Removing Obstacles on the Road to Economic Freedom: 1947-1980

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The Mont Pelerin Society was liberals’ response to the political ruin that had engulfed Europe before and during World War II. Its founders believed that this ruin was the dismal result of mistaken ideas. They committed themselves, not to political action, but to recapturing the intellectual battlefield.

In the event, the Society did more than merely keep European liberalism ideas alive; it deepened and spread liberal ideas across the globe.

That is a remarkable achievement from a body that exists mainly in the minds of its members—run by volunteers with only part-time office support. It is a loose association of people who believe in freedom and believe that ideas change the world. They disagree on the precise ends and means. But the diversity of their views is a mark, not of the Society’s failure, but as its fruitfulness as a forum for debate.

It was in Cambridge, to which the London School of Economics had been evacuated during the Second World War, that Hayek started asking himself how liberalism could ever be rebuilt. He thought that liberalism had to be made relevant to the times. He knew that this required the talents of isolated liberals to be brought together. So, he proposed the creation of an international liberal intellectual society.

After much effort, thirty-nine participants, from ten countries, made it to Mont-Pèlerin in 1947. They included thinkers from economics, law, history, political science, chemistry, philosophy, business, journalism and public policy. Their agenda was daunting: monetary instability; unemployment; public goods; security versus freedom; regulation; the very nature of a liberal order. And the big question of the time: Can Germany ever be rehabilitated?

Even though the participants shared a liberal outlook, there were deep disagreements on these difficult questions. “You’re all a bunch of socialists!” stormed Mises famously, when others suggested that progressive income taxes were justifiable.

Such disagreements made a final communique hard to agree on; but Lionel Robbins eventually produced the Statement of Aims that is used even to this day. “The central values of civilization are in danger,” it warns. Research is needed—to redefine the functions of the state; reaffirm the rule of law; combat the misuse of theory; and safeguard peace and freedom.

“The group,” it concludes, “is politically unaligned,” existing only to promote the free society by “facilitating the exchange of views” among minds with broad ideas in common. All in all, it has not done such a bad job.