Price and the Ethical Foundations of the American Revolution* (Durham, North Carolina: Duke University Press, 1980). See also Carl B. Cone, *Torchbearer of Freedom: The Influence of Richard Price on 18th Century Thought* (Lexington: University of Kentucky Press, KY, 1952) and D. O. Thomas, *The Honest Mind: The Thought and Work of Richard Price* (Oxford: Clarendon Press, 1977).

The so-called Anti-Federalists (really "True Republicans" or radical Jeffersonian democrats) fought against the creation of a strong national government, as embodied in the Constitution. Men such as Patrick

Henry, Richard Henry Lee, George Mason, and John Taylor opposed the ratification of the Constitution which created a Federal government with the powers to impose taxes at will and to create a standing army (which would consume taxes and could be used to create a new tyranny). It also provided a financial apparatus capable of dispensing privilege (thus creating a new aristocracy), and granted the office of the president such power that the office-holder could in effect, become a monarch. Although the Anti-Federalists lost the battle of Constitutional ratification to the Federalists, they were successful in creating the Bill of Rights (their attempt to undo the gains of the nationalists and to protect the rights of the individual against the inevitable encroachment by the State). The best collection of Anti-Federalist tracts is found in Cecilia Kenyon, *The Anti-Federalists* (Indianapolis: Bobbs-Merrill, 1966).

Kenyon's "Introduction" is useful, along with her "Men of Little Faith: The Anti-Federalists on the Nature of Representative Government," *William and Mary Quarterly*, Vol 12 (1955), pp. 3-43. (Her use of the label "Men of Little Faith" refers to the typically libertarian, Commonwealthman lack of faith in the ability of a constitution to contain State power.) See also the collection by John D. Lewis, *Anti-Federalists versus Federalists: Selected Documents* (San Francisco: Chandler Publ. Co., 1962). For a sympathetic neo-Beardian analysis see Jackson Turner Main, *The Anti-Federalist: Critics of the Constitution 1781-1788* (New York: W. W. Norton, 1974), and Robert A. Rutland's *The Ordeal of the Constitution: The Anti-Federalists and the Ratification Struggle* (University of Oklahoma Press, 1966). On the Bill of Rights as the legacy of the Anti-Federalists, see Herbert J. Storing, *What the Federalists Were For: The Political Thought of the Opponents of the Constitution* (University of Chicago Press, 1981). (Storing's definitive seven-volume edition of *The Complete Anti-Federalist* has recently been published by the University of Chicago Press.)

One of the most uncompromising and radical Anti-Federalists was John Taylor, whose *Inquiry into the*

Principles and Policy of the Government of the United States (1814), ed. Loren Baritz (Indianapolis: Bobbs-Merrill, 1969) offers penetrating insights into the misuse of government power inevitable under the Constitution. His comment on the role of the State in creating a privileged class via national banking and funding are particularly acute and prophetic. John Taylor and George Mason were among the Radical Republicans (including John Breckenridge, Richard Henry Lee, Nathaniel Macon, George Logan, and John Randolph of Roanoke) who opposed Jefferson's movement away from the radical Whig position. On John Taylor see Robert E. Shalhope, *John Taylor of Caroline, Pastoral Republican* (University of South Carolina Press, 1980).

The radical views of George Mason can best be enjoyed by reading his papers, edited by Robert A. Rutland, *The Papers of George Mason 1725-1792* (Chapel Hill: University of North Carolina Press, 1970). On his life, see Rutland's *George Mason: Reluctant Statesman* (Williamsburg, Virginia: Colonial Williamsburg, 1961).

Finally, on the Radical Republicans, one should consult the uneven but often brilliant work by Charles A. Beard on a slightly later period, *Economic Origins of Jeffersonian Democracy* (New York: Free Press, 1965), especially Chapter XII, "The Politics of Agrarianism."

On the American Revolution in general see the extensive bibliographies compiled by Murray N. Rothbard in his *Conceived in Liberty*, 4 vols. (New Rochelle, N.Y.: Arlington House, 195), and his "Modern Historians Confront the American Revolution," *Literature of Liberty*, vol. 1, no. 1 (1978), pp. 16-41.

V. The French Enlightenment

Key Introductory Readings

Peter Gay, *The Enlightenment: An Interpretation*, vol. 2, *The Science of Freedom* (New York: W. W. Norton and Co., 1977). Chapter 7, "The Science of Society," pp. 319-96, for a discussion of the *philosophes'* insights into sociology and the humane sciences; Chapter 8, "The Politics of Decency," pp. 397-447, on the powerful sense of natural right and justice of so many enlightenment thinkers.

Keith Michael Baker (ed.), *Condorcet: Selected Writings*, (Indianapolis: Bobbs-Merrill, 1978). Baker's introduction is a good guide to Condorcet's thought and his historical setting.

Eli Heckscher, "Mercantilism," in the *Encyclopedia of the Social Sciences* (New York: Macmillan, 1933), vol. 10, pp. 333-39. A short statement of Heckscher's classic views on the mercantilist system.

If the 17th century witnessed the failure of the liberal Leveller revolution, then the 18th century can be said to embody its partial victory in the form of the American Revolution, and the Radical Enlightenment in France, England, Scotland, and Germany.

Across the Atlantic, the Enlightenment's influence in America is sympathetically traced by Henry F. May in *The Enlightenment in America* (New York: Oxford University Press, 1976), especially in the section "the Revolutionary Enlightenment 1776-1800." Peter Gay,

in his excellent two-volume history of Enlightenment thought, *The Enlightenment: An Interpretation*, volume one: *The Rise of Modern Paganism*; volume two: *The Science of Freedom* (New York: W. W. Norton and Co., 1977), has called the Enlightenment "the revolution of reason." Central to his interpretation is the vital connection between the rise of critical intelligence and reason on the one hand, and the autonomy and liberty of the individual on the other. Gay even goes as far as to claim, with some justification, that the idea of the free market and *laissez faire* was basic to Enlightenment thought; that Adam Smith's *Wealth of Nations* (1776) should be considered the "cardinal document of the Enlightenment." A useful essay on Gay's view of the Enlightenment is Chris Tame's "The Revolution of Reason: Peter Gay, the Enlightenment, and the Ambiguities of Classical Liberalism," *Journal of Libertarian Studies*, vol. 1, no. 3, (1977), pp. 217-27.

