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**John** 

Locke

# 'Classical Liberal' Ludwig von Mises 1940s

John Stuart Mill

Adam Smith 1770s

By Nigel Ashford

ouse Speaker Paul Ryan (R-Wis.) was widely mocked after he described himself as a classical liberal in an address to College Republicans in Madison last October. Ryan was referring to his admiration for free-market economists such as the Austrian Ludwig von Mises, who described himself as a classical liberal in his book *Liberalism*.

When Nobel Prize-winning free-market economist Milton Friedman died in 2006, the American media called him the best-known conservative economist of his time. In the rest of the world, he was described as the best-known liberal economist. As this indicates, the terms "liberalism" and "conservatism," and the variations within them, are not universally understood.

Classical liberalism (sometimes called libertarianism) is a school of thought that places the freedom of the individual at its core. Key historical figures in this tradition are John Locke, Adam Smith, John Stuart Mill and, more recently, Friedrich Hayek and Friedman. Today, businessman and philanthropist Charles Koch says he considers himself a classical liberal.

When today's conservatives describe themselves as such, here's what they really mean

### What is classical liberalism?

Classical liberalism has 10 key principles:

- Freedom is the most important political value. It is not the most important value. Each individual will choose for himself or herself what to value most. It may be family, religion, friends, work, etc. Freedom to choose is the necessary condition for people to pursue their own goals.
- •The individual is more important than the collective. The collective exists to serve the individual, not vice versa.
- · Classical liberals are skeptical about power because they

believe it is usually exercised in the interests of the powerwielder.

- A free society requires the rule of law, that certain higher principles, such as equality before the law, should override legislative or executive decisions that betray those principles.
- ·Social problems are more effectively dealt with by civil society — such as the family, churches and charities than by government.
- ·Order enables people to pursue their goals and is best achieved spontaneously, rather than commanded by government.
- Free markets are superior to government intervention in creating wealth, providing good employment and reducing
- People have very different values and beliefs, and can live together only with toleration, not by interfering in behavior of which one disapproves.
- Peace (the lack of violence) is a precondition for people to live their lives.
- Government should be strictly limited in its scope and size.

### Classical liberalism and conservatism

Classical liberalism has been identified as one element within modern conservatism in America. In his widely celebrated book, The Conservative Intellectual Movement in America Since 1945, George Nash identified three strands of thought that united in conservatism against the growth of government: traditionalism, libertarianism and anti-communism. William F. Buckley and his National Review magazine represented this combination of conservatism, often labeled "fusionism."

Conservatism and classical liberalism had much in common. They both emphasized the importance of freedom. They opposed the growing encroachment of the state in all aspects of life. They viewed communism as the greatest threat to free societies.

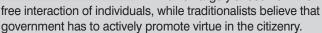
However, there also were tensions between traditionalist conservatives and classical liberals, with the key difference being the balance between liberty and order. The two camps agree on the value of both but prioritize them differently.

They agree that order, defined as rules that enable the predictability of people's behavior, is essential to a free society.

> Classical liberals believe that order mostly can be left to the free decisions of individuals, which Hayek described as spontaneous order. Traditionalist conservatives, too, believe order but think that govern-

The root in the disagreement, I think, is whether one has a more positive or negative view of human nature. Classical liberals believe that good behavior largely arises from the

in spontaneous or organic ment has to play a much bigger role.



Hayek wrote a famous essay, "Why I Am Not a Conservative," as an appendix to his book The Constitution of Liberty. He identified six key differences between conservatives and classical liberals:

- Conservatives fear change, while classical liberals embrace it despite its unpredictability.
- · Conservatives defer to authority, while classical liberals are suspicious of it.
- · Conservatives are suspicious of democracy, while for classical liberals, the question is not who governs but what is governed.
- · Conservatives fear new ideas, while classical liberals embrace them.
- Conservatives are hostile to internationalism and embrace strident nationalism, while classical liberals are internationalists and suspicious of nationalism.
- Conservatives look to religion for inspiration for temporal decisions, while classical liberals support a sharp distinction between the spiritual and temporal.



— House Speaker Paul Ryan, Oct. 14, 2016, in address to College Republicans in Madison

"I really call myself a

classical liberal more than a

conservative, because what

that means is we believe in

those core principles that

made this country great:

liberty, freedom, equality,

self-determination.

the Constitution."

# **Guest Opinion**

Critics of Hayek thought his essay was more applicable to European conservatism than to American conservatism, which was more influenced by classical liberal values in the founding.

While these tensions existed within the conservative movement throughout its history, the identification of common enemies in communism, socialism and progressivism overcame these tensions. Will that continue in the future?

# Modern liberalism and classical liberalism

The roots of modern liberalism can be found in the classical liberalism of the 18th century, but there was a major break around 1900. The common characteristic of liberalism — both classical and modern — is the importance of freedom.

Liberalism is individualistic, placing the primacy of the individual against the collective. Liberalism is egalitarian, in the sense that all people have moral status. Liberalism is internationalist, in the sense of the moral unity of the human species. Liberalism is meliorist in that it believes in the ability to im-

prove institutions, although it does not have a utopian belief in the ability to create a perfect world.

