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Liberal distrust

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The beginning of political and economic liberalism is distrust. This claim is clearer for economic liberalism than for political liberalism because it is overtly foundational in economic liberalism, which was directed against the intrusions of the state in economic affairs. Those intrusions typically had the obvious purpose of securing economic advantages for some by restricting opportunities for others, although some of them may have been merely capricious or ignorantly intended. The hostility to such economic intrusions led to the form of the American constitution, with its principal purpose to restrict government and its actions in the economy or, in the lexicon of the time, in commerce. James Madison saw the creation of an open economy or untrammelled commerce as the main achievement of the new constitution.

In the United States, the creation of an open economy was essentially dependent on the simple Commerce Clause, which blocked actions by states to interfere – for the benefit of the states, their agents, or particular interests – with interstate commerce and to control international trade.[1] Madison wanted to lodge commerce powers in a national government; and to block that government's abuse of its power, he wanted it to be generally weak. Indeed, the greatest strength of the national government in its beginnings was the power to reduce the power of the individual states, in particular to block their intrusions into commerce. As with the European Union today, the overall result was the reduction of economic power of government on the whole, counting both state and national governments together. Commerce was freed from both of them and the result was a more dynamic economy.

Why distrust? Because the experiences both of England for centuries before the US constitution and of the 13 states during their brief union under the Articles of Confederation were of government actions to control the economy in often destructive ways. Often there were identifiable beneficiaries of the controls. Hence, given the power to intervene, one could be fairly sure that governments

would often do so. The straightforward incentives of government agents were to arrange benefits for themselves through impositions on others. Such incentives are a recipe for distrust in the sense that those on the wrong end of the interventions could see that their own interests were sacrificed for others merely because someone had the power to intervene.

Even before Madison and his arguments for the US constitution, the recognition that governments were prone to abusing people in such ways was a central part of the development of liberal thought, especially in the work of John Locke, David Hume, and Adam Smith. The original contributions of Madison to this long tradition were, first, to create a government that was hemmed in by itself so that it could not easily overreach its authority and, second, to give that government very little authority while also diminishing the authority of the individual states.

In this paper, I canvass the liberal tradition of distrust from Locke to Madison. Until Smith, the dominant element in that tradition was political liberalism and government actions against individual freedoms. In the writings of Smith and Madison the dominant element is concern with economic liberalism, perhaps in part because the prospects of political liberalism had already improved significantly in England and, after some religious excesses, such as the Salem witch trials, political liberalism was perhaps about as secure in the American colonies as anywhere. In part, the differences in the earlier and later writings is the growing mastery of nascent economic theory that could make sense of the reasons for failure and success and that could essentially define the grounds of distrust. In part, however, the differences might have followed from the sense that economic liberty would help to secure political liberty, as Locke's defence of property had already done and as Madison's vision of a multiplicity of economic interests suggested.

From Locke to Smith

Perhaps the most provocative of all the liberal claims for distrust in government is Hume's remark that government institutions must be designed to work even if they are staffed by knaves. He actually had a better opinion of people than this injunction seems to imply to many readers, but he grasped the essential fact that it is government's performance at the extreme that we have to fear. Hence, we should design government to be safe against extreme performance. His claim was one of risk aversion, not of misanthropy. Hence, for Hume, it is occasional agents of the government whom we must distrust. (Hobbes also held that there need be only some bad apples in a society without government for that society to descend to his awful state of nature. He further supposed, from his experience of the ugliness of the English Civil War, that such bad apples are available.)

Well before Hume, however, this view of wariness toward government was

already well stated by Locke[2] who opposed lodging too much power in a single branch of government (as Hobbes wished to do) because 'it may be too great a temptation to human frailty apt to grasp at power'. He makes other similar remarks about the tendency of people to seek their own advantage and to use the powers of government to do so. Indeed, he supposes that 'the properest way to prevent the evil, is to show them the danger and injustice of it, who are under the greatest temptation to run into it'. The people show their leaders by rebelling (ref. 2, section 226).

Smith[3] is more singularly focused on economic regulation and less on political liberty. He does not present a theory of liberal distrust, but his general argument is that we will all prosper best if we decide for ourselves what to do in the economy. Our pursuit of our interests will lead us into the best possible results. He rails against the abuses of mercantilism and other state controls over economic activity, such as empowering guilds of men in various professions to decide who will be allowed to work in those professions.