On the continent of Europe, the Enlightenment had a profound influence in France. In the thought of the Physiocrats it produced what some have called the first theoretical awareness of the role of natural law in economics, and thus of the severe limitations on policy-makers in the economic sphere. See in particular the essay by O. H. Taylor, "Economics and the idea of 'Jus Naturale'," *Quarterly Journal of Economics*, vol. 44, no. 2 (1930), pp. 205-41, reprinted in his book *Economics and Liberalism* (Cambridge, Mass., Harvard University Press, 1955), pp. 70-99. For the English case, see W. D. Grampp, "The Liberal Elements in English Mercantilism," *Quarterly Journal of Economics*, vol. 66 (1952), pp. 465-501, and Alfred F. Chalk, "Natural Law and the Rise of Economic Liberalism in England," *Journal of Political Economy*, vol. 59, no. 4, (1951) pp. 332-47.

One of the most important economists in France during this period was Richard Cantillon. His major contributions to economic thought include the doctrine of the harmony of interests, the important role of the entrepreneur in economic activity, an awareness of the macro-economic effects of State-monetary policy, opposition to the State privileged banking system, and an early formulation of Say's Law. Cantillon's *Essai sur la nature de commerce en général* (1755) was translated and edited by Henry Higgs for the Royal Economic Society (London: Macmillan 1931, reprinted 1959). On Cantillon, see Joseph J. Spengler, "Richard Cantillon: First of the Moderns," *Journal of Political Economy*, vol. 62 (1954), pp. 281-95, 406-24; W. Stanley Jevons, "Richard Cantillon and the Nationality of Political Economy," *Contemporary Review*, vol. 39 (1881), pp. 61-80 and the important introduction by Hayek to the German translation of Cantillon's *Essai* (Jena: Gustav Fischer Verlag, 1931).

Drawing upon Cantillon's insights, the Physiocrats François Quesnay and Anne Robert Jacques Turgot advocated a policy of *laissez faire*, the reduction and more equitable distribution of the tax burden, and the elimination of the crippling mercantilist restrictions on trade and commerce (see especially Turgot's "Mémoire sur les prêts d'argent," pp. 154-202 and "Lettres sur la liberté du commerce des grains," pp. 393-398, in *Oeuvres de Turgot et documents le concernant*, vol. 3 (Paris: Alcan 1913-23). On the Physio-

crats in general, see Ronald L. Meek, *The Economics of Physiocracy: Essays and Translations* (Cambridge, Mass.: Harvard University Press, 1963), and Elizabeth Fox-Genovese, *The Origins of Physiocracy: Economic Revolution and Social Order in Eighteenth Century France* (Ithaca: Cornell University Press, 1976). The leading French authority on Physiocracy is Georges Weulersse; see *Les Physiocrates* (Paris: C. Doin et Cie., 1931). (Interested readers may also consult his four-volume history of Physiocracy.) Although the priority the Physiocrats gave agricultural over industrial or mercantile production now seems quaint and without theoretical foundation, the Physiocratic school should be remembered for their opposition to economic privilege, restrictions on trade, and their hard-core defense of *laissez faire* economic policy.

One of the most consistent and radical of the Physiocrats was the mathematician, philosopher, and politician Marie Jean Antoine Nicolas Caritat, Marquis de Condorcet. A radical supporter of Turgot's *laissez faire* economic policies, Condorcet was in some ways even more radical than Turgot. For example, Condorcet demanded the elimination of forced labor; he was suspicious of reform carried out by the bureaucrats themselves; and he advocated the suppression of all seigniorial dues (he weakened in advocating compensation). See A. Condorcet-O'Connor and F. Arago, eds., *Oeuvres de Condorcet*, 12 vols. (Paris, 1847-49), vol. 11, pp. 59-86. In many pamphlets and essays, Condorcet advocated the extension of the franchise (eventually adopting universal suffrage); the recognition of equal rights for women ("On the Admission of Women to the Rights of Citizenship" (1790), in Keith Michael Baker *Condorcet: Selected Writings* (Indianapolis: Bobbs-Merrill, 1976), pp. 97-104); the spread of trade, free markets, and the industrial system to all parts of the world; the concomitant recognition of each individual's natural rights to life, liberty, and property; and the elimination of all prejudice, intolerance, and privilege. His inspiring essay, written in hiding during the Terror, addresses these issues: "Sketch for a Historical Picture of the Progress of the Human Mind" (1793), reprinted in part in *Selected Writings* pp. 209-282, and in its entirety by Noonday Press (New York: 1955), translated by June Barraclough.

Unfortunately, Condorcet was not completely consistent. His radical liberalism was diluted by his advocacy of compulsory state education (which he felt was the only way to produce "virtuous" and educated citizens), state finance of public works, such as canals, and state provision of other public goods, such as a unified, reformed system of weights and measures, and a national currency. However compromised, his defense of the market and his optimistic view of human progress are worthy of serious attention by modern liberals. Useful discussions of his thought can be found in Keith Michael Baker's introduction to the *Selected Writings*, and Baker's much longer *Condorcet: From Natural Philosophy to Social Mathematics* (Chicago and London: University of Chicago Press, 1975).

