

# The Political Movement that Dared not Speak its own Name: The Neoliberal Thought Collective Under Erasure

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## ABSTRACT

Why do so many people who should know better argue that Neoliberalism 'does not exist'? In this paper I examine the disinclination to treat the Neoliberal political project as a serious intellectual project motivating a series of successes in the public sphere. Economists seem especially remiss in this regard.

Keywords: Neoliberalism, Angus Burgin, Leo Strauss, Friedrich Hayek, Mont Pelerin, classical liberalism.

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I have experienced a range of odd reactions to my work as an historian, but none so disconcerting as the ones which have greeted some joint work I did with some European historians and then in a separate single-authored book, both dedicated to the history of Neoliberalism as a thought collective and political movement combined.<sup>1</sup> Those reactions have taken, roughly, two forms: the first, that “Neoliberalism” is nothing more than a fevered delusion of my addled brain, a mirage perhaps shared with a few other addled persons, and thus best ignored; and the second, that if such a thing does indeed exist, it is far too uneven and inconsistent to count as a serious analytical category. Thus attempts to provide an intellectual history and conceptual critique of the movement are in vain and consequently the Left should keep away from any such history of ideas. A few go so far as to admit that Michel Foucault made a similar mistake in his late lectures on the *Birth of Biopolitics*, so perhaps a lesser soul such as I can be forgiven for my intemperate forays—after all, the postmodern poststructuralists provide the slippery slope to Bedlam, at least according to much Anglo philosophical thought.

I collect a few examples of these pronouncements from historians, people whom one might think would know better...

“Template models of Neoliberalism have been rightly questioned by structural and non-structural analysts alike... The indiscriminate cry that ‘Neoliberalism did it’ belongs in the same family as the ‘I blame Thatcher’ denunciations of old; who did what, to whom, where, and how must be specified in social, economic and institutional terms.” (Peck, 2013, pp. 15, 19).

Part of the difficulty comes from [an] attempt to both distinguish and write about neoliberal thought and neoliberal politics in one account. And part of it comes from the very nomenclature of Neoliberalism itself, an overtheorized term that lacks a historically specific constituency and has been applied haphazardly to nearly every feature of the globalized modern world. (Burns, 2014, 260)

[Angus Burgin’s] *Great Persuasion* provides the most lucid account available of so-called ‘neoliberal’ ideas that are associated with the Mont Pèlerin Society....

“Nonetheless, ‘neoliberalism’ has always been a slippery concept. As the term came in and out of use over the course of an oft-interrupted history, its meaning has varied, sometimes flipped on its head, and traded places with any number of alternative labels.” (Brick, 2014, 875)

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<sup>1</sup> Mirowski & Plehwe, *Making of the Neoliberal Thought Collective* (2009) and Mirowski, *Never Let a Serious Crisis Go to Waste* (2013).

In...December 2012, the Group for Debates in Anthropological Theory at the University of Manchester debated the motion, ‘The concept of Neoliberalism has become an obstacle to the anthropological understanding of the twenty-first century.’ (Ganti, 2014, 2). There is no report of the final verdict of the evening.

Even stranger, there are writers (mostly economists, to be fair) who further insist that the history of the endeavors and institutions surrounding the Mont Pèlerin Society *do not really matter*:

“To understand how a body of thought became an era of capitalism requires more than just intellectual history.” (Heideman, 2014)

“The biggest problem with Mirowski’s position is that for the ‘double truth’ argument to hold requires the operation of an extraordinary conspiracy. It requires the sustained disciplined approach by intellectuals to deliberately engage in propaganda in public, while flatly contradicting such public pronouncements in private.” (Cahill, 2014, p.41)

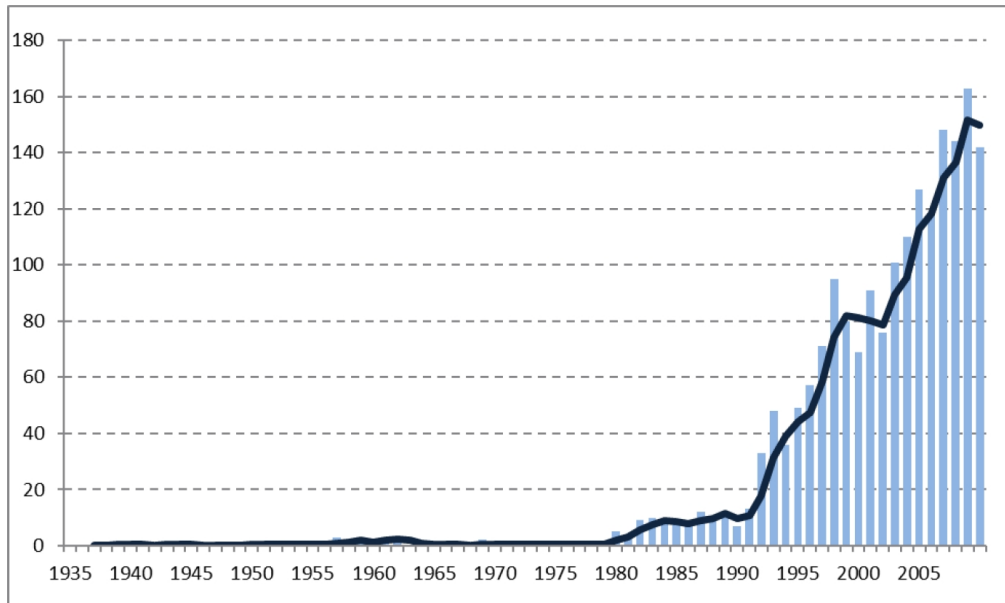
“Hayek’s ambition—to rebuild a modernized Neoliberalism on ethical foundations other than simple individualism—would go nowhere in the MPS... Outside the economics profession, it was invisible. The MPS was no more influential inside the economics profession... Burgin thinks that the MPS had served the purpose of providing a sort of institutional home for the cultivation of neoliberal ideology. I am skeptical...” (Solow, 2012)

The complaints of the historians and anthropologists, that Neoliberalism doesn’t really exist, seem to me to display a curious naïveté about the interaction of ideas and political movements in general. In contrast, the opinions of the economists quoted above border on the delusional, suggesting there really is something structural about the aversion to confront one of the most important political phenomena in the contemporary intellectual landscape.

I can sympathize with an impatience for those who use the term Neoliberalism as a blanket swear-word for everything they despise, or a brainless synonym for modern capitalism (or whatever the buzzword *du jour*); but the quotes excerpted above are taken from historians who have at some point in their own endeavors written articles or books on the topic. At least one might hope that they would avoid conflation of the existence of some putative social entity, like a capitalist economy, with political ideas about that entity, like, say, the Austrian theory of markets as discovery prostheses—except some do seem to backslide. Perhaps worse, some of the most celebrated recent intellectual histories on the topic, like Angus Burgin’s *Great Persuasion*, or Daniel Stedman Jones’ *Masters of the Universe*, tend to either abjure the label altogether, or make a botch of distinguishing neoliberals from libertarians or plain vanilla conservatives. Thus,

even though there have been an abundance of books and papers with the word ‘neoliberalism’ in the title {see the graphs below}, perhaps the quality of thought about the subject has not exactly been flourishing.

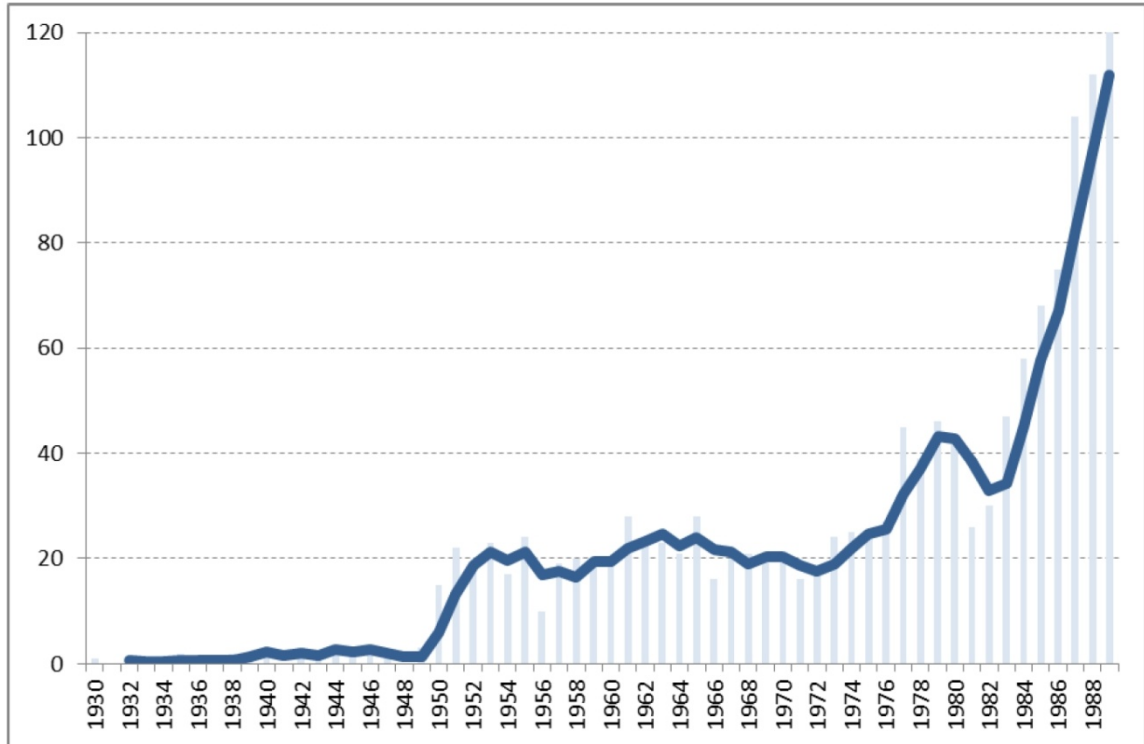
**Fig. 1: Number books published with root “neoliberal” in title 1935-2010**



The blue curve indicates the moving average (period of 3 years).

