

MODERN HISTORIOGRAPHY AND POLITICAL EDUCATION

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F. A. Hayek opened the inaugural meeting of the Mont Pelerin Society on April 1, 1947. On Wednesday morning, April 2, 1947 the second substantive session of the proceedings concerned: MODERN HISTORIOGRAPHY & POLITICAL EDUCATION. Lionel Robbins was in the chair. The discussion was opened by presentations by two noted historians: Miss C. V. Wedgwood and Carlo Antoni (Istituto Nazionale per le Relazioni Culturali con l'Estero, Rome). Cicely Veronica Wedgwood (1910-1997) of the famous family of entrepreneurs (Charles Darwin's mother was the daughter of Josiah Wedgwood (1730-95)) was an historian of the Thirty Years' War and English Civil War and wrote books on Richelieu, Charles I, and Cromwell. She was made a Dame in 1968. Miss Wedgwood died in London March 9, 1997. The speakers commenting on Miss Wedgwood's and Professor Antoni's presentations were Professor Erich Eyck (Oxford University and distinguished German historian of William Pitt the Elder and William Gladstone), Professor H. Tingsten (University of Stockholm; and perhaps commenting on behalf of the great Swedish historian, Eli Heckscher, a founding member of the MPS but who was unable to attend the first meeting), F. A. Hayek (LSE) Karl Popper (LSE), Ludwig von Mises (NYU), William Rappard (Geneva), H. Barth (Zurich), and Frank Knight (Chicago).

After that roster of names, I wonder if I should not merely sit down. However, as in the seventeenth century scholarly debate over the Ancients and the Moderns, the founders of the Scientific Revolution and the Enlightenment proposed that even dwarfs (us today) standing on the shoulders of giants (Mises, Hayek, Wedgwood, Antoni) can see more and further than our progenitors if we use what they transmitted to us.

Yet again, I ask: ought we to occupy this rostrum? Hayek said: "But while this means for the mathematician or logician that he may do his most brilliant work at eighteen, the historian, to go to the other extreme, may do his best work at eighty." ("The Dilemma of Specialization" pp. 123-24) Should this panel wait and return here in a couple of decades?

The origins of the MPS were the two meetings of the Colloque Walter Lippmann called in Paris in August, 1938 by Louis Rougier, and in January, 1939 by Jacques Rueff. Using the translation (*La Cite Libre*) of Lippmann's best seller, *The Good Society*, Rougier sought to form an international society for the revival of Liberalism. Twelve participants were also early members of the MPS: Raymond Aron, Louis Baudin, F. A. Hayek, Ludwig von Mises, Michael Polanyi, Wilhelm Roepke, Louis Rougier, Jacques Rueff, and Alexander Rustow. Rougier had criticized *la trahison des clercs*. Julian Benda's *L*

Trahison des clercs (1927) had gained ever increasing attention. In 1938 the primary tasks seemed to be the intellectual ones: account for the decline of Liberalism; determine if Liberalism's decline was inevitable or reversible; and what would revive Liberalism? An agenda for the revival of Liberalism required the study of "Le problem de l'education liberale des elites and des masses. Adversaires de droite et de gauche du liberalisme."

Think of the intellectual milieu of the first MPS members. Meeting each other again for the first time since 1939. Those who had come of age before 1914 had seen hopes for a Liberal future destroyed by the First World War and by its consequences: Communism in Russia, Fascism in Italy and National Socialism in Germany. They had seen how the failure of the Peace in 1919 created the conditions for a second cataclysm in Europe. Thus, the topics of other 1947 MPS sessions: "Future of Germany," "European Federation," "Liberalism & Christianity," and "The Present Political Crisis."

Hayek claimed he did not have an historical sense in contrast to Ludwig von Mises. It is true that Mises was knowledgeable in historical events and examples. But, Mises had abandoned his initial academic interest in history because economics provided greater certainty. Perhaps that explains Mises strong involvement with historical methodology in sections of Human Action, and in his book, Theory and History. Mises was influenced by the Southwest German School of History represented by Wilhelm Dilthy, Max Weber, and Heinrich Ricket (whose 1902 Kulturwissenschaft und Naturwissenschaft Mises arranged the 1958 translation into English as Science and History).