Both the Hobbesian and the later liberal constraints are part of a two-stage choice. We generally coordinate on creating institutions for constraining certain classes of behaviour and then the institutions implement the constraints. In *Federalist* **49**, Madison notes that resort to the people should be reserved for 'certain great and extraordinary occasions'. Ratifying a constitution was one of those extraordinary occasions. In an extreme statement of this dual structure of choice, Madison argued that an advantage of the particular form of representative government proposed for the United States in its new constitution was '*the total exclusion of the people in their collective capacity* from any share' in the government (*Federalist* **63**, paragraph 14, emphasis in original). Madison here refers to the role of representatives. They should actually legislate and not merely report what their constituents want. Montesquieu (ref. 4, book 2, chap. 2, p. 12) makes a seemingly similar claim that the people are competent to elect but not to govern. However, Montesquieu held that the people were incompetent to understand what the more qualified governors could understand. John Adams[5] saw the problem as essentially one of the fallacy of composition: 'the people' is an incoherent notion if 'by *the people* is meant the whole body of a great nation [who] can never act, consult, or reason together'.

Madison's constraint on voters is motivated by representative democratic theory rather than by a judgement of the weak character of the mass (see further, ref. 6, p. 227). That is to say, popular sovereignty would stop at the adoption of the constitution. It must seem perplexing to anyone committed to unvarnished popular sovereignty that this was an argument made in public to win popular support for the constitution. But Madison's focus here is on the design of the government, and not, of course, on the adoption of policy as the result of elections that do express popular sovereignty. The very idea of creating institutions to

design and implement policies inherently makes sense only if they are to act in ways that the entire populace acting together could not do, as in the two-stage theory of Hobbes. The American people created institutions through the adoption of the constitution in 1788, and those institutions govern. The people participate in politics through elections and other activities, but they do not directly govern.

This is the overwhelming response to distrust of government. It must be hemmed in by institutional devices, including institutions that contest with each other.

In addition to distrusting the motivations of officials, all of these liberals also shared with Hobbes some doubt in the competence of officials to pursue the interests of the people. As Hobbes[7] put it, 'a plain husbandman is more prudent in affairs of his own house, than a privy-councillor in the affairs of another man'.

Finally, all of these liberals are more complex than merely to distrust government. They all also believed with Hobbes that government is necessary for our prosperity and even survival. Locke supposed that government is necessary for maintaining property rights. Hume and Smith asserted its competence in building the infrastructures without which industry and commerce could not flourish. And all of them shared with Hobbes the view that government is necessary for protecting us against each other; both Locke and Hobbes supposed that only government would keep religious conflict at bay. However, far more than was true for Hobbes, they all saw government as a mixed blessing and they wanted it to stay out of some aspects of our lives. Perhaps, again, the strongest statement is from Hume,[8] who argued that government, 'tho' compos'd of men subject to all human infirmities, becomes, by one of the finest and most subtle inventions imaginable, a composition, which is, in some measure, exempted from all these infirmities'. How is this accomplished? By having officials be constrained by institutions.

Madison and the US Constitution

The United States was created on a principle or theory of distrust in government. There were two focuses of this distrust: individual political liberties and economic liberties. Let us briefly consider the concern with individual political liberties. A reading of the Bill of Rights and the Constitution suggests some of the reasons for belief in the liberal theory of distrust. In general, the long history of conflicts over which family should be the royal house in England involved constant abuses of power for the sake of gaining, or maintaining, power through the office of king or queen. (See ref. 9 for an account of the insidious conflict between Henry VIII and Lord Lisle of the formerly royal Plantagenet family.) More particularly, the experience of life in England during the struggles over the 17th-century Civil War and the ominous prerogatives of the king in stationing troops in homes, impressing

men into the navy, subjecting potential opponents to the star chamber, and other abuses or forms of cavalier disregard of individuals informs the Bill of Rights and its restrictions on government prerogative.