In order to understand what the Physiocrats were struggling against, one must appreciate the extent to which French society had been tied up by mercantilist restrictions. The classic work on the mercantilist sys-

tem is still Eli Heckscher's *Mercantilism*, the revised edition by E. D. Söderland in two volumes (New York: Macmillan, 1955). An abbreviated version of Heckscher's thesis appears in the article "Mercantilism" in the *Encyclopedia of the Social Sciences*, (New York: Macmillan, 1933), vol. 10, pp. 333-39. A useful collection of essays discussing the Heckscher thesis has been edited by D. C. Coleman, *Revisions in Mercantilism* (London: Methuen, 1969). The restrictions and injustices of the mercantilist system inevitably provoked opposition. The development of this opposition during the reign of Louis XIV has been described by L. Rothkrug in his *Opposition to Louis XIV: The Political and Social Origins of the French Enlightenment* (Princeton University Press, 1965).

The time will therefore come when the sun will shine only on free men who know no other master but their reason; when tyrants and slaves, priests and their stupid or hypocritical instruments will exist only in works of history and on the stage; and when we shall think of them only to pity their victims and their dupes; to maintain ourselves in a state of vigilance by thinking on their excesses; and to learn how to recognize and so to destroy, by force of reason, the first seeds of tyranny and superstition, should they ever dare to reappear among us. — Condorcet, Sketch for a Historical Picture of the Human Mind.

VI. The German Enlightenment

Key Introductory Readings

Hans Reiss (ed.), *Kant's Political Writings* (Cambridge University Press, 1980). Reiss's introduction is a useful discussion of Kant's political views.

Paul Sweet, "Young Wilhelm von Humboldt's Writings (1789-93) Reconsidered," *Journal of the History of Ideas*, vol. 34, no. 3, (1973).

Marianne Cowan (ed.), *Humanist without Portfolio: an Anthology of the Writings of Wilhelm von Humboldt* (Detroit: Wayne State University Press, 1963). The organization of the translations is very confusing. The section "Political Principles," pp. 29-64, is the most useful and contains selections from most of Humboldt's important works.

There was also a German component to the European-wide phenomenon of Enlightenment. Goethe, Schiller, Kant, Fichte, and Wilhelm von Humboldt all contributed considerably to the Enlightenment in general, and to classical liberalism in particular. Friedrich Schiller was especially concerned with the problem of authority and State power. The relationship between the individual and authority is a dominant theme in his many plays, especially in his earlier and more radical "Die Verschwörung des Fiesko zu Genua," ("Fiesco's Conspiracy in Genoa"). "Fiesco" was translated by Henry G. Bohn in *The Works of Friedrich Schiller: Early Dramas and Romances* (London: Bell and Daldy: 1873). A useful introduction to Schil-

ler's ideas on power is Gordon A. Craig's "Friedrich Schiller and the Problems of Power" in *The Responsibility of Power: Historical Essays in Honor of Hajo Holborn* (New York: Doubleday, 1967), edited by Leonard Krieger and Fritz Stern.

An intellectual giant of the 18th century, Immanuel Kant, deserves to be read by modern libertarians. As the "philosopher of the French Revolution" he sympathized with the aims of both the American and French revolutionaries, and sought to defend the independence and dignity of the individual in the face of authority. Kant is perhaps best known for his attempt to derive philosophical principles upon which a lasting, morally just, and peaceful world order could be based. His essay, "Perpetual Peace: A Philosophical

Act in such a way that you always treat humanity, whether in your own person or in the person of any other, never simply as a means, but always at the same time as an end. — Immanuel Kant, Groundwork of the Metaphysic of Morals.

Sketch" (any edition, although *Kant's Political Writings* Cambridge University Press, 1980, ed. Hans Reiss, translated by H. B. Nisbet, pp. 93-130, is a very useful collection) is an attempt to view peace as "the quest of justice between men through justice between states." (See the intelligent and careful chapter on Kant in W. B. Gallie, *Philosophers of Peace and War: Kant, Clausewitz, Marx, Engels and Tolstoy* (Cambridge University Press, 1979).)

Kant made important contributions to classical liberal thought, not least of which was his use of natural law concepts, first to oppose Frederick the Great's doctrine of enlightened autocracy, and then to help shape the idea of the rule of law (*Rechtsstaat*). Kant's other contributions to liberal thought include: the view that man's inner life must not be subject to coercion, that all individuals have a fundamental right to acquire property, that individuals have inalienable and equal rights, and that no individual should ever involuntarily serve as the means to someone else's ends. Kant expressed this last principle in the following way: "Act in such a way that you always treat humanity, whether in your own person or in the person of any other, never simply as a means, but always at the same time and as an end." See Kant's *Groundwork of the Metaphysic of Morals* (New York: Harper and Row, 1964), edited and translated by H. J. Paton, p. 96.

The most important German liberal of the period is Wilhelm von Humboldt. His 1792 essay, *Ideen zu einem Versuch, die Grenzen der Wirksamkeit des Staates zu bestimmen* ("The Limits of State Action"), is a passionate defense of individual liberty and an exposition of the need to protect the individual from the state, so that one's potential may be fully developed. The essay is also important for the effect it exerted on more influential, but less consistent, classical liberals such as John Stuart Mill. The relationship between Mill and Humboldt is discussed in Robert Leroux, "Guillaume de Humboldt et J. Stuart Mill," *Etudes Germaniques*, vol. 6, nos. 3-4 (1951), pp. 262-274 and vol. 7, nos. 2-3 (1952) pp. 83-87. Unfortunately, few of Humboldt's writings have been translated into English. His 1792 essay was first translated by Joseph Coulthard as *The Sphere and Duties of Government* (London, 1854); this translation was re-

cently reprinted (with a more accurate title) as *The Limits of State Action* (Cambridge University Press, 1969), edited by J. W. Burrow.