Source: Brennetot (2014)

**Fig. 2: JSTOR articles with reference to ‘neoliberalism’ 1930-1990**



The blue curve indicates the moving average (period of 3 years)  
 Source: Brennetot (2014)

I would like to make use of this observation as a jumping-off point to consider the question: how should we approach the construction of a reliable history of a group of intellectuals who have managed to turn their meditations into a political movement on a global scale? Of course this raises timeworn problems of the relationship between theory and practice; but the Neoliberal case sports a further thorny complication: while we can fairly comprehensively identify the roster of whom should be acknowledged as a part of the movement, at least from its beginnings in the 1930s until the recent past, we are confronted with the fact that, in public, they themselves roundly deny the existence of any such well-defined thought collective, and stridently denounce the label of Neoliberalism. Not only do they wash their hands of most of the documented activities of the Neoliberal Thought Collective – think of Hayek and Friedman and their denials concerning the Pinochet interlude in Chile-- but their complaint is that their opponents the socialists have always gotten the better of them, and thus their political project has never enjoyed any real successes, ever, anywhere, contrary to all evidence brought to the table. They are forever the bridesmaid of conservative parties, never the bride, to hear them tell it. Given the sheer numbers of people involved, and the really astronomical sums

of money, and the cultural dominance of the airwaves, this sad sack victimhood is really quite remarkable, and itself calls for serious examination. Perhaps it has something to do with the fact that a political movement that dare not speak its own name has intellectual contradictions that it dare not air openly.

I have sought to address these issues in a recent book called *Never Let a Serious Crisis Go to Waste: How Neoliberalism survived the financial meltdown*; but now, I want to take this opportunity to directly talk to historians and readers of history about their aversion to taking Neoliberalism seriously. I will confine myself here to four questions: Why do people think the “Neoliberal” label is so very awful? Is it possible to pin down what Neoliberalism signifies, and how you can tell a Neoliberal when you encounter one? Do Neoliberals often tell the truth about their doctrine? And, finally, has the Neoliberal Thought Collective changed in any relevant ways as we approach the present?

## 1. Sticks and Stones

It is dumbfounding to observe how everyone suddenly reverts to being a strict nominalist when they encounter Neoliberalism. They circle round the word as if it were a dead animal in the middle of the road, crushed and distended, trying to figure out what to call it, even though, strictly speaking, they reserve judgment over whether it is really there. They complain: it is a rascal concept, a spitting pejorative, a bloated concept of dubious utility, polysemic yet empty at the core, a sloppy synonym for capitalism, a hymn to “free markets” (as though those words were any less slippery).

Self-identified neoliberals are hard to come by; there is no political party or national regime that touts the ‘neoliberal’ moniker; it does not denote a professional position in economics or anywhere else. And yet many take the view that neoliberalism’s continued reign is among the most perplexing puzzles of our time.<sup>2</sup>

And yet, and yet... kicking and screaming, many of those souls then proceed to use it. But even more vexing are those professional historians such as Jennifer Burns and Angus Burgin, whose whole careers have been devoted to researching the neoliberals, but whom have expressly renounced any use of the term; they then immediately stumble into a briar patch of not-quite- correct synonyms like ‘liberals’ or ‘libertarians’ or (God forbid) ‘conservatives’.

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<sup>2</sup> (Mudge, p.87, in Jessop et al, 2014).

This queasiness around labels (as in so much else in the later authors) merely channels Friedrich Hayek's own brief skirmish with nominalism right after WWII:

[C]urrent political terms are ambiguous, or even that the same term often means nearly the opposite to different groups. There is the much more serious fact that the same word frequently appears to unite people who in fact believe in contradictory and irreconcilable ideals. Terms like 'liberalism' or 'democracy', 'capitalism' or 'socialism', no longer stand for coherent systems of ideas. They have come to describe aggregations of quite heterogeneous principles and facts which historical accident has associated with these words... (1948, pp.2-3)

Words that stand in for political doctrines have been notoriously polysemous and unreliable as freestanding categories, as anyone who has ever travelled outside the Anglo sphere rapidly learns when they bandy about the commonplace term "liberal" in conversation. It is disconcerting to discover that a label that designates the soft Left in North America designates its opposite in France or Latin America. By that evidence, "liberalism" doesn't really exist either. But, viewed dispassionately, this is true of most politically charged terms, especially those that touch on economics. And it is a mistake to believe that the only legitimate labels are those which are freely embraced by the very people who espouse the doctrines in question. How many moderns recall that the "Austrian School" moniker originated as a disparaging epithet coined by members of their opponents, the German Historicist movement; or that the Institutionalist Thorstein Veblen was the first person to coin the term 'neoclassical' to refer to the sort of economics promulgated by Marshall and his students? Both of these names stuck over time, usually for good reasons. Political doctrines and economic theories can rarely be confined to neat discrete boxes; but that does not belie the fact that powerful ideas that spark movements with staying power do eventually roll in well-worn grooves; and that one can use such labels as shorthand to indicate Wittgensteinian family resemblances, as long as one is suitably careful all along the way to both acknowledge any dependence of meaning on context, and also to take note of how speakers themselves tend to negotiate the indeterminacies of their own doctrines. This is sort of thing one would expect historians to excel in; not that they would pursue some imaginary neutral history, agnostic about the existence of the very phenomenon they had chosen to document.

It seems to me that a lot of the nominalist fussing and fretting concerning the term 'Neoliberalism' hides a deeper worry, that especially with historians on the Left, they don't really understand how the brains of these rather alien creatures work. And in many instances, the

worry is justified. Take David Harvey's *A Brief History of Neoliberalism*, currently the most cited work on the topic. After correctly noting that the figures in question often misleadingly called themselves 'liberals', he then writes:

The neoliberal label signaled their adherence to those free market principles of neo-classical economics...Neoliberal doctrine was therefore deeply opposed to state interventionist theories (2005, p.20).

Here packed into two short sentences, we encounter two of the most frequent errors committed by outsiders who wade into neoliberal waters. First, and this cannot be stressed enough, however much they sound alike, *Neoliberalism* and *neoclassical economics* are two completely different schools of thought. The latter dates from the 1870s, and encompasses mathematical models of the constrained optimization of utility, which still exists today as the core of economic orthodoxy. Neoliberalism, by contrast, dates from the 1940s, if not a bit earlier, and is a general philosophy of market society, and not some narrow set of doctrines restricted to economics. Furthermore, Neoliberals are skeptical of 'scientism', such as heavy dependence on mathematics, and have a conflicted relationship to neoclassical economics. Neoliberals should not be disparaged as 'market fundamentalists', if only because they believe that human beings must be transformed to establish their ideal society; they are not simply people who have trouble knowing when to stop when spelling 'Mississippi'. If anything, it is rather the neoclassical economists who more properly warrant the moniker 'market fundamentalist', since they are incapable of theorizing anything outside their rather impoverished notion of The Market. The neoliberals are Socratic polymaths by comparison.

I think it is fairly easy to identify the source of this confusion. Most people who have not devoted years of their lives to reading the neoliberals, as I have, probably got their brief impressions of neoliberal doctrine from some exposure to the American poster boy for the MPS, Milton Friedman, probably from his pop book *Free to Choose*, or else the PBS documentary series of the same name, now wildly popular on YouTube.<sup>3</sup> Friedman was the most famous representative of the 'Chicago School of Economics' in the period from roughly 1950-1990, and

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<sup>3</sup> I am always shocked to find the infrastructure of the Neoliberal Thought Collective is always far more developed than any of my private paranoid fantasies. Not only is *Free to Choose* available on the ubiquitous YouTube, but there is also a slick dedicated website called FreetoChoose.tv, with extended unedited tape from the series: <http://www.freetochoose.tv/ideachannel.php?series=mfs>. It also includes video lectures from many other neoliberal figures. The story of Friedman's TV series as a reaction to Galbraith's *Age of Uncertainty* is related in (Burgin, 2013).



went out of his way to spread the good news of neoliberalism in the media and in political arenas. This induced a number of distortions in public perception of the doctrine, which persist down to the present.