The economic concern was essentially that of Adam Smith's hostility to mercantilism, which was, in England, essentially the granting of monopolies to family favourites of the king and the rigid control of trade. Of course, Smith's chief work on the subject, *The Wealth of Nations* (1776), was available before the US Constitution but only after the Declaration of Independence. Still, many of the central ideas on economics and the criticisms of mercantilism were not strictly original with Smith and were widely in discussion.

To collapse a complex history, those who wanted to have a bill of rights included in the US constitution were evidently far more bothered by English abuses of political liberties. Madison, however, seems to have been motivated primarily by the English abuses of economic freedoms in its mercantilist manipulations of the economy for royal benefit. For Madison, the chief reason for calling the failed Annapolis Convention in 1786 and then, in 1787, the Philadelphia Convention (now called the Constitutional Convention) was de facto to institute a stronger but still weak national government to override the state governments on issues of commerce. Its chief domestic power was to constrain the 13 states. Madison thought the state governments were irresponsible in their petty and destructive regulation of commerce. The constitution drafted in Philadelphia was designed to embody the Commerce Clause, to stop restrictions on interstate commerce through tariffs and other devices (ref. 1, pp. 241–248).

Madison seems to have distrusted government's predilection for intrusions in the economy because they were partisan (as in the granting of monopolies) and were in cavalier disregard of citizens and their interests. Smith partly disliked mercantilism because it included a false theory of how an economy could be developed. According to that false theory, domestic producers and the national economy would benefit from restraints on trade carefully managed by the state. Smith held that free trade was generally a more beneficial policy even though it would entail foreign competition for domestic producers. He thought competition would be generally beneficial in the incentives it gives to improve production.

One of Madison's advantages at the convention in Philadelphia was that he was not especially a partisan of some group's interest. He was interested in the general success of all commerce and of the productive classes because he recognized that economic success must be joint, and not separable. Plantation owners could prosper only if financiers, shippers, and traders prospered. They had complementary capacities and they would benefit mutually from elimination of barriers to their economic cooperation. This was in essence his clearest economic insight and it was seemingly beyond many others at the time. Partisans are commonly very good at pointing out what problems are in need of investigation; but they may be

nearly useless at actually investigating them. Alexander Hamilton or Thomas Jefferson would surely have written far worse constitutions than Madison helped to contrive. When Madison became a political (not economic) partisan during the period of the creation of the Jeffersonian Republican (now Democratic) party, he often made arguments that belied his earlier claims. Hence, had he been merely recommending reforms to an ongoing political order, we might suppose he would merely have been a carefully partisan politician rather than the brilliant master builder of Philadelphia.

Of course, the concern with personal political liberties was also from experience even if not from theory. The best theory was roughly Hume's supposition that we should design government to work well even if staffed by knaves. This is a kind of fail-safe theory. In Philadelphia, Madison was opposed to including a bill of rights in the constitution. He seems to have believed that the new government would be sufficiently weak that it could not tread very heavily on political liberties any more than it could on economic liberties. But even the experience of the US constitution shows how serious is the problem of state intrusions in political freedom. The Alien and Sedition Acts under John Adams, the second president of the new country, revealed that despite clear constitutional protections, individual liberties were at risk even from a relatively weak government.

To some extent, Madison was right in supposing that abuses of political liberties would be lessened by making government too weak to intrude in the economy. The Soviet government was designed to intrude heavily into the economy and to design and manage a new socialist economic system. But the power it had for that enabled its government to exert capricious control over personal liberties that had no relation to economic success or failure. Poets, artists, and composers were suppressed as brutally as anyone who opposed or got in the way of Soviet economic policies (or of Stalin's career). Hume's fail-safe rule on government is depressingly relevant to many centralized regimes of the 20th century, which all too often have had either knaves such as Hitler and Idi Amin or economically ignorant and incompetent leaders such as Nehru and Muammar Qaddafi in control.

Of the men at the Philadelphia convention, Madison was singularly the deepest thinker and the greatest architect of the new constitution. It was probably a matter of great good fortune that Thomas Jefferson was in France at the time so that Madison was essentially a free agent to do as he thought best. In Jefferson's presence, he would likely have been far less independent. Among the theorists whom the conventioneers read, the most influential was probably Montesquieu. Montesquieu was especially influential in espousing the views that animated the strongest potential opposing groups for Madison's designs to create a new national government that could dominate the state governments (which he might as soon have abolished). That opposition, which was too diverse for any single positive or defining label has become known by the negative label, the Anti-Federalists,

as though to imply that they only opposed and did not support anything. That inference is partly wrong because some among them had a theory of their own, a theory that implied a form of organization for the society.