However, it was Hayek who contributed more to historical studies and especially saw the importance of historical education than Mises. Hayek wished to undertake an intellectual history of Liberalism and its opponents. Hayek's The Counter-Revolution of Science was a contribution to analysis of Liberalism's opponents. When he published in Economica the articles that formed that book, he accompanied them with a translation of the chapters on the same opponents in Eli Halevy's Era of Tyrannies. But, the important study of the several major figures in the Scottish Enlightenment - Hutchison, Hume, Smith, Ferguson, Miller, Reid, et al. - were too much for one scholar, and Hayek abandoned his project.. Some of the themes were incorporated into The Road to Serfdom.

The series of lectures which Hayek presented during and after the Second World War as preliminaries to the founding of the MPS centered on the importance of historical analysis for an understanding of the post-war world crisis. Hayek used several 19th century Liberal historians as the conceptual center for the proposed international society. Hayek focused on Lord Acton, the great intellectual friend of the Liberal leader, William Gladstone. Acton as Regis Professor of Modern History at Cambridge University (1895-1902) launched the famous series, Cambridge Modern History. Acton did trace the origin of modern liberty in his "The History of Freedom in Antiquity" and "The History of Freedom in Christianity," but did not complete his "History of Liberty." Alexis de Tocqueville also figured prominently in Hayek's thinking due to his Democracy in America and the Old Regime and the Revolution. Jacob Burckhardt (1818-1897), the Basel historian of the Italian Renaissance, sometimes came to Hayek's mind.

Acton was a European Englishman; Tocqueville was an Anglophile Norman. They both considered themselves centered in Western culture or Christendom whatever the view of their thinking by Catholic Church authorities might have been. Thus, they represented for Hayek two of the most important purposes of the proposed society: history and political education; and Liberalism and Christianity

Hayek had noted the earlier mutual hostility of Liberalism and Religion; the threat of socialism among religious thinkers; and at the same time, the strength of resistance among religious people to National Socialism and Communism (Hayek said: "of German war literature it almost seems as if what spirit of liberalism can still be found in Germany is mainly to be found among the Catholic groups.") Hayek saw the probability that in Soviet-occupied Europe and in Western Europe the religious peoples would be the most resistant to socialist movements. Hayek hoped that Liberals could assist this resistance by offering Liberalism's own strengths. History might be the bridge between the philosophical analysis of the religious and the economic analysis of Liberals.

Hayek's explicit proposal for the MPS was presented when The Road to Serfdom was at the printers. He spoke to the history students at King's College, Cambridge under the chairmanship of the great economic historian, Sir John Clapham. Hayek believed that the revival of Liberalism was important if "we shall be able to rebuild something like a common European civilization." Hayek saw German historiography and Germany's role in the future of Europe as central to "those values on which European civilization was built." Probably Hayek had in mind the historians of pre-1914 Germany and Austria-Hungary. Lord Acton was trained in historical sciences at the University of Munich; Acton read all the German historians, and personally knew these German historians during the Golden Age of German Historiography.

In his King's College, Cambridge lecture, "Historians and the Future of Europe" (February 28, 1944), Hayek focused on Lord Acton as the model for post-war Liberal scholars and for the proposed international Liberal society. According to Hayek, Lord Acton

unites, as perhaps no other recent figure, the great English liberal tradition with the best there is in the liberal tradition of the Continent - always using 'liberal' in its true and comprehensive sense, not, as Lord Acton expressed it, for the 'defenders of secondary liberties', but for one to whom individual liberty is of supreme value and 'not a means to a higher political end'.

Liberalism would be able to play an important role in the resistance to collectivism when it revived "those values on which European civilization was built" by Liberalism's historical contribution. In the tradition of Lord Acton, Alexis de Tocqueville, and Jacob Burckhardt, Liberal historians would show: first, that Western Culture was the source for Liberalism; and second, that Liberalism was the core of Western Culture in the present and future. In this history lecture Hayek included several quotations from Lord Acton, among them:

Whenever a single definite object is made the supreme end of the State, be it the advantage of a class, the safety or the power of the country, the greatest happiness of the greatest number, or the support of any speculative idea, the State becomes for a time inevitably absolute. Liberty alone demands for its realization the limitation of the public authority, for liberty is the only object which benefits all alike, and provokes no sincere opposition. (p. 145)