To investigate Humboldt's life and thought, one would do well to begin with any one of the following sources: Burrow's introduction to *The Limits of State Action*; the recent article by Paul R. Sweet, "Young Wilhelm von Humboldt's Writings (1789-93) Reconsidered," *Journal of the History of Ideas*, vol. 34, no. 3 (1973), pp. 469-482; Sweet's *Wilhelm von Humboldt: A Biography*, (Columbus: Ohio State University Press, 1978) especially Chapter 3, pp. 83-120 and the appendix on "The Publication, Reception and Influence of *The Limits of State Action* pp. 303-307; or the article by Ralph Raico, "Wilhelm von Humboldt,"

The New Individualist Review, vol. 1, no. 1. (1961), pp. 18-22. (Incidentally, *The New Individualist Review* has been reprinted in toto in a handsome edition by Liberty Press: Indianapolis, 1981.) The best biography remains the old and still valuable work by R. Haym, *Wilhelm von Humboldt: Lebensbild und Charakteristic* (Berlin: 1856; reprinted, Osnabrück: 1965). On Humboldt's political thought, the study by Robert Leroux, *Guillaume de Humboldt: La formation de sa pensée jusqu'en 1794* (Paris: Société Edition: les Belles lettres, 1932) is important. Also see Siegfried A. Kaehler's *Wilhelm v. Humboldt und der Staat* (Munich: 1927; reprinted Göttingen: Vandenhoeck und Ruprecht, 1963), especially Chapter 5, "Die Abkehr vom Staate" ("The Renunciation of the State"), which stresses Humboldt's hostility to the State.

Although Humboldt compromised his early radical liberalism by his later support of the Prussian state, (he became Minister for Public Worship and Education), his earlier writings are valuable contributions to the corpus of classical liberal thought. Apart from his major work, *The Limits of State Action*, Humboldt's letter to his friend Gentz (the basis of his later work), is well worth reading. It has been reprinted and edited by Albert Leitzman in "Politische Jugendbriefe Wilhelm von Humboldt an Gentz," *Historische Zeitschrift*, vol. 152 (1935), pp. 48-89. Humboldt's other essays worth reading include "Ideen über Staatsverfassung, durch die neue französische Constitution veranlasst" ("Ideas on government, occasioned by the new French Constitution") (1791), "Über die Gesetze der Entwicklung der menschlichen Kräfte" ("On the Laws concerning the Development of Human Powers") (1791), "Das achzehnte Jahrhundert" ("The Eighteenth Century") (1796-97), and "Betrachtungen über die Weltgeschichte" ("Observations on World History") (1814).

Some of these essays have been translated in extract form in the curious and badly organized collection, *Humanist without Portfolio: An Anthology of the Writings of Wilhelm von Humboldt* (Detroit: Wayne State University Press, 1963), edited by Marianne Cowan. Humboldt's theory of history is put forward in the essay, "Über die Aufgabe des Geschichtschrei-

bers" ("On the Historian's Task") (1812), which has been translated into English as the appendix to *The Theory and Practice of History* (Indianapolis: Bobbs-Merrill, 1973), ed. G. G. Iggers and K. Moltke. For readers fluent in German, all of these essays can be found in Wilhelm von Humboldt, *Werke in fünf Bände*, vol. 1, *Schriften zur Anthropologie und Geschichte* (Stuttgart: J. G. Cotta'sche Buchhandlung, 1960), ed. A. Flitner and K. Giel.

Before leaving the German enlightenment, the liberal phase of Johan Gottlieb Fichte must be briefly

Reason cannot desire for man any other condition than that in which each individual not only enjoys the most absolute freedom of developing himself by his own energies, in his perfect individuality, but in which external nature itself is left unfashioned by any human agency, but only receives the impress given to it by each individual by himself and of his own free will, according to the measure of his wants and instincts, and restricted only by the limits of his powers and his rights. — Wilhelm von Humboldt, *The Limits of State Action*.

mentioned. Fichte is more commonly regarded as a socialist thinker than as a classical liberal forebear. In *Der geschlossene Handelsstaat* ("The Closed Commercial State," 1800), Fichte advocated the organization of society and production in such a way as give near-total control over property, and hence power, to legally-privileged guilds. Earlier, when the influence of the French Revolution on his thought was at its height, Fichte had been a radical, individualistic liberal. He began with a spirited defense of the freedom of expression, "Zurückforderung der Denkfreiheit von der Fürsten Europas, die bisher unterdrückten" ("Demanding Freedom of Thought back from the Princes of Europe, Who Have Suppressed It up til Now") (1793), and then moved on to write one of the best and most radical liberal defenses of the French Revolution ever written, later in the same year.

A much more theoretical and generalized defense of individual rights, "Beitrag zur Berichtigung der Urteile des Publikums über die französische Revolution" ("Contribution to Correcting the Public's Opinion of the French Revolution") was an extreme development of the Lockean notion of natural rights and the autonomy of the individual. Fichte saw the earlier phase of the French Revolution as the embodiment of the right of the individual to his or her life, liberty and property and went so far as to push the theory of "contract" to its logical end: the right of each individual to withdraw their consent from the State and to form a separate political community *within the confines of the old State and without being molested by it*. Unfortunately, these two important essays have never been translated into English. They are readily accessible, for those who read German, in two books; the first is *Beitrag zur Berichtigung der Urteile des Publikums über die französische Revolution*, edited by Richard Schottky (Hamburg: Felix Meiner Verlag, 1973). Schottky's "Introduction" stresses the Lockean

radicalism of Fichte's pamphlets as well as what he calls "The anarchistic radicalization of the rationalistic-liberal theory of the State." The second, edited by Bernard Willms, is *Schriften zur Revolution* ("Writings on the Revolution") (Köln und upladen: Westdeutscher Verlag, 1967). Both books have useful bibliographies.

Key Introductory Readings

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Bernard Bailyn, *The Ideological Origins of the American Revolution*, (Harvard University Press, 1967). Especially Part II, "Sources and Tradition" and Part III, "Power and Liberty: A Theory of Politics."

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Peter Gay, *The Enlightenment: An Interpretation*, vol. 2, *The Science of Freedom* (New York: W. W. Norton and Co., 1977). Chapter 7, "The Science of Society," pp. 319-96, for a discussion of the *philosophes'* insights into sociology and the humane sciences; Chapter 8, "The Politics of Decency," pp. 397-447, on the powerful sense of natural right and justice of so many enlightenment thinkers.