Many of the Anti-Federalists, including many of the most articulate among them, believed that the best form of liberal government would be a republican government in a small society, as Montesquieu argued. Hence, they wanted essentially local government with either extremely weak national government (such as that under the then governing Articles of Confederation) or none at all. In their visions these men were forerunners of today's communitarians. Because many of them mistakenly supposed that whatever happened in Philadelphia would be subject to rejection by the congress of the Articles of Confederation, they were absent from the debates and the voting in Philadelphia. Madison and company well enough understood that going to the congress would be death to their new designs because they could be virtually certain that Rhode Island would veto its changes (soon thereafter Rhode Island voted not to ratify the constitution and remained outside the new nation until halfway through George Washington's first term in office as president), so instead they sent their constitution to individual state conventions. In essence, their actions were a violation of the then-extant law of the Articles, because the congress had authorized the Philadelphia convention only to propose revisions to the Articles. Instead, the convention ignored the Articles and wrote a new constitution.

Madison clearly thought Montesquieu fundamentally mistaken in his central claim that only a small republic, with its homogeneity of interests and opinions, could hope to have stable government. Madison held, on the contrary, that the most grievous threat to liberty in the United States was from the state governments, especially – during the preceding decade – the government of the smallest of the states, Rhode Island. He argued that a national government would give better protection against the tyrannies of petty, local majorities. Madison's argument in *Federalist* **10** is perhaps the strongest refutation we have of Montesquieu. (For a recent account of Madison's liberalism, see ref. 6, pp. 244–340. Beer attributes some of Madison's arguments to Hume[10] and to James Harrington[11].) Madison therefore wanted a dominating national government – not a strong national government but strong only relative to the state governments. He wanted to break the power of the states over commerce. Because the only way to construct a new national government was through something like the Philadelphia convention, at which the representation was by state delegations, there was essentially no hope of eliminating the states and much of what Madison wanted could not be achieved (as he openly explained in *Federalist* **40**). Still, Madison had no vision of a government as strong as, say, that of France in the 17th and 18th centuries or of any advanced nation today. His intention seems to have been to create a government that would have *less power* overall in domestic relations than had the

collection of states plus the weak government of the Articles, while it would have *more power* in international relations, especially with respect to trade but also with respect to national defence.

Madison clearly saw the states as arbitrary in their economic policies, which in his vocabulary is virtually the opposite of liberal. This was a problem because he thought Montesquieu was wrong in supposing that small republics would be homogeneous enough not to have conflicts, as he said in a letter of 1787 to Jefferson (ref. 12, p. 647). Madison thought on the contrary that they would be small enough to have vicious majority-versus-minority conflicts. He argued that the larger nation would not so readily be sundered by such vicious conflicts. Anyone who contemplates what life would have been in the Anti-Federalist strongholds of upstate New York must wonder that any theorist could suppose that all the views and values within such a community could be held in common. The chief Anti-Federalists were communal elites, including two prosperous Anti-Federalist lawyers (Yates and Lansing) in the New York delegation to the Philadelphia convention. Their interests were clearly not congruent with the interests of the less wealthy and powerful members of their own communities. On this issue it appears Madison was right, Montesquieu wrong.

Furthermore, Montesquieu thought coalitions of interests could not work; Madison thought they could, or at least he thought they could when they had complementary capacities so that they could gain mutual advantage from coordination and cooperation. The coalition that particularly concerned him was that of agrarian (especially plantation) producers and commercial shippers, financiers, and traders. Again, Madison was right, Montesquieu wrong because, at least in important respects, this coalition worked remarkably well in creating and then managing a government.

In creating the larger nation Madison further attempted to design institutions that would prevent the national government from being arbitrary. The government he helped design has probably been the most successful major government in guaranteeing political and economic liberalism to most of its populace (slaves brutally excluded for three-quarters of a century and women almost completely excluded for more than a century). Part of the cost of that success is that that government is remarkably often incapable of addressing some problems – most notably, the problems of slavery, race and poverty, but also perhaps violent crime in a society that has such burdens of race and poverty.