In the 19th century, liberalism was unified around these principles: laissez-faire economics, free trade, democracy as a check on government, the centrality of private property, the moral value of the individual and a distrust of government. The big division was whether this liberalism was justified by utilitarianism — the happiness of the greatest number — or by an appeal to natural rights, derived from God or reason.

A key moment in the breakup of liberalism was Mill's book On the Principles of Political Economy, which drew a sharp distinction between the production of wealth and the distribution of wealth. While liberals then, and classical liberals today,

# Misunderstanding 'Classical Liberal'

Yan may be taking the plunge, coming out of the liberal closet. He may be ready to admit what many of us have known since before he became Speaker, during his times pushing TPP and open borders. ... Ryan took that first step in coming out as the closet fascist we know him to be. He declared himself to be a 'classical liberal more than a conservative.' That's progress, Ryan; while there's nothing classical about you, the liberal point is undeniable."

— **At truthfeed.com**, in an October 2016 post titled "WOW! Traitor Paul Ryan Admits He's a LIBERAL, NOT a Conservative"

Who knew!? ... Being a classical liberal while serving as a Republican congressman makes Paul Ryan a bona fide hack. ... With liberals daily at our heels ... we need strong congressional leaders. ... What we do not need is a feckless RINO Hacky Sack sabotaging us at every step of the way!"

— V. Saxena on downtrend.com, in an October 2016 post titled "Paul Ryan unveils DEEP SECRET, proves Trump was 100% right about him"

hat a turncoat, he even admits it!"
"Traitor. Way to blow your political future!"

— Comments on reddit.com

believe that the production of wealth is shaped by whether distribution is determined by the free market or by state intervention, Mill suggested that changing the way wealth was distributed would have little effect on its production.

The emergence of modern liberalism, then called New Liberalism, can be identified around 1890. I prefer to call it welfare liberalism. This was associated with thinkers such as T.H. Green. Bernard Bosanguet and L.T. Hobhouse. The key features are: The individual was the product of the community; freedom is the ability to satisfy your wants (positive freedom); and the state's role was to create the conditions for positive freedom.

There are eight key differences between classical and modern liberalism:

- How is freedom defined? Classical liberals (and most conservatives) have a socalled negative definition of freedom, seeing it as the lack of interference by others. Modern liberals have a positive conception of freedom: Freedom means the ability to satisfy your wants.
- •Classical liberals see government as coercive, as using force or the threat of force to get citizens to do what it wants. Modern liberals see government as liberating individuals from the constraints of society.
- Classical liberals see private property as a fundamental right that is most important to protect, while modern liberals see private property as only one right among many, and a right that might be sacrificed for other goals.
- Classical liberals (and most conservatives) believe in free markets, while modern liberals favor state intervention in the economy.
- · Classical liberals believe that the primary provision of

# **Guest Opinion**

welfare for the poor and those in difficulty should lie with the community, or civil society, while modern liberals believe that this is the responsibility of the welfare state.

- Classical liberals (and most conservatives) believe that justice is about fair procedures, while modern liberals believe in "social justice," fair distribution.
- Classical liberals (and most conservatives) believe in equality before the law. Modern liberals believe in economic equality, that the state should guarantee some level of economic equality.
- Classical liberals (and most conservatives) believe that government should be restrained and limited, while modern liberals believe that the job of government is to pursue the common good, and therefore constraints on government should be removed to achieve that goal.

Modern liberals have strayed so far from the original ideas of liberalism that most no longer deserve that label. Many modern liberals now embrace the more accurate term: "progressive."

Sen. Robert La Follette of Wisconsin was a leading proponent of progressivism in the early 20th century. Key features of progressivism are that the individual is to be subordinated to the common good; decisions should be made by experts, which led to the growth of the administrative state; and economic equality is a primary goal of government, even at the expense of liberty.

### The future of classical liberalism

Classical liberals are deeply suspicious of the populist turn in the era of Donald Trump. There is much discussion about the meaning of the term "populism." Sometimes it is used to describe a style of politics. It is a political movement led by charismatic individuals, using fiery rhetoric, against the elite and claiming to act on behalf of the people. The populist style can be both right wing and left wing, such as Hugo Chavez in Venezuela.

Populism favors protectionism, nationalism and a lack of concern about constraints on government. It holds

that businesses should operate in the national interest, rather than the interests of the company. This goes against fundamental beliefs of classical liberals in free trade, internationalism, restraints on government and that business should operate in a free market. But many conservatives

Friedrich Hayek 1950 and classical liberals agree on these points.

Can classical liberals and conservatives unite against many features of this new populism, while supporting particular policies that promote freedom, especially in the economic realm?

Classical liberals argue that they have more in common with modern liberals than with populists or conservatives. I think this would be true if modern liberals were liberals, but they have largely abandoned their faith in the freedom of the individual in favor of progressivism. So on some issues, such as civil liberties, they may be able to cooperate, but those areas may be very limited.

Do liberalism and conservatism still describe the Democratic and Republican parties? I think not. Instead, they are progressives and populists.

So what is the future role of classical liberals and conservatives? One option is to create new political parties. But a better option is to rebuild the coalition between classical liberals and conservatives, and take back the Republican Party.

The question is not whether Paul Ryan is a classical liberal. It's whether Donald Trump is a conservative and whether Elizabeth Warren is a liberal.



Paul Ryan 2016

Charles Koch 2015

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Milton Friedman 2004