Keith Michael Baker (ed.), *Condorcet: Selected Writings*, (Indianapolis: Bobbs-Merrill, 1978). Baker's introduction is a good guide to Condorcet's thought and his historical setting.

Eli Heckscher, "Mercantilism," in *the Encyclopedia of the Social Sciences* (New York: Macmillan, 1933), vol. 10, pp. 333-39. A short statement of Heckscher's classic views on the mercantilist system.

VI. The German Enlightenment

Hans Reiss (ed.), *Kant's Political Writings* (Cambridge University Press, 1980). Reiss's introduction is a useful discussion of Kant's political views.

Paul Sweet, "Young Wilhelm von Humboldt's Writings (1789-93) Reconsidered," *Journal of the History of Ideas*, vol. 34, no. 3, (1973).

Marianne Cowan (ed.), *Humanist without Portfolio: an Anthology of the Writings of Wilhelm von Humboldt* (Detroit: Wayne State University Press, 1963). The organization of the translations is very confusing. The section "Political Principles," pp. 29-64, is the most useful and contains selections from most of Humboldt's important works.

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An Introduction to the Literature of Natural Law and Natural Rights

by George H. Smith

George Smith is a Fellow of the Institute for Humane Studies and is the author of several books and articles on Freethought, the political thought of Herbert Spencer, and education. He is currently working on a book, coauthored by Jack High, on Education and Liberty: The Separation of School and State. He resides in Los Angeles.

Part One: Natural Law

An essential aspect of classical liberal or libertarian theory is its emphasis on the moral dimension in human interaction, specifically, its focus on the principle of justice. This is expressed by the principle of natural rights, which in its distinctively libertarian form is usually formulated as “self-ownership” or “self-proprietorship.” Of course, to defend adequately a theory of self-ownership (or any theory of justice) requires that one’s moral theory be based on objective facts in some fashion. This attempt to ground values in facts, to derive rationally what “ought” to be from what “is,” has been for centuries the major task of *natural law* moral theory.

In approaching the subject of natural law (we shall take up natural rights in Part Two), we are confronted with several problems, including the meaning of “natural law” itself. This term is often beset with ambiguity, and it more accurately denotes a general approach to moral theory than a particular moral doctrine. It is not an easy task to isolate a definition of “natural law” to which all of its defenders would subscribe.

For example, A. P. d’Entrèves, in his excellent introductory work, *Natural Law* (2nd ed., London: Hutchinson, 1970, p. 17), contends that “there is really not one tradition of natural law, but many.” The supposed continuity between the medieval and modern concepts of natural law “is mainly a question of words.” Similarly, Francis Oakley and Elliot Urdang, “Locke, Natural Law, and God,” (*Natural Law Forum* no. 11 [1966], p. 99), criticize those scholars who “project a spurious unity upon the disparate natural law theories current in the middle ages.” It is improper “to speak of the classical and Christian and . . . of the medieval natural law theory.”

Some scholars, on the other hand, stress the common themes uniting natural-law philosophers. Paul Sigmund, in *Natural Law in Political Thought* (Cambridge: Winthrop, 1971, p. x), detects in natural-law theory a confidence “in the ability of human reason to deal with moral problems.” Implicit within a natural-law approach, argues Leo Strauss in *Natural Right and History* (Chicago: University of Chicago Press, 1953, p. 2), is a reliance upon “a standard with reference to which we are able to judge of positive right.”

The contemporary Aristotelian philosopher Henry Veatch, in *For an Ontology of Morals* (Evanston: Northwestern University Press, 1971, pp. 118, 41), regards natural-law ethics as “an attempt to give a factual status to values.” The “hallmark of a natural-law ethics,” argues Veatch in this important book, “is that

norms and values are held to be based or grounded in nature, and that in virtue of norms thus having a natural status, as over against being merely man-made, it is possible to claim a rational basis for ethics.”

Finally, Leonard Krieger, writing on “Kant and the Crisis of Natural Law” (*Journal of the History of Ideas* 24 [1965], p. 194), pinpoints in natural law the desire “to connect the fundamental principles of reality with the fundamental principles of action—in other words, knowledge with morality . . . In short, natural law involved a *description* of reality in terms of laws which became *prescriptive* for men.”

The novice who wishes to trace his way through the historical maze of natural law theories will find the previously cited books by A. P. d’Entrèves and Paul Sigmund quite helpful. Also recommended is Francis H. Eterovich, *Approaches to Natural Law, From Plato to Kant* (New York: Exposition, 1972). This provides a well-organized summary of natural-law history that the beginning student will appreciate.

Other general overviews, though less satisfactory in some respects, include the following: Edward S. Corwin, *The “Higher Law” Background of American Constitutional Law* (Ithaca: Cornell University Press, 1955 [originally published in the *Harvard Law Review*, 1928–9]); Heinrich A. Rommen, *The Natural Law* (St. Louis: Herder, 1947); John C. H. Wu, *Fountain of Justice: A Study in the Natural Law* (New York: Sheed and Ward, 1955); and Charles G. Haines, *The Revival of Natural Law Concepts* (New York: Sheed and Ward, 1955). For an interesting survey of natural law and its contemporary critics see Henry Veatch, “Natural Law: Dead or Alive?” (*Literature of Liberty* vol. 1, no. 4 [1978]). A good selection of writings on natural law is Brendan F. Brown (ed.) *The Natural Law Reader* (New York: Oceana, 1960).

Because natural law was for many centuries the dominant approach to moral and political philosophy, the history of natural law is often synonymous with the development of moral and political theory. Here, of course, there is an abundance of literature to choose from. The reader will find that surveys written by Catholic scholars, or by other historians and philosophers generally sympathetic to the Aristotelian-Thomistic tradition, are usually the most sensitive to the natural-law aspects of moral and political philosophers. Hence scholarly journals such as *The American Journal of Jurisprudence* (formerly *Natural Law Forum*), *The Thomist*, and *The New Scholasticism* contain many articles on the theory and history of natural law. These journals, along with *Journal of the History of Ideas*, should be perused for their specialized studies.