Madison's core ideas were often about how to deal with the peculiar situation of the 13 American states. This is not a broadly generalizable problem. Its solution does not even apply to some of the later federations of states, such as the Argentine federation, the Yugoslav federation of quasi-autonomous states, the Belgian quasi-federation, or the Soviet and Indian empire federations. It would be only moderately applicable to the Canadian and Australian federations. But of all the

great liberal thinkers, Madison was the most effective. When he went head-to-head with the Anti-Federalist exponents of Montesquieu's views during the ratification debates, he won the day. He won the intellectual debate overwhelmingly and he and the Federalists won the political debate by sometimes narrow margins but still with finality.

A distinctive difference between Madison and the major philosophers of liberalism, from Locke to Smith, is that Madison was foremost engaged in the effort to create a liberal government. He was not primarily a theorist and his was less a theoretical than a practical contribution, although one can claim that he was a better sociologist than Montesquieu and one of the best practical economists of his age. One might reasonably doubt that Locke, Smith and Montesquieu could have done as successful a job of designing a constitution in Philadelphia as Madison did. He was – admittedly on the evidence of his own notes of the proceedings – apparently a master politician who was ready to tack and trim to get the best results feasible from his roomful of fellow conventioneers. Most of the others, on his record, seem to have been foremost concerned with their own idiosyncratic issues or with the issues most dear to their own states. This fact may have served the new nation and Madison well, because these men generally focused on side issues of representation of their states in the new order and on the painful issue of slavery. While most of these men (excepting the few Anti-Federalists) likely shared Madison's concern with free trade within the states and with the economic liberalism that would allow commerce to prosper, they might have balked at giving the commerce power to the federal government if they had put enough effort into thinking through the longer run consequences of this limited power. Those consequences included the growth of American government into an astonishingly powerful agency capable of governing without careful attention to constitutional constraints. Beginning with moves to control the growth of monopoly power and with corruption in federal agencies in the last quarter of the 19th century and climaxing with the massive growth of administrative agencies to oversee much of the national economy in the New Deal era of the 1930s, the US government essentially invented an extra-constitutional fourth branch of government. That branch is the independent agencies which, taken together, are now by far the largest part of the government and possibly make this the most powerful of the four branches, at least in domestic matters. These agencies are also remarkably autonomous from general political control and almost entirely independent of democratic control.

Perhaps the principle difference between Madison and the other liberal theorists is the following. Virtually every major social theory is issued in an institution or a set of institutions, although the move from social theory to institutions is commonly left open and is spelled out only in the roughest terms. Madison's theory was issued in an actual set of institutions that were surprisingly subtle and

adept from the beginning. They worked on the ground and remade the nation over which they governed. Those institutions were, of course, far more effective than any theory could have been, because they actually governed further relationships. Once these institutions were in place, social theory could largely be laid aside and government would work reasonably well without it.

Of course, those institutions were theoretically grounded, better so than many of the conventioneers could have understood and certainly better so than the large number of people (only about 15% of those eligible) who participated in ratification of that constitution could possibly have understood. Among the great strengths of those institutions, once established, is that they gave people stable expectations of the kind that Hobbes wanted government to provide. If the state protects me against attacks by others, I can expect my efforts on my own or my family's behalf to pay off.

Stable expectations are also of central importance in political liberalism. The obverse of stable expectations in political rule is arbitrariness. One of the strongest passages in the entire *Federalist Papers* is that in Federalist **47** in which Madison quotes Montesquieu on the claim that the arbitrary exercise of power is the core of tyranny. For Montesquieu, the point of separation of powers between the legislative, executive, and judicial branches is to reduce the odds of the arbitrariness that might follow from having any one of the branches fully in control (ref. 4, book 11, chapter 6, p. 157). The argument is essentially the claim that requiring multiple branches to act to deprive one of liberty adds to one's security through regression towards the mean. It is far less likely that two or three branches will coordinate in an arbitrary suppression of someone's liberties than that a unified single branch will be arbitrary. Madison added to this view a somewhat more active vision of the roles of different parts of the government. They would be jealous of each other and would block each other's usurpations.