Hayek's "Opening Address to a Conference at Mont Pelerin" (April 1, 1947) continues his theme in the history address at King's College, Cambridge: Hayek declared:

You will probably agree that the interpretation and teaching of history has during the past two generations been one of the main instruments through which essentially anti-liberal conceptions of human affairs have spread; the widespread fatalism which regards all developments that have in fact taken place as inevitable consequences of great laws of necessary historical development, the historical relativism which denies any moral standards except those of success and non-success, the emphasis on mass movements as distinguished from individual achievements, and not least the general emphasis on material necessity as against the power of ideas to shape our future, are all different facets of a problem as important and almost as wide as the economic problem. I have suggested as a separate subject for discussion merely one aspect of this wide field, the relation between historiography and political education, but it is an aspect which should soon lead us to the wider problem. I am very glad that Miss Wedgwood and Professor Antoni have consented to open the discussion on this question.

It is, I think, important that we fully realize that the popular liberal creed, on the Continent and in America more than in England, contained many elements which on the one hand often led its adherents directly into the folds of socialism or nationalism, and on the other hand antagonized many who shared the basic values of individual freedom but were repelled by the aggressive rationalism which would recognize no values except those whose utility (for an ultimate purpose never disclosed) could be demonstrated by individual reason, and which presumed that science was competent to tell us not only what is but also what ought to be. Personally I believe that this false rationalism, which gained influence in the French Revolution and which during the past hundred years has exercised its influence mainly through the twin movements of Positivism and Hegelianism, is an expression of an intellectual hubris which is the opposite of that intellectual humility which is the essence of the true liberalism that regards with reverence those spontaneous social forces through which the individual creates things greater than he knows. (pp. 154-55)

20th Century Liberalism had neglected history. Socialists and Fascists had produced histories to gain favorable reception among the intellectuals and the reading public. Hayek believed it was imperative for Liberalism's success among intellectuals and public opinion for Liberals to encourage historical writing. Hayek noted that most people learned their

economic concepts in their history courses in secondary and higher education. Hayek noted that history courses were the sources of the public's economic concepts in his "The Intellectuals and Socialism" (The University of Chicago Law Review (Spring, 1949)).

C. V. Wedgwood said at the 1947 MPS meeting:

By "Political Education" I mean the instruction and persuasion in the widest possible sense of the literate and - in democratic countries - the voting population. ... Now Historiography and Political Education - in the end - means simply this: the way in which past facts have been presented to the public, and the way in which the public, in its various sections, has received and used those facts, absorbed them, understood them, and made deductions from them. ... great as is the harm done by some sorts of history it yet remains a great humane study, possibly the great humane study, and the best school of politics and political psychology. But in any case it cannot be eliminated because people will have it. You can eliminate the historian but not the interest and fascination of the past. If people are not given history they will invent it, and they may invent it badly, or at least fall victims to bad inventions. ... The only safeguard is free competition between historians and pure propagandists - the historian will tend to win (because of) conscience and moral values.

It is interesting that Popper and Mises both responded by emphasizing the importance of relevance, the importance of an a priori basis of selection. Popper said: "Political education is needed in order to select the problems of history which we want to study." Roepke and Eucken seemed to see history as the wider or more general theory of liberalism while economics theory was the means to this general end. Frank Knight gave this intriguing response: "Reviving theory of natural law. Natural law is very important. But with the revival of natural law it is still perfectly possible to have a dynamic theory of natural law."

The papers and comments were at an initial stage of discussion which should have been continued by those and other discussants in the future meetings of the MPS. There was little if any continuity of this discussion at future meetings of the MPS. No liberal historians were encouraged to present papers to be challenged by Mises, Popper or Knight, or by Hayek, Roepke and Eucken.

Max Hartwell's listing of topics during over four decades of MPS meetings is useful. The topic of Liberalism was on the MPS agenda 12 times (1947-59), 8 times (1960-69), 3 times (1970-79), and 10 times (1980-89). Ideology which might encompass the theme of this session appeared 9 times (1947-59), and only once more since that earliest period. Thus, there was a falling away from the breath of themes after the founding meeting.

Hayek's desire that the Society include a wide range of historians, philosophers and political theorists along with the economists was not fulfilled. The historian, Miss C. V.