A History of Philosophy, the multi-volume classic by the Catholic philosopher and historian Frederick Copleston, (Garden City, N.Y.: Doubleday, 1962, rev. ed.), is a solid reference work that no serious student should be without. Another Catholic scholar, Vernon J. Bourke, has given us a valuable two-volume *History of Ethics* (Garden City, N.Y.: Image Books,

1970). The standard text by George Sabine, *A History of Political Theory* (New York: Henry Holt, 1950), is a justly acclaimed introduction, but Sabine is far less sympathetic to the natural-law tradition than either Copleston or Bourke.

The origins of a systematic approach to natural-law ethics may be traced to the early Greek philosophers, especially to Plato and Aristotle. John Wild's *Plato's Modern Enemies and the Theory of Natural Law* (Chicago: University of Chicago Press, 1953), is a spirited defense of the natural-law theories of Plato and Aristotle, although it is questionable whether Wild successfully rescues Plato from the charge of totalitarian sympathies (leveled by Karl Popper, among others). A brief but illuminating discussion of natural law in Greek philosophy is found in Harry A. Wolfson, *Philo* (Cambridge: Harvard University Press, 1947, II:169-180).

Of course, there is never any substitute for the original classics; and the reader of Aristotle's *Nicomachean Ethics* (ed. by W. D. Ross *The Works of Aristotle*, volume 9 [Oxford: Clarendon Press, 1925]) will be treated to one of the best and most influential treatises on moral philosophy ever written.

The Stoic conception of natural law, which was to exert a profound influence on later philosophers, is discussed in Maryanne C. Horowitz, "The Stoic Synthesis of the Idea of Natural Law in Man: Four Themes" (*Journal of the History of Ideas*, vol. 35, no. 1 [1974], pp. 3-16). Cicero played a major role in disseminating Stoic ideas of natural law during the Roman Republic, and one finds two of his works quoted widely by subsequent writers on natural law: *De re publica* (*On the Commonwealth*) and *De legibus* (*On the Laws*), translated in "Bohn's Classical Library" (London: Bell and Daldy, 1872). The following excerpt from *On the Commonwealth* (p. 360) is among the most famous passages on natural law ever written:

"True law is right reason conformable to nature, universal, unchangeable, eternal, whose commands urge us to duty, and whose prohibitions restrain us from evil. . . . This law cannot be contradicted by any other law, and is not liable either to derogation or abrogation. Neither the senate nor the people can give us any dispensation for not obeying this universal law of justice. It needs no other expositor and interpreter than our own conscience. It is not one thing at Rome, and another at Athens; one thing to-day, and another to-morrow; but in all times and nations this universal law must for ever reign, eternal and imperishable."

Natural law was a pervasive theme in medieval philosophy, but there was serious disagreement among philosophers and theologians of this period concerning the precise nature and status of natural law precepts. In a class by itself is the magisterial work by R. W. and A. J. Carlyle, *A History of Medieval Political Theory in the West*, originally published from 1903 to 1936 in 6 volumes (Edinburgh and London: William Blackwood, 1950). These volumes devote a good deal of space to the idea of natural law, and their scope is greater than indicated by the title (they cover the period from Cicero to the late sixteenth century). A

good selection of readings with incisive commentary is Ewart Lewis, *Medieval Political Ideas*, 2 volumes (New York: Cooper Square, 1974).

If there is a weakness in the Carlyle volumes, it is an inadequate appreciation of the influence of canon law in forging medieval notions of natural law. This is rectified in the superb writings of Walter Ullmann. See, for example, "The Canonists and Natural Law" in *Medieval Papalism* (London: Methuen, 1949, pp. 38-49); and Ullmann's *Law and Politics in the Middle Ages* (Ithaca: Cornell University Press, 1975), which also discusses the impact of Roman law on medieval thought. The same author has given us perhaps the finest introduction to medieval political theory (though his interpretation is by no means uncontroversial) in *A History of Political Thought: The Middle Ages* (Baltimore: Penguin Books, 1974). A student of Ullmann's, Brian Tierney, has also produced some first-rate work. Relevant to our theme here is "Natura Id Est Deus: A Case of Juristic Pantheism?" (*Journal of the History of Ideas* vol. 24, no. 3 [1963], pp. 307-22). This article explores various meanings of natural law within the medieval tradition.

Two works by the great German scholar Otto Gierke are indispensable for the medieval and early modern period. *Political Theories of the Middle Ages* originally appeared in German in 1881 and was later translated by Frederic Maitland (Cambridge: Cambridge University Press, 1900); and *Natural Law and the Theory of Society, 1500 to 1800* made its first appearance in 1913 (one volume edition trans. by Ernest Barker, Cambridge: Cambridge University Press, 1950). Gierke, it should be noted, was a Hegelian who belonged to the German historical school, so he was hostile to the rise of individualism and natural rights that grew from the natural-law tradition. But Gierke's scholarship and arresting generalizations far outweigh his bias and critical remarks.

The greatest influence on medieval thought before Thomas Aquinas was St. Augustine (354-430). Although Augustine believed in natural law, he so emphasized the corrosive effect of original sin on man's natural faculties (including reason), that pure natural law was relegated to the distant past of prelapsarian man (i.e., before the fall). Thus, among the evils condemned by natural law in a state of innocence were slavery and government; but Augustine defended both institutions as decreed by God as a punishment and remedy for sin. A good treatment of this subject is Herbert A. Deane, *The Political and Social Ideas of St. Augustine* (New York: Columbia University Press, 1963). A critical treatment of the Augustinian tradition is found in Herschel Baker, *The Image of Man* (New York: Harper Torchbooks, 1961). In the same vein, with a fascinating discussion of the revival of the Augustinian emphasis on sin during the Protestant Reformation and its deleterious effect on natural-law theory, is a neglected book by Robert Hoopes, *Right Reason in the English Renaissance* (Cambridge: Harvard University Press, 1962).