European comparisons

In other nations, the effort to block the political and economic abuses of royal or other government prerogative has typically come as a reform of an extant form of government and has been accomplished through the very institutions of that government. In the United States, the 'reform' was accomplished by the creation de novo of a liberal government, the first avowedly liberal government of a major nation. It was also arguably the weakest government in a major nation of its time. The documents and practices that make up the English constitution include some, such as the *Magna Carta*, that restrict governmental power. The US constitution simultaneously created a government and greatly restricted its power. (Other essentially de novo governments, such as the French, Russian, and Chinese revolutionary regimes, were created with a mandate to do things, including the

extensive reconstruction of the society. The US history is nearly unique in the de novo creation of deliberately constrained and limited government.) One might say it eviscerated government, except that there was no prior government to eviscerate, with the partial exception of the governments of the individual 13 states. Some of these states, such as Pennsylvania and Virginia, had largely abnegated some of the powers that wrecked the development of the nascent US economy. But others, such as New York and tiny Rhode Island, often exercised such powers with a vengeance and they hamstrung the larger nation.

Because of these distinctive differences Anthony King[13] speaks of American exceptionalism in the American attitude of distrust in government. He further argues that ordinary Europeans (as opposed to European academic social scientists) do not even conceive of government in the way Americans do. For Americans, the government is not just the current administration or some agent. It is all of those bureaucrats and their power in Washington, now and in the past and into the future. For Europeans, the phrase 'the government' means the current regime of Tony Blair, Gerhard Schroeder, or Silvio Berlusconi. The government is something that can be thrown out and replaced with something different and maybe even better. To Americans, it is something that has been there a couple of centuries and will continue very possibly for many more centuries. Throwing it out would be pointless because it would only be replaced by another. The best we can do is to hem it in as much as possible.

The English government evolved over time, becoming less parasitic as the king's prerogatives were increasingly curtailed. By the time of the 20th century, the dominant view of government in England must have been relatively sanguine: that government was largely there to serve the public. No one other than the royal family and some retainers could have thought most European governments of preceding centuries were there to serve them. Governments were established as entities that then, through military action, established the state's boundaries and the subjects of the state were just that: subjects. Their chief value to the state was as sources of revenue. Napoleon dramatically altered the relationship by building his massive armies out of citizens rather than out of mercenaries. The need for large numbers of soldiers who might actually be loyal profoundly changed the relationship between citizens and their government. Hence, the invention of modern nationalist warfare sped the development of political liberties and of democracy, which in turn further enabled modern warfare.

King notes that many Europeans may come to have an American view of the government of the European Union, which has been created de novo much as the United States was in 1787–1789. Europeans already seem to refer to Brussels much the way Americans refer to Washington, as the somewhat distasteful seat of a bureaucratic and at best faintly necessary government. In the light of King's

account, however, it is interesting that Montesquieu thought of England as the nation with a proper distrust of government in his time.

The political phrasing of the issues in Europe is distorted almost beyond recognition in the supposition that what is at stake is the creation of great power in Brussels. What has chiefly happened so far is the reduction of power of all governments by freeing the commerce of the petty intrusions of the individual nations. It looks very much like the US experience and its commerce clause. The commerce clause probably had the effect of reducing antipathy to government in the early United States because it reduced the power of government to intrude in people's lives. The English opposition to Brussels has successfully distorted the issue into one of distrust in the European supra-government, as though their own national government were beyond distrust. For many issues, Madison's sense of the capriciousness and destructiveness of the individual American states' governments fit just as well the individual European national governments.

Even debates over the euro, the new European currency, are infected with this distortion. Opponents of the EU have also somewhat successfully raised chauvinist objections to turning over the domestic currency to a central government. An indifferent economist surveying monetary policy in many of these and in very many other nations would recommend taking such policy out of the hands of national politicians, who all too often cannot be trusted with such policy, both because they lack any competent understanding of what monetary policy does for – or to – the society and because they have personal political interests in misusing such policy.

A side benefit of the new European state is that, in addition to bringing greater liberalism in commerce, it has also brought dramatically greater freedom to individuals in their activities and movements in Europe. This may be an especially clear case of the interaction between economic and political freedoms.