Wedgwood, who with Carlo Antoni, had presented the paper on modern Historiography at the founding meeting, resigned as she could not make a useful contribution in a society whose meetings seemed devoted only to economics. Miss Wedgwood was far-ranging as she was an editor of Time and Tide. Following the Aviemore meeting in Scotland in 1968 there was a call that "Special efforts should be made to strengthen representation of philosophers, historians, political scientists." But, no effort was made.

Yet, this was in the context of the most stunning success of the Society's meetings: publication of Capitalism and the Historians (University of Chicago Press, 1954).

The fourth meeting of the Society was organized at Bauvallon by French members chaired by F. M. Morisot. Thanks to the diligence of Max Hartwell, we have a report of the session, "The Treatment of Capitalism by the Historians," which appeared in an account of the MPS meeting in the Swiss Review of World Affairs (November, 1951):

"It began with lectures by T. S. Ashton (London), Louis M. Hacker (New York), B. de Jouvenel (Paris) and Max Silberschmidt (Zurich). Professor Silberschmidt, in his paper which greatly influenced the ensuing talks, pointed out that the German historians of the 19th and 20th century were fundamentally as passive toward capitalism as they were toward Marxism. Franz Bohm stated that in the center of the historians' thinking still stands the struggle for power, whereas we have learned that our great task is to let the tremendous social process run its course with a minimum application of power. T. S. Ashton delivered a most convincing critique of the determinist concept of history. He also expressed the conviction that the younger generation of historians is beginning to realize that in the past historians have frequently painted a distorted picture of capitalism, and that the time has come for an unbiased reevaluation of the liberal tradition of thought." (Hartwell, p. 92)

T. S. Ashton's conclusion that "the time has come for an unbiased reevaluation of the liberal tradition of thought" was correct but remained an unfulfilled hope. Nevertheless, three of the four papers of the MPS session in Beauvallon (Professor Max Silberschmidt's was not available in written form), along with previously published journal articles by Ashton and W. H. Hutt, were published with an introduction and a historiographical essay by F. A. Hayek as Capitalism and the Historians (1954). This has been an influential and wide-selling work.

Hayek's Introduction to that book, "History and Politics," begins:

Political opinion and views about historical events ever have been and always must be closely connected. Past experience is the foundation on which our beliefs about the desirability of different policies and institutions are mainly based, and our present political views inevitably affect and color our interpretation of the past. ... The influence which the writers of history thus exercise on public opinion is probably more immediate and extensive than that of political theorists who launch

new ideas. ...There is perhaps no better illustration of the manner in which for than a century the whole political ethos of a nation, and for a shorter time of most of the Western world, was shaped by the writings of a group of historians than the influence exercised by the English 'Whig interpretation of history'. It is probably no exaggeration to say that, for every person who had firsthand acquaintance with the writings of the political philosophers who founded the liberal tradition, there were fifty or a hundred who had absorbed it from the writings of men like Hallam and Macaulay, or Grote and Lord Acton. ... Its beneficial effect in creating the essentially liberal atmosphere of the nineteenth century is beyond doubt and was certainly not due to any misrepresentation of facts. ... it certainly gave the generations brought up on it a true sense of the value of the political liberty which their ancestors had achieved for them, and it served them as a guide in preserving that achievement. (pp. 201-203)

If the MPS had not continued with an interest in history, after the great success of the publication of Capitalism and the Historians, it can be explained by an erosion of Hayek's original focus. That explanation can be shared both by the historians and the economists.

There were very few Liberal historians. There were historians who were Conservative or Christian Democrat. They were opposed to socialism for customary or philosophical reasons, but they were not focused on the economic analyses provided by MPS members. Few academics in the 1950s paid attention to the important contributions, for example, of Yale Brozen or Greg Lewis on the harmful impact of minimum wage laws on employment of minority youth. Further, after the founding of MPS, economics became a more mathematical and less accessible subject. Economics deprived itself of influencing other academics. Economics abandoned its role in the process of 'political education.'

Historians had moved away from the leftist historiography of the 1930s and 1940s. Historians had settled into Arthur Schlesinger Jr.'s Vital Center, a Consensus History of the Fabian Welfare State. MPS members had good reason to feel comfortable about History. Historians were calmly researching data, publishing it and teaching it.