Christian Europe saw a revival of Aristotelianism in the twelfth century (sometimes called "The Renaissance of the Twelfth Century"), and two great figures emerged in the thirteenth century who attempted to integrate Aristotle into the Christian tradition. The

first was Albert the Great, who is discussed in Stanley B. Cunningham, "Albertus Magnus on Natural Law" (*Journal of the History of Ideas*, vol. 28, no. 4 [1967], pp. 479-502).

The other student of Aristotle was Thomas Aquinas, who was to have a tremendous impact on philosophy for centuries afterwards. Aquinas (who studied under Albert the Great) diverged from Augustine in that he assigned less importance to the effect of sin on man's nature and thus made possible the revival of a natural-law ethics which was not so closely tied to supernatural revelation. The "principles of which nature is constituted," wrote Aquinas in his monumental *Summa Theologica* (N.Y.: McGraw Hill, 1964-76, vols. 1-60), "and the properties that flow from them . . . [are] neither destroyed nor diminished by sin." It is very possible, as Walter Ullmann has maintained, that we owe to Aquinas the revival of political philosophy as an autonomous discipline.

There are many books and articles on Thomas Aquinas. The beginning student will benefit from D. J. O'Connor, *Aquinas and Natural Law* (London: Macmillan, 1968); and Vernon J. Bourke, "Is Thomas Aquinas a Natural Law Ethicist?" (*The Monist* vol. 58, no. 1 [1974], pp. 52-66). More advanced is Thomas Gilby, *The Political Thought of Thomas Aquinas* (Chicago: University of Chicago Press, 1958). A good anthology with a useful introduction is A. P. d'Entrevès (ed.), *Aquinas: Selected Political Writings* (Oxford: Basil Blackwell, 1954).

Crosscurrents

Freedom of Contract

As P. S. Atiyah suggests in his extremely important book, *The Rise and Fall of Freedom of Contract* (Oxford University Press, 1979), there is an interesting connection between economic liberalism and the common lawyers, a connection which may stretch as far back into the past as the time of Sir Edward Coke. The period Atiyah calls "The Age of Freedom of Contract: 1770-1870" is precisely the heyday of classical liberalism, both in theory and in practice. Although we may not entirely agree with Atiyah's conclusions on the decline of freedom of contract, we do agree that the decline of classical liberalism and freedom of contract are closely related phenomena. Atiyah also makes a mistake in so quickly dismissing one of the greatest classical liberals of the 19th century, Herbert Spencer. In his *The Man Versus the State* (1884), especially the essay "From Freedom to Bondage," and in *Principles of Sociology* (1876-1896), Spencer uses Sir Henry Maine's distinction between the régime of contract and the régime of status to demonstrate how the practices of the courts and Parliament were eroding individual liberties, and laying the groundwork for a rigid, oppressive régime of status in the future. Atiyah seems to have little appreciation for Spencer's insights. Atiyah's solution for a new theory of contract is

Aquinas paved the way for an autonomous secular moral theory by maintaining (to oversimplify somewhat) not that the precepts of natural law are right because God wills them, but that God wills them because they are right. A reaction against this view arose in the fourteenth century with William of Ockham (or Occam), who argued that the rightness of natural law is rooted in the will of God (voluntarism), thus denying to the precepts of natural law an independent foundation. Ockham's development of voluntarism was to play a significant role during the Reformation, with Luther and Calvin aligning with the voluntarist camp against the Catholic defenders of natural law. Francis Oakley has written extensively on medieval voluntarism; especially recommended is his *The Political Thought of Pierre d'Ailly: The Voluntarist Tradition* (New Haven: Yale University Press, 1964). Unlike many commentators who treat voluntarism as an abandonment of natural law, Oakley sees it as a variant within a broader natural-law framework. For a succinct treatment of Ockham's political theory, see E. F. Jacob, "Ockham as a Political Thinker" in *Essays in the Conciliar Epoch* (Manchester: Manchester University Press, 1963, pp. 85-105).

As we enter the modern era, especially in the sixteenth and seventeenth centuries, ideas of natural rights begin to emerge as a current within the natural-law tradition. This is the subject we shall explore in Part Two.

certainly suspect; however, his work is an excellent source of historical and legal information. It can be read in conjunction with A. W. B. Simpson's *A History of the Common Law of Contract: The Rise of the Action of Assumpsit* (Oxford: Clarendon Press, 1975).

A Wealth of Adam Smith

No liberal needs to be told of the vital importance of Adam Smith in the development of modern economic thought. We must thank Liberty Press/Liberty Classics once again for making a classic of liberal thought cheaply available for the reading public. Liberty Press has acquired the rights to reprint the authoritative *Glasgow Edition of the Works and Correspondence of Adam Smith*, and has made an excellent beginning with a two-volume edition of *An Inquiry into the Nature and Causes of the Wealth of Nations*. What is still more remarkable is the price: \$11.00 for the two-volume set. We urge you to purchase a copy for your library; even if you already have a copy, this edition is the one to have and to treasure. The other particularly important volume in the series is Smith's *Lectures on Jurisprudence*. This volume includes Smith's university lectures as well as an early draft of the *Wealth of*

Nations; it will appear in mid-April for the very low price of \$5.50. It is must reading. Order your copies from Liberty Press/Liberty Classics, 7440 North Shadeland Street, Indianapolis, Indiana 46250.

Antitrust attacked, again

Dominick Armentano, professor of economics at the University of Hartford, is a longtime and biting critic of antitrust legislation. He has expanded and revised his 1972 book, *The Myths of Antitrust: Economic Theory and Legal Cases* (New Rochelle, N.Y.: Arlington House, 1972). The new edition is entitled *Antitrust and Monopoly: Anatomy of a Policy Failure* (New York: John Wiley and Sons, 1982) and, as one can gather from the title, he has not mollified his attack. Of particular interest is his use of various Austrian theorists, such as Kirzner, to strengthen his argument against the idea of perfect competition.