Perhaps the most theoretical among the opponents of European government have in mind not what is currently on the agenda but rather the possible logic of the longer run future of that government. For this concern, of course, the US experience is not promising for those who value relatively weak government. The US government is probably still weaker domestically than the governments of many other industrial states. Its seeming power to various critics may be more nearly the effect of its massive and innovative economy. But that government is almost inconceivably powerful in comparison to what Madison and the Philadelphia conventioneers thought they were creating. To win the argument over whether Montesquieu-like small republics or large and diverse states are the better defenders of liberties, both economic and political, probably requires a discussion of more than merely domestic arrangements. The question is whether life in North America would have been harsher if it had been carved into small republics. The view of early leaders of the European movement, such as Jean

Monnet, was clearly that peace and prosperity depended on transcending small states' interests by merger of those states into a European supra-state. If, as seems likely, economic and political liberties interact so that securing either helps to secure the other, then the European Union may be generally liberating even in such ways as to undercut the current wave of quasi-communitarian sub-nationalist movements.

Explaining trust

Much of the current wave of work on trust in the advanced industrial societies has been directed at understanding apparent changes in trust over time (see, for example, refs 14 and 15). The urge is to explain at the margin. In some ways, the work of Locke, Hume, Smith and Madison was at the core of how society works rather than about marginal changes. They were concerned with the foundations of a working society with good government. The argument in contemporary debate is roughly as stated by Geraint Parry[16]: 'Political trust is an epiphenomenon of social trust [which is trust between individual citizens]. Where consensus is lacking, social trust and consequently political trust will be lacking and the political system will be less stable.' Although it is often asserted, this claim of the spilling over of trust at one level to trust at other levels is not well demonstrated or even much addressed. A version of it was articulated by Gabriel Almond and Sidney Verba[17]: 'Belief in the benignity of one's fellow citizen is directly related to one's propensity to join with others in political activity. General social trust is translated into politically relevant trust.'

One can at least imagine that a populace among whom there is fairly strong distrust could nevertheless have confidence in their government or that people who are quite optimistic about each other would distrust their government. Indeed, the former seems to the finding of Almond and Verba[17] from survey research in Germany and Italy. It would also seem to be the virtually self-evident fact of Madison and many of his associates that they trusted each other fairly extensively even while they constitutionally distrusted the government that they created and would soon staff. Indeed, one might well argue that wariness toward government could enhance the development of personal trust relationships.

Herbert McClosky[18] and many others view distrust in government as a measure of political cynicism. (The trust items in the National Election Survey in the United States were originally designed to measure political cynicism.) An elitist response to widespread distrust by the populace is to suppose that participation should not be encouraged so that the better educated and more politically active citizens, who tend to be much more trusting, run the government. In Russell Neuman's[19] account, those who know enough to be able to judge much of the government trustworthy might be only about 5% of the American electorate. Orlando

Patterson[20] says that this small group, who are attentive and active, 'accounts for the vibrancy and integrity of the democratic system in America'. If so, a few activists go a long way toward making democracy responsive to the much larger number of those who are distrusting. That would be a possible but also an odd result. It is also odd to think that Madison and his peers distrusted government in principle, while the masses today, who evidently distrust government, may well distrust it because it is elite. Hence, the elite salvation of government might in fact be the elite capture of government.

Parry[16] concludes sensibly that it is possible 'that political trust is not so much rooted in social attitudes as consequent upon the effective performance of certain political institutions'. Arguably, this view fits the contemporary American experience of apparently declining confidence in government.[21,22] It also fits recent changes in Poland very well.[15] During the decade after 1989, Poles went from euphoria to distress as the effects of the transition were at first fairly harsh economically, and then back to optimism as the reforms, both political and economic, began to work positively. It should be no surprise that an initial transition from central to market allocation is costly in the short run because it undercuts systems that, even if inefficient, did produce and deliver goods. Getting new institutions for the market in place cannot be instantaneous. The change could also not seem entirely certain to work, so that people might tend to gamble on the changes in the short term, making profits where they can. This fits Sztompka's and liberal theorists' concern with stable expectations. It takes time to develop stability and, in the interim, people have weak grounds for trust that is grounded in expectations of reliability. With Poland's greater success than most of the eastern transition states have achieved, Poles now have reason to harbour relatively optimistic expectations.