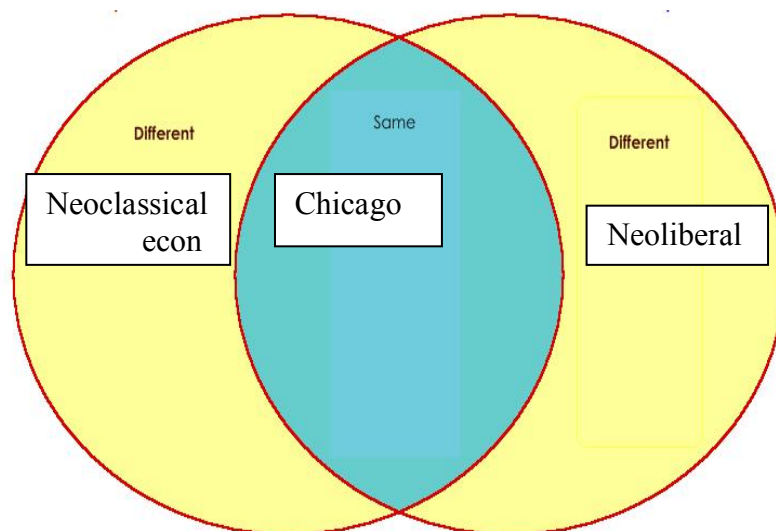
The first distortion is the impression that neoliberal theory is identical to neoclassical economics. A judicious dose of real intellectual history can help clear up this confusion. The Chicago School was established in the immediate postwar era as a complement to the Mont Pelèrin Society, and was dedicated to the reconciliation of the nascent neoliberal ideas with a rather simplistic form of neoclassical economics.<sup>4</sup> This reconciliation was never entirely successful, and was resisted at other major centers of postwar neoclassical theory, such as MIT and the Cowles Commission. Indeed, there is a murky catchphrase that refers to this unresolved tension, claiming there is a ‘freshwater’ vs. a ‘saltwater’ branch of neoclassical orthodoxy. This supposed reference to geography misses the historical dynamic, which was closer to starting as backwater economics, and eventually becoming economic Dasani. Interestingly, the Chicago drive to reconciliation was also resisted within the Neoliberal Thought Collective as well, with Hayek, the Austrian School, and the Ordoliberals all rejecting the legitimacy of neoclassical economic theory as an appropriate framework within which to understand how the market worked. So the situation resembles the Venn diagram in Figure 3, at least from the 1950s-1990s. Yet, because Milton Friedman had become the mouthpiece for the neoliberal program in this era in the public sphere, understandably, thenceforth laypersons tended to infer that orthodox neoclassical economics and something like neoliberal politics were really the same thing.

The second distortion which can be laid at Friedman’s door is that he was a master simplifier, even if it meant misrepresenting what fellow neoliberals had actually written, and the policies they had actually promoted. Nowhere was this more evident when he boiled down neoliberal politics to the desiccated slogan “Market good, government bad”. He praised “deregulation” and “privatization”; but in practice, the truth was hidden in the details, which always involved government power. In other words, he falsely conflated neoliberalism with libertarianism, even though he was always careful to register some minor qualifications when pressed to clarify his position.

### **Figure 3: Neoclassical Economics and Neoliberal Doctrine**

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<sup>4</sup> See (Van Horn & Mirowski, 2009).



While it is undeniable that neoliberals routinely disparage the state, both back then and now, it does not follow that they are politically libertarian, or as Harvey would have it, are implacably opposed to state interventions in economy and society. Harvey’s error is distressing, since even Antonio Gramsci understood this: “it must be made clear that *laissez faire* too is a form of state ‘regulation’ introduced and maintained by coercive means. It is a deliberate policy, conscious of its own ends, and not the spontaneous automatic expression of economic facts.”<sup>5</sup> From the 1940s onwards, the distinguishing characteristic of neoliberal doctrines and practice is that they embrace this prospect of retasking the strong state to impose their vision of a society properly open to the dominance of the market, again, as they conceive it. The fact that neoliberals from Friedrich Hayek to James Buchanan to Richard Posner to Walter Rüstow (who invented the term *Vitalpolitik* which Foucault translated as “biopolitics”) to Jacques Rueff, not to mention a plethora of figures after 1970, all explicitly proposed policies to strengthen the state, seems to elude almost anyone approaching the MPS from the outside.<sup>6</sup> Friedman’s own trademark proposals, like putting the money supply on autopilot, or replacing public schools with vouchers, required an extremely strong state to enforce them. While neoliberal think tanks are busy riling up the groundlings with debt clocks and boogeyman statistics of ratios of government expenditure to GDP, neoliberal politicians organize to extravagantly increase incarceration and policing of those whom they deem unfit for the marketplace; expand both state and corporate

<sup>5</sup> Antonio Gramsci, “The Modern Prince” *The Prison Notebooks*

<sup>6</sup> See (Jackson, 2010; Davies, 2014 )

power to exercise surveillance and manipulation of subject populations while dismantling judicial recourse to resist such encroachments; wildly introduce new property rights (like intellectual property) to cement into place their extensions of market valuations to situations where they were absent; strengthen international sanctions such as the Trans Pacific Partnership and the Transatlantic Trade and Investment Partnership to circumvent and neutralize national social legislation they dislike; bail out and subsidize private banking systems at the cost of many multiples of existing national income; define corporations as legal persons in order to facilitate the buying of elections; and so on. The blue sky writings of neoliberals with regard to the state are, if anything, even more daunting. In the imaginary constitution proposed in Hayek's *Law, Legislation and Liberty*, he suggests that politicians be rendered *more powerful*: in the imagined upper legislative house, Hayek stipulates, only men of substantial property over age forty-five would be eligible to vote or be elected, no political parties would be allowed, and each member would stand for a hefty fifteen-year term.<sup>7</sup> This illustrates the larger neoliberal predisposition to be very leery of democracy, and thus to stymie public participation through the concentration of political power in fewer hands. James Buchanan proposed something very similar. This is just about as far from libertarianism as one could get, short of brute dictatorship.

So here is the answer to my first question: People think the label 'Neoliberalism' is an awful neologism because the neoliberals have been so good at covering their tracks, obscuring what they stand for, and denying the level of coherence which they have achieved in their long march to legitimacy. Back when they were just a gleam in Hayek's eye, they did explicitly use the term "Neoliberalism" when discussing the project that back then did not yet exist—even Milton Friedman used it in print!<sup>8</sup> But once their program looked like it would start to gel, and subsequently start reshaping both the state and the market more to their liking, they abruptly abjured any reference to that label, and sometime in the later 1950s, following the lead of Hayek, they began to call themselves "classical liberals". But this attempt at rebranding was an utter travesty, because as the MPS moved from reconceptualization of one area of human experience to another, the resulting doctrines contradicted classical liberalism point by point, and term by

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<sup>7</sup> (Hayek, 1979, vol.3, chap.17). On pp.132-133 of the same volume he proposes something akin to the EU, for the purpose of further supranational authority to frustrate national anti-market policies, but also (!) to tap the resources of poorer regions to the benefit of richer regions.

<sup>8</sup> (Mirowski & Plehwe, 2009, 427).

term. It might be worthwhile for us who come after to insist upon the relevance of things that put the ‘neo-‘ in Neoliberalism.

In a nutshell, classical liberalism imagined a night watchman state that would set the boundaries for the natural growth of the market, like a shepherd tending his flock. Markets were born, not made. The principles of good governance and liberty would be dictated by natural rights of individual humans, or perhaps by the prudent accretion of tradition. People needed to be nurtured to first find themselves, in order to act as legitimate citizens in liberal society. Society would be protected from the disruptive character of the market by something like John Stuart Mill’s “harm principle”: colloquially, the freedom of my fist stops at the freedom of your face. The Neoliberals were having none of that, and explicitly said so.

Far from trying to preserve society against the unintended consequences of the operations of markets, as democratic liberalism sought to do, neoliberal doctrine instead set out actively to dismantle those aspects of society which might resist the purported inexorable logic of the catallaxy, and to reshape it in the market’s image. For neoliberals, freedom and the market would be treated as identical. Their rallying cry was to remove the foundation of liberty from natural rights or tradition, and reposition it upon an entirely novel theory concerning what a market was, or should be. They could not acknowledge individual natural rights, because they sought to tutor the masses to become the agent the market would be most likely to deem to succeed. The market no longer gave you what you wanted; you had to capitulate to what the Market wanted. All areas of life could be better configured to behave as if they were more market-like. Gary Becker, an MPS member, for example, proposed a market-based approach to allow for socially optimal level of crime, and advocates a revolutionary extension of marginal calculus to include the “shadow costs” and benefits associated with all of “children, prestige or esteem, health, altruism, envy, and pleasure of the senses”. Becker even proposes an economic model of the “dating market”: one consequence of which is the proposition that polygamy for successful, wealthy men can be politically rationalized. And voila! Here is an article in the Sunday New York Times doing just that, as if it were real news.<sup>9</sup> Classical liberals like Mill or Michael Oakeshott would be spinning in their graves.

So no wonder outsiders are dazed and confused! The neoliberal revolutionaries contemptuous of tradition sought to conjure a fake tradition to mask their true intentions. They

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<sup>9</sup> [http://www.nytimes.com/2014/09/21/opinion/sunday/who-runs-the-girls.html?\\_r=0](http://www.nytimes.com/2014/09/21/opinion/sunday/who-runs-the-girls.html?_r=0)

did this while explicitly abjuring the label of “conservative”. I will come to why these supposed liberals need to mask their illiberal intentions shortly. But I will finish this section with one more reason that historians tend to think that to posit an effective intellectual formation called ‘Neoliberalism’ is a mistake.