Indeed, the teaching of history had reached a high level. After the second world war, grateful fellow U. S. citizens provided the veterans with scholarships to complete high school and to attend universities. In the United States this began the trend toward a higher proportion of citizens attending universities. This was accompanied by a temporary increasing quality of secondary education. Primary education had yearly courses in history (U. S. and European) and in geography (American and world). The four years of secondary education required several years of U. S. and European history, and sometimes introductory economics.

Students arrived at the university with a good grounding in history. In the university the students had many requirements for the bachelor's degree including history courses. Generally, students were required to study one year of American history and one year

of Western Civilization, essentially European history beginning with the ancient civilizations of Sumer and Egypt. Western Civilization courses studied Classical Greece and Rome, the Middle Ages, Renaissance, Reformation, English and French Revolutions, Scientific Revolution and Enlightenment, Industrial Revolution, Nationalism, and the Wars of the 20th Century.

While this list may seem normal and neutral to most listeners, Western Civilization has been subjected to strong criticism in the last decades as oppressive and brain-washing. The criticism in the U. S. says: that by concentration on the history of Europeans, European-Americans have brain-washed the 10-20% of non-European-American students as well as denying the European-American students instruction about other cultures. It says that European culture is an aggressive, dominating one which is better not taught so that the evil might die out. A short version would be that Israel contributed Monotheism, Greece objective truth, Rome the rule of law, Medieval Christianity that God created the material universe for the use and enjoyment of Mankind, leading to science, technology and development of natural resources. Critics say that all these are evils caused by the West.

What is the long list of evils which must die out? Western Civilization has provided Rational Theology, Systematic Philosophy, Rule of Law, Humanism, Diffusion of Printing, Scientific Method, Toleration, Liberalism, Democracy, Economic Science, Industrial Application, Mass Production, etc. These are considered evils by the current generation of historians because they have given false consciousness, oppressive toleration, myth of democracy, mass consumption of goods, etc.

I fear that those opposed to the Western Civilization course have made it look to us much better than it actually is. Normally, there are so many facts, and themeless evolutions, that neither the teachers nor the students would recognize so clearly the outlines described by the critics. Nevertheless, those themes are embedded in the material. Were the course better organized, those themes would be good organizing concepts, the better to assist the students' study of the subject.

In the general movement to reduce the required courses for the first university degree, in the U. S., Western Civilization courses have disappeared as a requirement or is one of a number from which to select.

The modern university is a product of the 18th Century Industrial Revolution in the sense that the market for the university became the increasing middle class created by modern industrialization. The university had emerged from the eleventh century cathedral schools. More rigorous training in the Greek philosophers transferred to Western Europe from the Islamic schools caused their reformulation into universities. At the same time, re-discovered texts led to the similar organization of legal and medical studies. By the 18th century, in England and America, medical education tended to focus on real life cases in the hospitals, and legal education occurred in the Inns of Court and lawyers' chambers. The universities had become mainly the seminaries for training the clergy: courses in Hebrew, Greek and Latin, philosophy and theology predominated.

The growing middle class wanted to invest in education to provide for their children's future. A university degree was one method of providing a minimum, lowest common denominator, qualification for middle class children to enter the expanding and unpredictable world of the modern economy. (President Clinton seems to be seeking to re-invent something similar for youth who have been failed by the public secondary schools at a time when America has led the way into a global economy into which entry is by real skills and no longer by paper certificates of secondary schools or community colleges.)

The curriculum of the 19th century university - classical languages and philosophy - provided a rigorous mental training for the unknown career options which were emerging. Harvard led the way in change by introducing the elective system whereby the student selected course from a range of offerings. New subjects were introduced such as sciences, history and economics. Meanwhile, technical and scientific education provided for the market in engineers, etc. But, in America, after the first world war, Chicago, Columbia and Harvard universities sought to re-introduce a common element in the university curriculum. Western Civilization was the common course that emerged.

The course's purpose was to provide all university students with a shared understanding of the past of the Atlantic society. This was intended to be political education. Generally, the Western Civilization course represented a general liberalism which is truly at the heart of modern history. Hayek said of Western history: "its beneficial effect in creating the essentially liberal atmosphere of the nineteenth century is beyond doubt and was certainly not due to any misrepresentation of facts." Hayek emphasized "the influence writers of history exercise on public opinion." For him, history seemed at the center of political education.