Robert Dahl[23] says that extreme distrust in a society favours hegemony. One might sooner claim that hegemony, especially autocratic hegemony, favours extreme distrust between citizens even as a matter of deliberate policy in order to keep them from coalescing into oppositional groups. Such individual level distrust was a chronic symptom of Soviet life under Stalin. Distrust of government seems to be a better way to go. Parry says 'it is still open for someone to hold, with Hume, that such distrust is an excellent working hypothesis in politics' (ref. 16, p. 139). This appears to be Parry's own view, as suggested by his criticisms of the many authors who seem to deplore distrust in government. I think it is a correct working hypothesis, largely for Hume's reasons of risk aversion where the downside of misplaced trust is disastrous, while the loss from distrust cannot be anywhere near as disastrous. (For individual level trust, this asymmetry is not likely to be true in general. Indeed, in a relatively decent society, distrust will cost more through lost opportunities than misplaced trust would cost from losses through deception. See further, ref. 22, chapter 5.) In the past century, it seems

likely that no polity trusted its government more than Soviet citizens did for the decades of Stalin's rule and that no large industrial polity has been more abused by its government. For epistemological reasons, trust in government probably cannot be justified even when the government is a good one, but distrust can be justified.[24]

Concluding remarks

Because of the intensity of the debates at the time of the US Constitution and the high quality of the exegesis of opposing sides in the *Federalist Papers*[25] and in the writings of the Anti-Federalists, it is possible that the American populace of that moment better understood the grounds of liberalism than they have at any other time, before or since. The exciting debates in East Europe from 1989 until recently may similarly have educated more people to a good understanding of these issues than in any other society since the era of the constitutional debates in the US.

One might suppose it would be good to have such understanding in other times as well. But that is a far too demanding hope, because the intensity of debates around 1787 and 1989 necessarily depended on the fact that the debates were potentially going to affect how we organized our national lives. In most eras, this is simply not true in any such significant way. In a sense, therefore, the constitutional generation's wisdom and understanding dies with it. Indeed, it probably already dies in the politics of the new institutions once these are in place, as in a sad sense it did for Madison himself. After the new government was in place, Madison became foremost a pragmatic politician focused on the issues of the day and on the machinations that could best secure quotidian victories for his side. Several of the charismatic liberals of East Europe have suffered even sharper declines in their own apparent understandings once new or reformed institutions were put in place. For the peoples of East Europe, it is already politics as usual – even though there had not been such 'usual' politics for generations before 1989.

What residue of the constitutional debates is left as a live political force or idea? In the US, perhaps primarily the aura of distrust in government. Any failure of major policies is almost instantly attributed to the incapacity of government to overcome petty interest-group or individual incentives. The Vietnam war, for example, demolished half a generation's expectations that government might be both benign and sensible. The partial failure of programmes on poverty and racism are viewed cynically as the naturally low expectation of government will and capacity, even though for a brief period government action on these problems was seen as admirable. If King is right, there may be no such residue in Europe, although change may be on the way. The instant antipathy to the growth of the European Union in England and in some other nations more sporadically sounds very much like the American distrust of government.

Finally, note an instructive way to see the Madisonian vision of restrictions on government. In a story of his being deceived by a student who wanted a grade for a course *before* finishing a required paper, Piotr Sztompka[15] gets the issue entirely right in his sly observation that 'rules, codes, and regulations may sometimes embody the collective wisdom about the average trustworthiness of people'. This is a richly Humean view. The rules at the university where Sztompka taught that student barred his giving her a grade before she finished her paper. The rules were right in her case – she never did the paper. Many of us commonly have optimistic expectations of the behaviour of others, including, of course, government officials. But the constitutional constraints we have put in the way of action by these officials very likely embody an important bit of collective wisdom that may seldom be seen or fully understood by individuals; and those institutions protect citizens against their failure of vision. Distrust came relatively easily to people, such as the liberal theorists of distrust and many of the citizens of the former Soviet Union and of Communist East Europe, who had lived with earlier governments' abuses and who wanted to block them in their own lives. The liberal theory of distrust is an important body of collective wisdom and the institutions it has produced are the embodiment of that distrust.

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