Look around at intellectual history today and one will find one of two options: either close-grained biographies of the thought processes of some revered individual thinker, or else grand cosmic syntheses of intellectual trends, where contingency and chance reign, and the pinball of genealogy careens off a sequence of unrelated boundary bumpers, with the resulting history looking like one damn thing after another. Although once and a while someone bravely attempts to craft a prosopography, that is, something that is more than a motley collection of biographical sketches, their efforts are mostly given short shrift. The notion that ideas, and particularly political ideas, are the product of the concerted efforts of some thought collective stretching over generations, engaging in critique and reconstruction, fine-tuning and elaborating doctrine, and that their social interactions serve to ride herd on excessive originality and fruitless detours, while keeping focused upon problems of implementation and feasibility, is something that modern historians dismiss derisively as conspiracy theorizing. This is where we have arrived after all these generations: understanding human knowledge as the product of willful communal activity is derided as the province of the hoodwinked, the unsound, and the delusional.

These days, intellectual history is rarely cast as the product of conscious deliberation of a dedicated cadre who may personally differ on many specific doctrinal points. There is perhaps no better evidence of neoliberal preconceptions having seeped into the thought processes of those moderns who would otherwise never be caught dead being designated as believers in Neoliberalism. The days of the lone genius forging elaborate thought structures in his own head while sitting alone in some isolated garret are long gone, if they ever really existed in the first place. Innovation in the sciences and humanities is highly stylized and routinized, if not pre-ordained. Thought processes and their expression in the modern world are effectively distributed and highly organized; real originality is extremely rare; political thought, in particular, displays heavily repetitive elements. This is one reason why I insist on using a category derived from the history of science, namely, the “thought collective”. This signals that sanctioned members are encouraged to innovate and embellish in small ways, but that an excess of doctrinal heresy gets one expelled from participation. Moreover, it indicates that central dogmas are not codified or

dictated by any single prophet; no one delivers the Tablets down from the Mont; this does not resemble religion in that respect. You cannot adequately understand Neoliberalism solely by reading Hayek, or Milton Friedman, for that matter. The Neoliberal Thought Collective was never parochial; it was transnational from its very inception. Amazon lists no Cliff’s Notes entitled “Neoliberalism for Dummies.” This is a characteristic error of those who approach study of Neoliberalism from the Left: they find the doctrine so repulsive, and so twisted, that they want to get their reading done and dusted as quickly and painlessly as possible. You will never understand the Neoliberal Thought Collective that way. While we can locate its origins in 1947, it has undergone much revision since then, and is still a hydra-headed Gorgon to this very day.

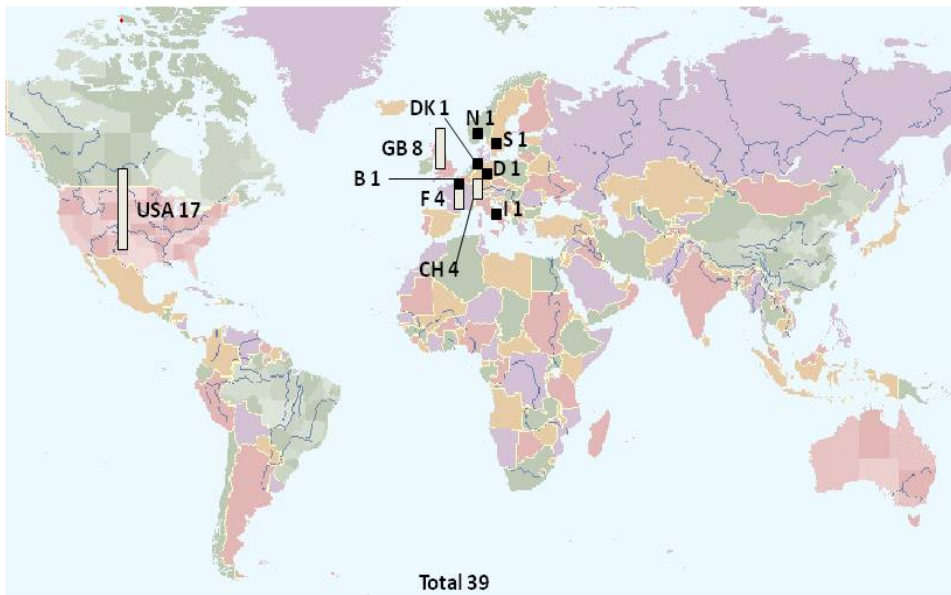
## **2. Neoliberal Detection Devices**

Many people, once they hear the description I have just given of the Neoliberal Thought Collective, immediately worry that the doctrines ascribed may be so diverse, and perhaps even contradictory, such that there is no good way to decide whether some idea is *not* Neoliberal. Or perhaps, putting it another way, how could you detect whether someone is a Neoliberal in good standing? It would be useless if this category expanded beyond all discrimination—then it *would* be nothing but a swearword. And we can’t depend on the neoliberals to self-identify; they refuse to do that.

Luckily, here is where history can solve real epistemic problems. Their own texts, in conjunction with some archival digging, reveals that the central node of initial organization of the neoliberal thought collective was the Mont Pèlerin Society [MPS], first convened in Switzerland in 1947. As one might expect, it started out small—a mere 39 participants—but it

Figure 4.

## MPS Founding Meeting 1947



was not some simple imposition of American political ideas, as demonstrated by the distribution of nationalities revealed in Figure 4. It later grew so rapidly that its membership was capped at 500, where it remains today. The early role of Hayek was indispensable, which is one reason he attracts the lion's share of attention from historians; for the first two decades, Hayek alone decided who could be invited to join the relatively closed discussion circle. After the 1960s, one would need to be approached by two members and asked to join, after undergoing some vetting procedure. No one could simply crash the party.

The purpose of the MPS was to create a special space where people of like-minded political ideals could gather together to debate the outlines of a future movement diverging from classical liberalism, without having to suffer the indignities of ridicule for their often blue-sky proposals, but also to evade the fifth-column reputation of a society closely aligned with powerful but dubious postwar interests, including some of the rich individuals invited to attend. Even the name of the society was itself chosen to be relatively anodyne, signaling little in the way of substantive content to outsiders.<sup>10</sup> Many members would indeed hold academic posts in a

<sup>10</sup> Hartwell, *A History of the Mont Pèlerin Society*, p. 44.

range of academic disciplines, but this was not a precondition of MPS membership. The MPS would thus also be expanded to encompass various powerful capitalists, and not just intellectuals.

The story of the Neoliberal Thought Collective from 1947 to the present is the saga of the “building out” of both knowledge production and political action capacities, with the MPS more or less at the center, until the turn of the millennium. Neoliberals like Hayek may have scorned the universities, but they certainly understood the need to have a foothold in at least a few of them. The joint membership in MPS and those departments is another way we can trace the neoliberals. One then might regard specific academic departments where the neoliberals came to dominate before 1980 (University of Chicago Economics, the LSE, L’Institut Universitaire des Hautes Etudes Internationales at Geneva, St. Andrews in Scotland, Freiburg, the Virginia School, George Mason University) as the next outer layer of neoliberal infrastructure, an emergent public face of the thought collective—although one rarely publicly acknowledging its links to the MPS. Another shell of infrastructure was fashioned as the special-purpose foundations for the education and promotion of neoliberal doctrines; in its early days, these included entities such as the Volker Fund, the Earhart Foundation, the Relm Foundation, the Lilly Endowment, the John M. Olin Foundation, the Bradley Foundation, and the Foundation for Economic Education. The Coors and Koch family foundations were critical players in the United States. The Intercollegiate Society of Individualists [ISI] served as a recruitment center for bright young things to be scouted and groomed for the movement in the US; other countries had similar ‘educational’ foundations. These institutions were often set up as philanthropic or charitable units, if only to protect their tax status and seeming lack of bias.<sup>11</sup> Some of these foundations were much more than golden showers for the faithful, performing crucial organizational services as well: for instance, the Volker Fund kept a comprehensive “Directory” of affiliated neoliberal intellectuals, a list that had grown to 1,841 names by 1956. The next shell of the collective would consist of general-purpose “think tanks” (Institute for Economic Affairs, American Enterprise Institute, Schweizerisches Institut für Auslandsforschung [Swiss Institute of International Studies], the Hoover Institution at Stanford) and satellite organizations such as the Federalist Society that