The cultures and histories of all peoples of the earth are valuable, instructive and worthy of study. There are practical limitations attempting to get students in the Western Hemisphere or Europe to study names and places with very unfamiliar spellings. But, there is more than the now-no-longer always accepted argument that it is 'our' history. It is more important that it is the history of the only successful civilization in terms of freedom and prosperity. (Chinese students in Singapore, Taipei or San Francisco study mathematics or science, and if they study history, they study Western Civilization, while students in America are asked to instead concentrate on courses on personal relations or correct political behavior.)

Another valuable history course for beginning university students was The History of the Western Hemisphere. It was required in the California and other western US universities from the 1930s to the 1960s. Since the students had had many courses in American history this course built on them by providing a study of what happened between 1492 and the Pilgrim Landing in 1620, as well as subsequently in the whole Western Hemisphere. Since most of the western US had a Spanish region until after 1845, this course provided a continuous history of that region as well as the Hemisphere, including Canadian history. Unfortunately, the History of Western Hemisphere was dropped with introduction of curriculum diversity in the 1960s.

In The Economist Review Sir Raymond Carr (historian of Spain and Latin America) provided his observations on European histories by three noted English historians: Norman Davies, J. M. Roberts, and Hugh Thomas. (Cf. J. M. Roberts, The Triumph of the West.)

Carr finds challenging Thomas' emphasis on the influence of technology on societies.

Like Mr. Roberts, Lord Thomas argues that good history is necessary because bad history brings disaster on those who peddle it and seek to impose their distorted visions on whole societies.

But history to Lord Thomas, is not without lessons. History properly understood puts people on guard against "the growth and grossness of the modern state". Like his admired de Tocqueville, he sees centralising regimes crushing those intermediate bodies that sustain liberty and give colour to our lives. The success of America is, he thinks, a result of an optimistic view of the capacities of human beings; most things are better done by individuals than by the overgrown state.

(The Economist (November 16th 1996)

The End of History and the Last Man (1992) by Francis Fukuyama (now at George Mason University) focused attention on universal history. The Clash of Civilizations and the Remaking of World Order by Samuel P. Huntington (Harvard University) appeared in late 1996. In the best review of the book Richard Pipes (emeritus professor of Russian history at Harvard) provides us with a pithy summary of the issues of Western Civilization (Commentary, March, 1997, pp. 62-65). Pipes says:

The thrust of Huntington's argument concerns the progress of Westernization. He rejects the notion of universal history; the vision of a world inevitably succumbing to Western values, he argues, rests on superficial impressions gathered from the spread of "fizzy liquids, faded pants, and fatty foods," or on the adoption of English as the global lingua franca. Neither of these, Huntington claims, has much to do with Westernization in any meaningful sense of the word. To the contrary, the West's influence in the world is waning, because of growing resistance to its values and the reassertion by non-Westerners of their own cultures. ...

The great merit of this book is to shift discussion of the post-cold-war world from ideology, ethnicity, politics, and economics to culture - and especially to the religious basis of culture, a subject generally ignored in contemporary political science. ... I question Huntington's lack of confidence both in the future of Western civilization and in its ability to influence the rest of the world.

For one thing, resistance to Western ideas in many places around the globe is inspired not so much by the desire to cling to one's own values as by fear, on the part of indigenous elites, of the social and political consequences of Westernization.

But I find myself in even more fundamental disagreement with Huntington over the notion of Western civilization itself. In defining its attributes, he stress the classical legacy of Greece and Rome; Catholicism and Protestantism; the multiplicity of Western languages; the separation of spiritual and secular authority; the rule of law; social pluralism; representative institutions; and individualism. These categories leave out what is most decisive in the rise of the West to world hegemony: namely, private property with its corollaries, political freedom and economic growth. It is these that make Western civilization unique. Any country that wishes to attain prosperity and power in the modern world has not choice but to emulate these Western ways with all their attendant consequences.

Some contemporary economic historians have demonstrated that the unprecedented growth of the Western economy has been due first and foremost to the creation of a juridical base favorable to enterprise, with private property as its centerpiece. As Douglass C. North and Robert P. Thomas put it in The Rise of the Western World (1973):

Efficient economic organization is the key to growth; the development of efficient economic organization in Western European accounts for the rise of the West. Efficient organization entails the establishment of institutional arrangements and property rights that create an incentive to channel individual economic effort into activities that bring the private rate of return close to the social rate of return.