There is, on the contrary, a part of human life which of necessity remains individual and independent and which as of right remains outside the jurisdiction of society. Sovereignty exists only in a limited and relative way. The jurisdiction of this sovereignty stops at the point where the independence of individual life starts. If society crosses this border it becomes as culpable as the despot whose title rests only on the sword of destruction; society cannot exceed its competence without usurpation, the majority cannot do so without becoming a faction. The consent of the majority by no means suffices in all cases to make its acts legitimate; there are some acts that nothing can make legitimate. — Benjamin Constant, *Cours de politique constitutionnelle*.

The Spirit of Conquest

Benjamin Constant was one of the first classical liberals to understand that the dictatorship of Napoleon was a new political phenomenon (the "usurper who arrives after a revolution made for liberty or in her name has many more means of sustaining himself than any other kind of despot"). Guy H. Dodge has written a new sympathetic study of Constant's thought, *Benjamin Constant's Philosophy of Liberalism: A Study in Politics and Religion* (Chapel Hill: University of North Carolina Press, 1980). In particular, the chapters on "Conquest, Dictatorship and Ancient Liberty" and "Constitutionalism" are important in order to understand Constant's theory of individual liberty, state power (usurpation), and the rule of law. A recent collection of Constant's political thought has been published in France in a useful one-volume paperback: *De la liberté chez les modernes: Écrits politiques*, ed., Marcel Gauchet (Paris: Pluriel, Le livre de poche, 1980). It is valuable for including the essay "De l'esprit de conquête et de l'usurpation" and the important "Principes de politique."

Political Capitalism

An important, but somewhat neglected, area of scholarly activity for modern classical liberals is that of imperialism. We can draw upon the stimulating insights of thinkers from other schools (such as Joseph Schumpeter, "The Sociology of Imperialism" in *Two Essays by Joseph Schumpeter*, ed. Bert Hoselitz (New York: Meridian Books, 1955); J. A. Hobson, *Im-*

perialism: A Study (University of Michigan Press, 1972); Parker T. Moon, *Imperialism and World Politics* (New York: Macmillan, 1927)), but we must eventually approach the subject from a uniquely liberal perspective. A crucial work which should help to forge such a liberal interpretation is Rudolf Hilferding's *Finance Capital: A Study of the Latest Phase of Capitalist Development*, ed. Tom Bottomore, translated by Morris Watnick and Sam Gordon, (London and Boston: Routledge and Kegan Paul, 1981). Long unavailable in English, this work, although flawed, should prove stimulating to classical liberals for several reasons. First, Hilferding understands that the formation of cartels and trusts requires active collaboration between governments and the banks—a view quite similar to the libertarian interpretation of the central role of the State and its central banking system in fostering a privileged business caste. Second, Hilfer-

ding's theory of the periodic crises that afflict the capitalist system is a "disproportionality" theory, and has some similarities to the Austrian theory of the trade cycle. Third, Hilferding attributes the need for tariffs, capital exports, and state guarantees for overseas production and investment, to the politicization of the economy brought about by protection and state-created banking monopolies. Hilferding was a member of the "Austro-Marxist" school, along with Otto Bauer, Max Adler, and Karl Renner. Although they were enemies of the free market, the Austro-Marxists' analysis of state capitalism is insightful and provocative. However, it must be read with caution. (A useful corrective to the Austro-Marxists' anti-market bias is Walter E. Grinder and John Hagel III's "Toward a Theory of State Capitalism: Ultimate Decision-making and Class Structure," *Journal of Libertarian Studies*, vol. 1, no. 1, 1977, pp. 59–79.) A handy introduction to Austro-Marxist thought is provided by Tom Bottomore and Patrick Goode in *Austro-Marxism* (Oxford: Clarendon Press, 1978).

Political Privilege in American History

A difficult and important task for libertarians is to identify exactly who benefits from the economic and political privileges carved out by the State over time. It is not enough to know *in theory* that such groups exist and live off the hard work of productive and peaceful individuals; one must know who they are, how they reached their privileged position, and how

antagonisms (which undoubtedly exist between these groups) can be exploited in order to terminate their free ride at taxpayer expense. Several works have appeared over the years which provide information on the activities of these groups and individuals. Most recently, the works by Philip H. Burch are particularly full of interesting information. Two volumes of his *Elites in American History* (New York: Holmes and Meier, 1980) have already been published: volume three covers the period from the "New Deal to the Carter Administration" and volume two "The Civil War to the New Deal." (Burch began publication with volume three.) Burch's writings provide an encyclopedia of information on the economic interests and family and personal backgrounds of the major cabinet, foreign policy, and supreme court appointments of the various administrations. Since volume three ends with the Carter administration, one must look to the Nixon-Ford chapters to find out about current figures, a surprising number of whom have been "recycled." Although Burch supplies a wonderful appendix which lists most of the important information in table form, volume three suffers considerably from the lack of a bibliography. Readers seeking more information may consult, along with the Burch volumes, the works of G. William Domhoff, especially *Who Rules America* (Englewood Cliffs, New Jersey: Prentice Hall, 1967);

The Higher Circles: The Governing Class in America (New York: Random House, 1971); and *The Powers That Be: Processes of Ruling-Class Domination in America* (New York: Random House, 1979). Victor Perlo's *The Empire of High Finance* (New York: International Publishers, 1957) is also informative, and is particularly good on the powerful banking families and their economic and political connections. However, the reader should be aware of Perlo's Marxist bias, which leads him to misunderstand the fundamental difference between the peaceful rewards of the free market and the spoils of economic interventionism.

About the Editor

David M. Hart, the editor of the *Humane Studies Review*, is Academic Programs Assistant at the Institute for Humane Studies. He is presently a graduate student in Modern European history at Stanford University. Hart came to the U.S. in June 1981 after completing an Honours Degree in History at Macquarie University, Sydney, Australia and studying in Germany at the Johannes Gutenberg University in Mainz. His academic interests include the history of French Classical Liberal thought and the origins of the First World War.

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