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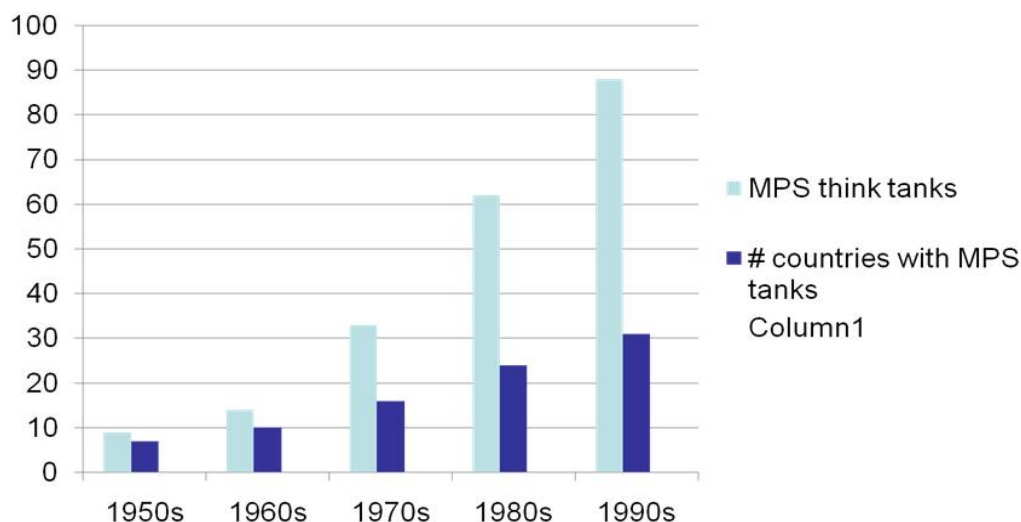
<sup>11</sup> See the letter from Smedley to Anthony Fisher dated June 25, 1956, quoted in Cockett, *Thinking the Unthinkable* (1994, p. 131): “[I]t is imperative we should give no indication in our literature that we are working to educate the Public along certain lines which might be interpreted as having political bias... it might enable our enemies to question the charitableness of our motives.” For Leonard Read admitting the same thing, see (Burns, 2009, p. 116).



sheltered neoliberals in the legal profession. MPS members were situated at the nexus of each of these organizations. For

**Figure 5**

## Growth of MPS-affiliated Think Tanks



instance, MPS member Edward Feulner, himself recruited through ISI while still in college, helped found the Federalist Society, and headed up the most important neoliberal think tank in late 20<sup>th</sup> century America, the Heritage Foundation, while providing numerous platforms for the promotion of Hayek and Milton Friedman.<sup>12</sup> The intellectual and social interlocks of their memberships and directorates warrants the acknowledgement of the notion of a Neoliberal Thought Collective.

A number of historians have noted the way in which core MPS members helped shape the construction of the think tank infrastructure. A lot has been written about the founding of the Institute of Economic Affairs [IEA], mostly because of its critical role in Thatcherite Britain. In outline, its origins can be traced back to advice delivered to Antony Fisher, a businessman who had read and had been impressed by the Readers Digest version of Hayek's *Road to Serfdom*. Fisher went to see Hayek, asked for his advice as to what he should do to further the cause, and

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<sup>12</sup> (Edwards, 2013).

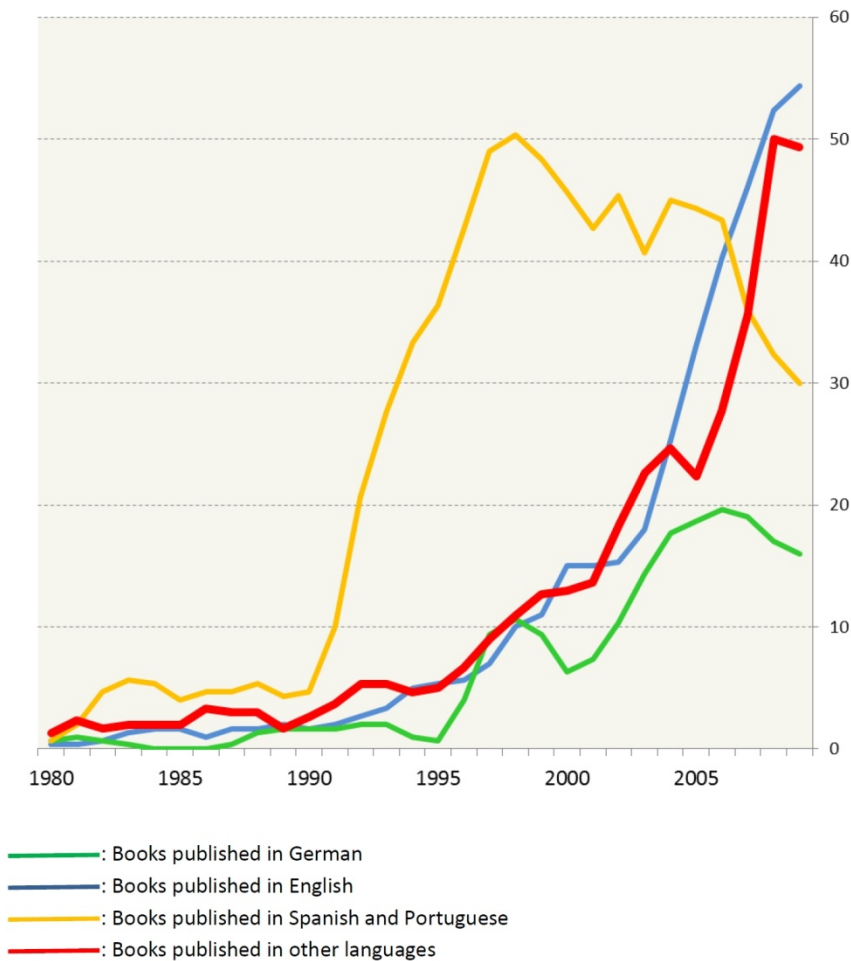
Hayek advised him not to go into politics, but instead to start a public policy think tank. This, he was able to do – with the support of his profitable firm, Buxted Chickens, the first of the British battery hen companies. The wellsprings of neoliberal liberty in Britain, friends of the IEA might be forced to admit, had a little too much for comfort to do with the imprisonment of hens.<sup>13</sup> It had almost nothing to do with the random inclinations of a bunch of wealthy people acting on their own.

One special innovation of the neoliberal thought collective was to subordinate the dissemination of market thought to a standardized division of labor. To facilitate mass production of neoliberal politics in a transnational setting, neoliberals actually concocted a “mother of all think tanks” to seed their spawn across the globe. The Atlas Economic Research Foundation was founded in 1981 by the very same Antony Fisher to assist other MPS-related groups in establishing neoliberal think tanks in their own geographic locations. Its most recent institute directory lists 495 affiliated think-tanks in 96 countries. Curiously, while most Americans seemed oblivious to the spreading tentacles of the collective, politically active intellectuals in other countries were far quicker to pick up on the fact that something new and significant was happening. It was therefore authors on the periphery, primarily in Latin America and Francophone countries, who took to using the terminology of “Neoliberalism” in languages other than English, earlier and with greater frequency, as illustrated for books in Figure 6.

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<sup>13</sup> (Cockett, 1994; Shearmur, 2014).

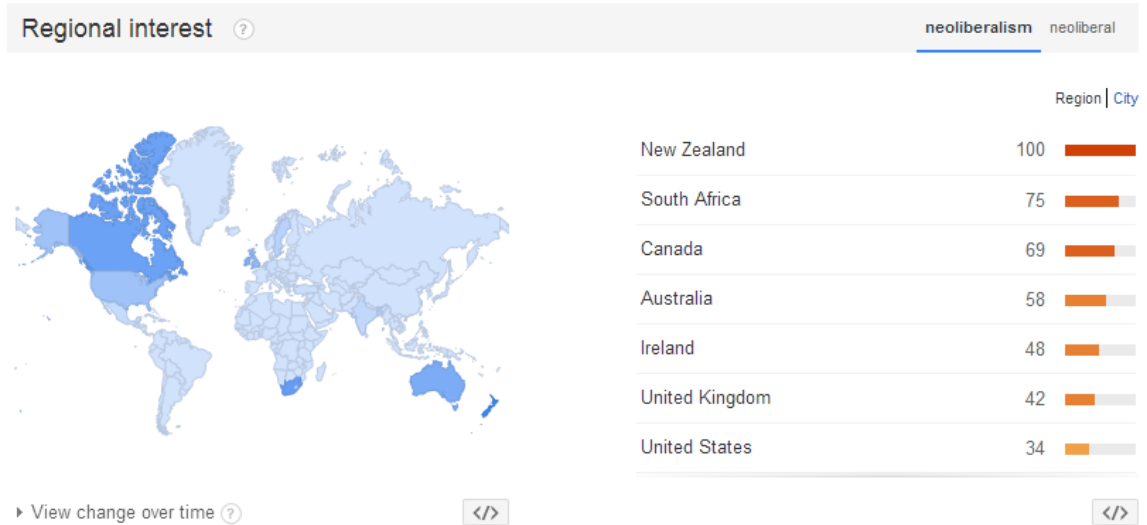
Figure 6: Books discussing 'Neoliberalism' in various languages, 1980–2008



Source: Brennatot 2013

Because the outer shells of the Neoliberal thought Collective were perceived as alien invaders outside the nominal core countries of the MPS, it is still the case that the language and analysis of Neoliberalism turn up far more frequently in the periphery than happens to be the case in the US, for example. This is documented by using Google Trends in Figure 7.