If this hypothesis is correct - and the close correlation between the per-capita wealth of countries and the degree to which they guarantee private property and individual freedom suggests that it is - then it follows that economic growth, which is the foundation of prosperity, social stability, and international influence, entails Westernization.

Douglass C. North has provided recently a brief summary of why the study of the history of Western Civilization is important. In 1993 North received an Honorary Doctorate from the Economics Faculty of the University of Zurich. His Zurich lecture, "Competition and Values in the Rise of the West," was published in the Swiss Review of World Affairs (November 1993, pp. 23-24). North states:

It seems paradoxical that modern economic growth first took root in Western Europe, a relatively backwater part of the world in the Middle Ages. ... The apparent paradox, however, stems from modern misconceptions about the sources of economic growth. ...

In going back a millennium to search for the roots of modern economic growth, we must look to the institutional framework and to the intellectual context from which sprang the belief systems and consequent perceptions that guided human actions.

The proper focus, however, should be not on specific norms but on the learning process by which a particular belief structure - in this case derived from religion - evolves. ... Thus it may be argued that the Christian religious framework of the Middle Ages provided a hospitable filter for learning that led to adaptations congenial to political/economic growth (an argument Max Weber made about Protestantism, specifically); or, alternatively, that the specific geographic/economic/institutional context of the medieval Western world provided the unique experiences responsible for the resultant adaptations. In fact, it was a combination of the two that produced those adaptations in the belief system which were conducive to economic growth. ...

For example, Christian beliefs gradually evolved the view that all legitimate government must be based on the consent of the governed; further, the Church developed the practice of holding representative councils in making many decisions of church governance, a practice that appears to have been directly carried over to secular policies. ..

The persistent lack of large-scale political and economic order after the collapse of the Roman Empire created the essential environment hospitable to political/economic development. In that competitive, decentralized environment, lots of alternatives were pursued as each society confronted its own unique external circumstances. ... But the key to the story is the variety of options pursued and the likelihood (as compared to a single, unified policy) that some would turn out to produce political/economic development. ...

The dynamic consequences of the competition amongst fragmented political bodies resulted in an especially creative environment. Europe was politically fragmented; but it was integrated in having both a common belief structure derived from Christendom, and information and transportation connections that made it possible for scientific, technological and artistic developments in one part to spread rapidly throughout Europe.

North continues with a survey of early Modern European history in which the medieval institutions favorable to economic growth were encouraged or discouraged in the polycentrism of The Netherlands, England, Italian states, German states, France, and Spain. With a common culture and few languages (Romance or Germanic) and with wealth in letters of credit drawn on merchants in other jurisdictions and other moneys, there was ease of exit by merchants from one principality or city-state to another.

Spain seeking political monopoly rather than competition achieved economic monopoly and stagnation. North notes: "The Cortes of Aragon reflected the interests of merchants and played a significant role in public affairs. Indeed, had Aragon determined the future of Spain, its history would have been different. ... The crown gained unilateral control not only over the polity and the economy, but over the church policy and the doctrines enunciated by the Church." Since North had noted the core importance of religious ideas and church institutions, such as representation and consent of taxpayers, for Europe's economic growth, those two sentences are a brilliant summary of volumes of European history as they encompass the voice or exit of polycentric Latin Christendom.

The word history is derived from the Greek for inquiry. Like any science, it has matured as an investigation of explanations and causations. But, the movement toward diversity and the study of history "from the bottom up" is destructive of the explanatory and causative functions of history. Today the study of groups, whether functional groups, for example, peasants or farmers or industrial workers or executives, or of cultural sub-groups, racial or ethnic or religious, reduces the role of causation or purpose. The replacement of Western Civilization, etc., by the new approaches of social or racial history has equally important consequences in political education. The students' understanding of the causes of our current civilization is diminished; their contribution as citizens is reduced. What and how history is studied can determine future historical events. Douglass North and Robert Fogel have won Nobel Prizes for their historical work. Max Hartwell has made major contributions. It is easy for the MPS to have sessions on the subject Hayek considered crucial for the revival of Liberalism. Is there the will?