**Figure 7: Google Trends: “Neoliberalism” and “Neoliberal” world, 2004-2014**



There is of course, no good history of the build-out of the intellectual and political capacity of the Neoliberal Thought Collective by the neoliberals themselves, although there are revealing accounts here and there of specific intellectuals, or more often, celebrations of particular think tanks.<sup>14</sup> The individualist bias also infects these memoirs of the NTC, since to pull back and expose the density of interconnections would smack of, well, conspiracy. But there is another pertinent reason why denizens of think tanks will never write a history of the Neoliberal Thought Collective. It is well known by those tanksters and historians of the Right in America, that the political rise of the New Right involved ignoring or suppressing the sharp differences of various political factions that would normally have had nothing to do with one another: the cultural conservatives, the Russell Kirk paleo-conservatives, the warlike neo-cons, the evangelical right, the libertarians, the white supremacists, and a whole host of others.<sup>15</sup> Since much of this “fusionism” was promoted at the key think tanks starting in the 1970s, the tanksters themselves had to repress being very precise over how certain strains of their political movement, and in particular, the neoliberals, had championed doctrines that clashed with the other factions. Worse, the tonier neoliberals, used to hobnobbing with the rich, tended to find

<sup>14</sup> Some useful texts cover people who are not very prominent in intellectual history, like Ed Feulner (Edwards, 2013), the Koch Brothers (Schulman, 2014), Ayn Rand (Burns, 2009), Leonard Reed and Jasper Crane (Phillips-Fein, 2009); other paeans to think tanks include (Dyble, 2008; Blundell, 2005).

<sup>15</sup> The *locus classicus* of this interpretation is (Nash, 2006).

their fellow travelers shambolic and a bit shabby, and thus insalubrious companions. Hence, the very tactical success of the New Right itself militated against insiders writing detailed outlines of the Neoliberal Thought Collective.

So how to decide if someone is a neoliberal? First, if they were active in the decades of the 1950s to 1990s, one must check the membership lists of the Mont Pèlerin Society, as a quick litmus test. Of course, as a secret society, the MPS does not make its membership lists freely available to the public; but they do keep internal membership lists, and historians have been collating them of late.<sup>16</sup> But even that does not serve as a consistently reliable detector as we approach the present, if only because the modern MPS has lost some of its erstwhile intellectual pretensions, their membership roster having been diluted by billionaires and political figures questing after a purchased validation of their self-conceived impeccable political tastes. The next thing one might do is access the roster of neoliberal think tanks at the Atlas site, and then determine if there are documented affiliations for the target person in question.

Take, as an example, the British Matt Ridley, at first glance not an obvious case study. He looks at first impressions to be simply a pop science writer of nature books about evolution and Darwinism with a social Darwinist slant. But he wears many hats (something not admitted in his journalism). He was once a journalist on the Daily Telegraph, but nepotism rescued him from Grub Street, since his father had been chair of Northern Rock before him; he himself was ensconced as chair when the bank went belly up early in the recent crisis, requiring massive government bailouts. Far from suffering calamity from that event, he now sits comfortably unperturbed in the House of Lords as a Conservative Peer. He has published numerous attacks upon the environmental movement, has been an editor of the *Economist*, and, drum roll, has been a research associate at the Institute of Economic Affairs. The neoliberal think tank the Manhattan Institute awarded him the Hayek Prize in 2011. Verdict: a member of the Neoliberal Thought Collective in good standing.<sup>17</sup>

My audience may glean the impression from this that the NTC is all about membership in the right clubs: rather like the British class system writ large. That would be unfortunate, because

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<sup>16</sup> A 2010 MPS membership list has been compiled and made available at: <http://www.desmogblog.com/sites/beta.desmogblog.com/files/Mont%20Pelerin%20Society%20Directory%202010.pdf>

<sup>17</sup> See the further discussion by the *Guardian*'s George Montbiot at: <http://www.theguardian.com/environment/georgemontbiot/2014/jul/24/price-nature-neoliberal-capital-road-ruin> and his entry at the useful website Powerbase: [http://powerbase.info/index.php/Matt\\_Ridley](http://powerbase.info/index.php/Matt_Ridley)

years of honing their message have reduced much of neoliberal doctrine to a discrete set of recognizable claims. The NTC is held together first and foremost by fealty to some core ideas; the institutional structure is primarily a means for those ideas to be inserted into various specific political situations, and to be passed on to the next generation. For purposes of discussion I paraphrase them here in extremely truncated format, without going into detail about any single proposition. The intellectual content of neoliberalism is something that warrants sustained discussion, but this can only happen once critical historians can admit they are no longer basing their evaluations on the isolated writings of a single author. There is no convenient crib sheet describing what the modern neoliberal thought collective actually believes.

(1) “Free” markets do *not* occur naturally. They must be actively constructed through political organizing. (2) “The market” is an information processor, and the most efficient one possible—more efficient than any government or any single human ever could be. (3) Market society is, and therefore should be, the natural and inexorable state of humankind. (4) The political goal of neoliberals is not to destroy the state, but to take control of it, and to redefine its structure and function, in order to create and maintain the market-friendly culture. (5) There is no contradiction between public/politics/citizenship and private/ market/entrepreneur-and-consumerism—because the latter *does* and *should* eclipse the former. (6) The most important virtue—more important than justice, or anything else—is freedom, defined “negatively” as “freedom to choose”, and most importantly, defined as the freedom of corporations to act as they please. (7) Capital has a natural right to flow freely across national boundaries—labor, not so much. (8) Inequality—of resources, income, wealth, and even political rights—is a *good thing*; it prompts productivity, because people envy the rich and emulate them; people who complain about inequality are either sore losers or old fogies, who need to get hip to the way things work nowadays. (9) Corporations can do no wrong—by definition. (10) The market, engineered and promoted by neoliberal experts, can always provide solutions to problems seemingly caused by the market in the first place: there’s always “an app for that.” (11) There is no difference between *is* and *should be*: “free” markets both *should be* (normatively) and *are* (positively) most the efficient economic system, *and* the most just way of doing politics, *and* the most empirically true description of human behavior, *and* the most ethical and moral way to live—which in turn explains, and justifies, why their versions of “free” markets *should be*, and as neoliberals build more and more power, increasingly *are*, universal. <sup>18</sup>

One of the best short definitions of neoliberalism I have encountered is the one by Will Davies, namely, the dependence upon the strong state to pursue the disenchantment of politics by economics. If that sounds like an oxymoron, well, maybe that’s the nub of the project. As Margaret Thatcher is reported to have said, “Economics is the method, but the object is to change the soul.”

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<sup>18</sup> Borrowed from Ben Fink’s forthcoming book on Neoliberalism.

### 3. Leo Strauss and the Necessary Lie

The Heritage Foundation has the following motto inscribed over its doors: “The Heritage Foundation is committed to building an America where freedom, opportunity, prosperity and civil society flourish.” But arguably, at least its political wing Heritage Action is dedicated to none of those things. Hayek was quite clear that by “freedom” he should not be understood as advocating some vernacular notion of personal freedom; neither does Heritage Action. If the market is defined to be non-coercive, than any market activity is tautologically free. The Heritage crowd certainly are not enamored of democracy, either. “If democracy is taken to mean government by the unrestricted will of the majority”, Hayek tells us, “I am not a democrat, and even regard such government as pernicious and in the long run unworkable”.<sup>19</sup> Heritage Action has been directly responsible for the notorious do-nothing Congresses of recent vintage. If opportunity refers to opportunities for workers, then they don’t lose any sleep over it. Heritage has been an avid supporter of the freedom of corporations to offshore outsource American jobs; and they oppose government assistance to the unemployed. Prosperity is a tossup; they like the fact that profits have ballooned since the crisis, but don’t care that it has not resulted in serious jobs recovery or income restoration for the rest of the population. Indeed, they have long advocated abolition of the minimum wage. They hate the Thomas Piketty line that income and wealth inequalities have become deleterious for the rest of the economy. And as for civil society—suffice it to say that outside market-like interactions, no such distinct societal entity actually exists within neoliberal political theory. So there it is: the first of many equivocations propagated by Heritage, engraved right there at the entrance to the think tank. What are we to make of this habit of playing fast and loose with the truth?

The recent fascination with the role of the Koch brothers in modern American politics has uncovered evidence revealing the great lengths that the think tanks, astroturfed single-issue organizations, corporate shell entities and general political consultancies go to obscure the shared agendas, sources of funding, personnel and organizational structure that comprise their not-so-little neoliberal empire of political activity. One such attempt to graph the tangled network of organizations for a subset of the Koch empire by the *Washington Post* is reproduced below as Figure 8. Considering that this thicket maps just one particular corner of the NTC, largely

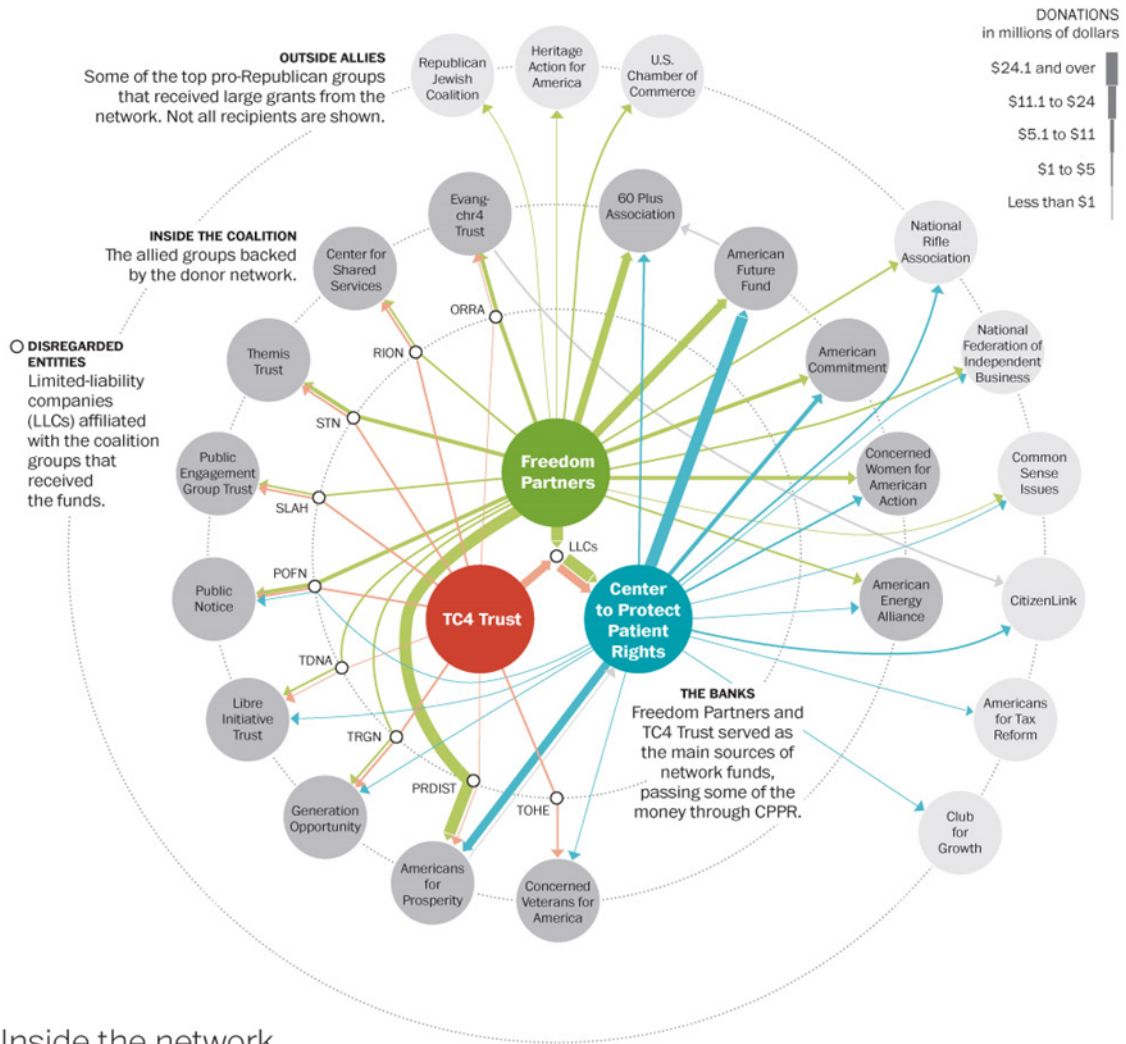
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<sup>19</sup> Quoted in (Gamble 1996, p.92)

supervised by the same two people who have funded the Cato Institute for decades, one can only wonder why the layers of secrecy and obfuscation?

Thomas Hobbes once wrote: “Hell is Truth seen too late.” It is a neoliberal tactic to postpone the truth as long as possible when it comes to the nature of the society they are dedicated to bring about, at least because human rationality is thought to be incapable of comprehending the truth concerning the Final Reckoning. There is a deep sense in which outsiders should be excused for their confusion about the nature and content of Neoliberalism, if only because NTC insiders have said one thing to each other, and a different thing altogether to the general public. We have already encountered this with the career of Milton Friedman. He would simplify his sermon to its lowest common denominator—government bad, market good: like some wonky George Orwell—anytime he took the public stage. But when deliberating behind closed doors with his MPS peers, he could be known to wax far more reflective. In public, he would plead that he wanted the same ultimate objectives as his opponents, only differing in the most efficacious means to achieve them. Means/ends separation was his siren song. In private, he would concede his intolerance for democracy, that true libertarianism was a pipe dream, his disdain for many of key doctrines of Austrian economics, his contempt for Keynes, that postwar foreign policy had taken a wrong turn with the Marshall Plan... the vitriol always just bubbled just below the surface behind closed doors. The ultimate in Janus-faced



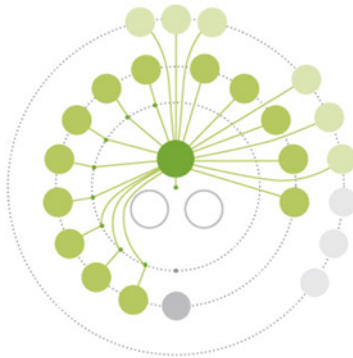
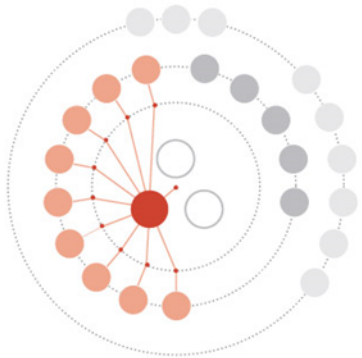


### Inside the network

**TC4 TRUST**, a now-defunct Alexandria-based group, sent its funds to LLCs affiliated with the nonprofit groups in the network.

**FREEDOM PARTNERS**, an Arlington County-based group whose board includes current and former Koch Industries officials, now plays a role similar to that of TC4 Trust, funding many of the same groups.

**CENTER TO PROTECT PATIENT RIGHTS** served as an intermediary group, passing along millions from TC4 Trust and Freedom Partners to nonprofit groups in the network.



Source: Washington Post, Feb. 5, 2014

assertions came when he stated, “What I say to one person, I say to everyone.”<sup>20</sup> Such a paragon of consistency would never have been such an effective aggressive debater, as Friedman indeed was.

Even relatively sophisticated historians of the Neoliberals like Angus Burgin have been insufficiently attuned to this doublespeak and its political meaning. In his *Great Persuasion*, he argues that the philosophically subtle followers of Hayek were displaced by the coarser libertarian followers of Friedman within the MPS in the 1970s, and thus, “Friedman created a social philosophy that was much less conflicted than those of the leading figures of the early Mont Pèlerin Society” (2012, p.177). No doubt there abided Hayek and Friedman factions in MPS in the later 20<sup>th</sup> century: how could there not be tension between neoclassical economists and the Hayekian image of the market? No doubt, likewise, the MPS also revised many of its doctrinal points over the course of the 1950s-1980s. However, there was nothing simple about Friedman’s precarious balancing act at the heart of the Neoliberal project, *which never consisted of a reversion to the simple-minded libertarianism which Burgin portrays*. The counterevidence comes in Friedman’s own private correspondence, such as a 1973 letter to Pat Buchanan: “We are talking at cross-purposes because of what I regard as the important necessity of keeping clearly separate the long-run ideal goal and the tactical steps that may be appropriate in moving towards it.”<sup>21</sup>

This distinction did not merely consist of the trimming of the sails to render their political project more palatable to the masses; it consisted of living a sequence of double truths—one for the masses, another for battle-hardened insiders—that grew organically out of the key political and epistemological positions innovated by the thought collective over the last sixty years. I have attempted to document the nature of these “contradictions” in detail elsewhere,<sup>22</sup> so only summarize them briefly here. The first is the MPS broadcasting its putative great respect for freedom of thought and liberal openness, while exercising the strictest principles of exclusion and censorship when it came to sanctioned discourse within the MPS; Friedman even joked to Hayek about the ironies of convening an organization that their own theories argued should not exist. The second contradiction is that the thought collective praised the superiority of supposed

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<sup>20</sup> (Eberstein, 2007, p.x).

<sup>21</sup> Quoted in (Burgin, 2012, p.197)

<sup>22</sup> (Mirowski, 2013, pp.69-83).

“spontaneous order”, while prosecuting a highly regimented set of organizations to take power and impose their ideal structures of a market society. The third contradiction, and perhaps the one buried deepest in their psyches, was the public persona of a Society of Proud Rationalists whom, once their epistemic positions were taken into account, promoted ignorance as a primary political virtue for the masses. Hence, when it came to the simple matter of bamboozling the masses with ripping tales of government as the very embodiment of evil, as Friedman did, there were never any qualms expressed about their simultaneous drive to take over the Republican Party, and then the US government, in pursuit of imposition of their agenda of a strong state and an even stronger set of state-instituted novel markets.<sup>23</sup> The neoliberals often had to disguise their true allegiances from the masses: as Friedman once claimed, “the two groups that threaten the free market the most are businessmen and intellectuals” (Burgin, 2012, p.194). Yet Friedman promoted the destruction of state education and the privatization of universities to put the intellectuals out of business; he never attacked the businessmen to any equivalent degree. Indeed, he openly preached the doctrine that corporations had no responsibilities to society other than to maximize their profits; if corporations were persons, they were of the purest strain of self-interested creatures, free from all surly bonds of obligation. The demonization of the state relative to the corporation was the epitome of the short-term tactic; the usurpation of power to the extent of reregulation (not deregulation) and extension of state power both at home and abroad were the long-term goals. No matter what Grover Norquist might rabbit on about, no Neoliberal in government has ever actually shrunk the size of the state, much less drowned it in a bathtub. That was merely red meat for the groundlings. While in power, neoliberals may have subcontracted out parts of government, but that rarely makes a dent in bureaucracy. The coercive power of government inexorably grows.

Hence, I can understand the erroneous conflation of neoliberals and libertarians on the part of laypersons, or perhaps even someone like David Harvey, but empathy meets its match with an intellectual historian like Angus Burgin. Milton Friedman is most certainly not the median *intellectual* representative agent of Neoliberalism; indeed, it is this confusion of a biographical account with a serious prosopography is one of the great missed opportunities of Burgin’s book. Neoliberal philosophy is the outcome of a great many individual intellectual

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<sup>23</sup> The central significance of a platform like Heritage Action for the neoliberals is illustrated by the choice of Jim de Mint to give up a safe seat in the Senate in January 2013 in order to become President of the Heritage Foundation.

traditions, most of which were ignored by Burgin. There were the German Ordoliberals, the Virginia School of public choice, the hard right Austrians, and then there were political thinkers linked to some of the main protagonists, but not openly lauded by them. The Ordos believed antitrust would encourage competition; Stigler and Director and Friedman at Chicago deemed it useless. The Austrians stressed the epistemic function of markets; Chicago initially took market functions as identical with those stipulated in neoclassical economic theory.<sup>24</sup> Friedman thought the masses should be cajoled to entertain some neoliberal precepts through popular outlets; George Stigler thought neoliberals should just stick to their natural constituency, the rich who funded their ideas. Some of these doctrines later were reconciled with one another; but most of them were not. Members of the NTC were aware of these tensions; but they also were familiar with a number of political thinkers who argued such double standards were necessary, and even politically warranted.

In other work I have insisted upon the importance for Hayek and others of the Nazi political theorist Carl Schmitt and his theory of the political as based upon the critical exception to legal structures in the eventuality of emergency. The law served certain purposes, but in the final analysis, order only came from those willing to ignore the law in times of crisis. I think there is no better way to understand the behavior of the Federal Reserve in the recent crisis than through the Schmittian lens. Others, such as Will Davies, have noted the importance of the Schmittian exception in the bailouts in the European Union.<sup>25</sup> So there is more than one way to begin to understand the thought collective's commitment to the strong state. But there is yet another thinker, once located at Chicago, who has been sadly overlooked.

I am referring here to the work of the political theorist Leo Strauss. There has been a flood of academic literature attempting to debate whether or not Strauss was a major influence on the neoconservative movement in the United States; but that is not my current concern. Rather, I would like to suggest that Leo Strauss had a detectable profound influence on the Neoliberal movement, mainly through getting them to confront more directly their internal endemic problem of needing to espouse a set of double truths.

I am not aware of any historian who has explored in depth the shared presuppositions of Strauss and someone like Hayek; but they do seem substantial, at first glance. As Edward

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<sup>24</sup> (Skousen, 2005).

<sup>25</sup> (Davies, 2014).

Banfield wrote, “It was evident to Strauss that men have not become wiser than they were in the past and that no amount of enlightenment can ever bridge the natural gulf between the wise and the unwise.”<sup>26</sup> This was the epistemic position of many members of the MPS, such as the later Hayek, or George Stigler. Strauss was deeply concerned that liberalism had great trouble in justifying its own normative commitments, a worry he shared with Hayek, Buchanan and other MPS members. Furthermore, he had been one of the major interlocutors of Carl Schmitt in the 1930s, which is at least one reason Hayek would have had prior acquaintance with his work. Strauss was suspicious of grounding politics in scientific knowledge, as had been Hayek in his wartime work *The Counter-revolution of Science*. But more to the point, Strauss was deeply pessimistic concerning the self-sufficiency of human reason to guarantee political progress. This theme of the inadequacy of human reason to grasp lines of causality in human affairs turns out to be a major presupposition which influenced almost everything the neoliberals did in the late 20<sup>th</sup> century; so it appears Straussian themes informed much of their prognoses, albeit at a remove.

The most notorious doctrine of Strauss, and the one clearly relevant to our concern with neoliberal doublespeak, is his claims about the place of esotericism in the theory of politics. Strauss started out reading ancient authors such as Maimonides and Spinoza in the late 1930s, considering the conflict between the dictates of revelation and the claims of reason in political thought. In his key essays collected together as *Persecution and the Art of Writing* (1952), he argued that when reading these pre-modern thinkers, it is necessary to read between the lines. He argued those writers were concerned with the conflict between the quest for truth and the strictures of society; they may seem to argue for one thing sanctioned by law and culture, but in fact expect a second more attuned set of readers to take away a different message, sometimes the opposite of what appears to be the thesis. Thus the majority will take away one message, while simultaneously a specially prepared philosophical elite may be able to glean a different, esoteric message, a secret teaching. In the case of Maimonides, it was actual persecution of Jews which summoned forth the need for resort to a double meaning in textual expression; but he later extended the demands of esoteric knowledge to all those who dealt with the philosophy of law. In effect, the exterior literal meaning of the law serves to sustain a political community that requires fealty to particular forms of behavior and belief, whereas a different esoteric meaning of

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<sup>26</sup> (Banfield, 1991, p.496).

the law is a matter of philosophical speculation only for those capable to handle such speculation responsibly.

It is important to acknowledge that Strauss only wrote about esoterism with regard to mostly pre-modern writers; there was no explicit attempt on his part to extend the doctrine to modern political entities. Hence there was no question of whether Strauss thought of himself as engaging a special esoteric audience of his own, although some of his students apparently felt that way. There is little direct evidence that Strauss was promoting mass deception as an instrumental end for any modern political movement. Nevertheless, insofar as the possibility of esoterism was a measured response to the insufficiency of political reason to understand politics, it would have caught the attention of neoliberals at Chicago who shared his dour view of rationalist liberalism. And there is evidence it did.

Strauss took up a position at the University of Chicago in 1949, and taught there until 1967; therefore he overlapped significantly with Hayek and other MPS members on the ground. In a Hayek biography written by one of the members of the NTC, there is an assertion that Joseph Cropsey, a close colleague of Strauss, was unaware of any contact between Strauss and Hayek.<sup>27</sup> However, this is just another cautionary tale that one cannot really trust the NTC to faithfully report their own history. There is correspondence in the Leo Strauss papers between Hayek and Strauss, which suggests they were indeed in close contact during the Chicago period.<sup>28</sup> Although the letter is undated, it must have been composed in the period 1949-1952, since it makes references to Strauss' lectures on *Natural Right and History*, delivered at Chicago and published in 1953.

Although there is no direct evidence the Straussian approach to esoteric knowledge dictated in detail the terms of the NTC's eventual espousal of a number of double truths, the ubiquitous political necessity of saying one thing and doing another was especially salient when it came to neoliberal doctrine. The neoliberals believed that the market always knew better than any human being; but humans would never voluntarily capitulate to that truth. People would

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<sup>27</sup> (Eberstein, 2003, p.253).

<sup>28</sup> Hayek, letter to Strauss, undated, Leo Strauss Papers, Regenstein Library, Box 2 Folder 1. "I had hoped that your note saying that you were unable to come to the Seminar referred [sic] only to the first meeting, but I am now beginning to fear it may have meant to cover the whole quarter. I should be exceedingly sorry if that is the case, but I am not yet prepared to give up hope altogether that I may not at least be able to persuade you not only to come to the one meeting where we should need your help most but even to open the discussion with a brief statement of the problem, which you are better qualified to do than anybody I know. It is the meeting of February 7 on 'Natural Justice and Positive Law and the Concepts of Law and Justice'."

resist utter abjection to the demands of the market; they would never completely dissolve into undifferentiated ‘human capital’; they would flinch at the idea that the political franchise needed to be restricted rather than broadened; they would be revolted that the condition of being ‘free to choose’ only meant forgetting any political rights and giving up all pretense of being able to take charge of their own course through life. Neoliberal ideals would always be a hard sell; how much easier to avoid all that with simplistic stories that fogged the mind of the masses: government is always bad; everything you need to know is already in Adam Smith; you can be anything you want to be; there is no such thing as class or the dead hand of history; everything can be made better if you just express yourself on some social media platform; there is nothing wrong with you that a little shopping won’t fix.

In their heart of hearts, philosophically sophisticated neoliberals know that none of this is strictly true; and they even can concede this once in a while within internal discussions of neoliberal doctrine. They can’t go around saying in public that, “We must seize power and use all the tools of government to get the government to impose the ideal market on a recalcitrant populace.” Here they learned a lesson from the hard Marxist Left in the 20<sup>th</sup> century, who repeatedly insisted that they might temporarily have to bring about turbo-charged capitalism with enhanced exploitation as a necessary prelude to an eventual true socialism. Most political programs at some juncture must promise both A and not-A simultaneously in order to exert sovereignty. What is noteworthy about the neoliberals is that they forged a unified doctrine and institutional structure to do just that: they can reassure themselves that *no human being is capable of second-guessing the Truth of the Market*, and therefore spreading ignorance about their own true motives is not duplicity, but rather, foaming the runway for the bearers of real civilization to land and take over. There is no better modern exemplar of the core of the Straussian political doctrine of the noble lie.

The net result of the reconciliation of theory and practice has been a political movement that dares not speak its own name.

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