Top 20 books you must read before you die*

The *IPA Review* ranks the books that ***deserve*** to be the most influential.

20 David Friedman
The Machinery of Freedom: A Guide to Radical Capitalism (1973)

David D. Friedman is the son of Milton Freidman, and holds similar political views, but in a more radical form. Educated as a physicist, he currently specializes in an economic approach to legal issues. He is also a passionate recreational medievalist (see his website: http://www.daviddfriedman.com/). In his *Machinery of Freedom*, Friedman offers a range of 48 interesting and provocative short essays on libertarian themes. These range from defences of private property and anarcho-capitalism, through the exploration of private law enforcement in medieval Iceland, to a discussion of vouchers and an engagement with William F. Buckley's views about drugs (in 'Is William F. Buckley a Contagious Disease?'). Friedman is smart, and his book is full of arresting ideas. He mixes discussion of principles and ideal cases with the advocacy of specific reforms which would bring our existing society closer to a libertarian one. *Machinery of Freedom* sets out 'to persuade you that a libertarian society would be both free and attractive, that the institutions of private property are the machinery of freedom, making it possible, in a complicated and interdependent world, for each person to pursue his own life as he sees fit'—and it is an enjoyable and stimulating read even if you do not agree with him.

Jeremy Shearmur

19 John Stuart Mill
On Liberty (1859)

The elegant and lucid style of *On Liberty* well repays the intellectual effort expended in comprehending Mill's argument. As a work of practical philosophy, the only kind worth reading, it sends us a clear message across the 150-year interval.

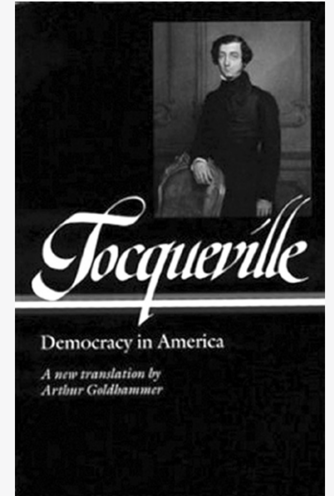
Mill's thesis was that government should only interfere in individual liberty to prevent damage to others. He asserted that 'Over himself, over his own body and mind, the individual is sovereign'. The price for governments flouting this principle is loss of individual freedom, a cherished right. This, in turn, diminishes the diversity of thought and action that provides the vitality of any community.

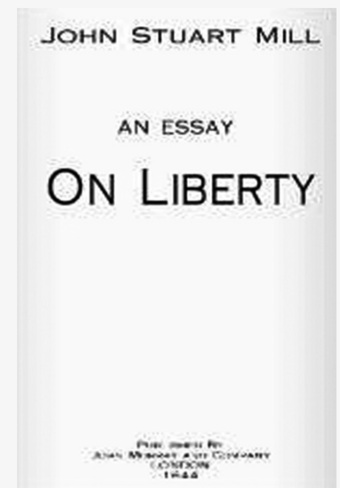
It is not fanciful to suggest that the work of Mill and like-minded libertarian philosophers secured Britain from the later totalitarian excesses of Nazism and Marxism. But the struggle for freedom is never done. Mill observed what the EU has forgotten: the tendency of Europe, even then, to ossify like Russia. Current religious violence gives his words on tolerance an amplified resonance.

Australia can also learn. Our tri-level bureaucracies are bloated. At one extreme, they prescribe the temperature of our dishwater. At the other, with spy satellites and informers, they conduct Orwellian police raids on farmers. Some even think that national identity cards and controls on eating are excellent ideas.

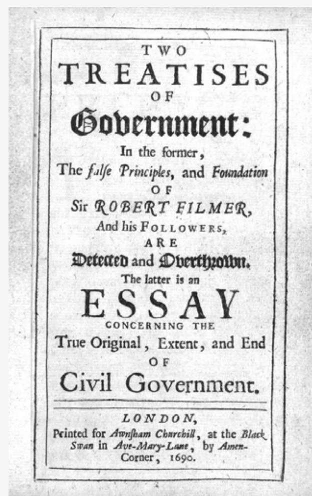
Mill admits the difficulty of drawing a precise boundary on government. Many of our politicians and self-styled intellectuals no longer recognise that such a line exists.

Jim Hoggett





*only the free-market ones


TWO
TREATISES
OF
Government:
In the former,
The false Principles, and Foundation
OF
Sir ROBERT FILMER,
And his FOLLOWERS,
ARE
Detected and Overthrown.
The latter is an
ESSAY
CONCERNING THE
True Original, Extent, and End
OF
Civil Government.
LONDON,
Printed for Awnsham Churchill, at the Black Swan in Ave-Mary-Lane, by Amen-Corner, 1690.

18 John Locke
The Two Treatises of Government (c. 1680)

John Locke, one of the greatest European philosophers of the seventeenth century, articulated one of the first logical justifications for what we would now call the liberal model of government. Having clearly articulated the empiricist approach to the gathering of knowledge in *An Essay Concerning Human Understanding* in 1680, his *Two Treatises of Government* built upon that philosophical framework to consider political economy.

His First Treatise is now unfortunately dismissed as peripheral to his groundbreaking Second, but it has much contemporary relevance. Locke viciously attacks the theories of the now obscure Sir Robert Filmer, who claimed that men are not naturally free and therefore that absolute monarchy is the only legitimate government. Such thinking has to our great discredit not entirely been vanquished—modern paternalistic government assumes that it has an inherent right and responsibility to 'manage' citizens for their own benefit.

But it is the Second Treatise for which Locke is most famous. In it, he presents a systematic defence of individual liberty. Drawing from an analysis of the state of nature, Locke conceives of natural rights—rights which exist before and in spite of the existence of government. Government, for Locke, is the manifestation of a social contract, whereby individuals agree to delegate some of their rights to a government in order that it protect and maintain other rights.

The theories of social contract and natural rights are not unique to Locke. But it was he that so rigorously articulated them and, in doing so, conceived of a government subordinate and responsible to individual citizens.

Chris Berg

17 Alexis De Tocqueville
Democracy in America (1835, 1840)

Tocqueville had completed his *Democracy in America* by 1840. Considered by many as the best book ever written on democracy, it still contains remarkable insights into the importance and fragility of present-day democratic systems.

After nearly 170 years, it still reaches out to warn us about political correctness and the 'tyranny of the majority', or those intellectual elites who want to destroy democracy from within through the encroachment of state control in the guise of equality.

He clearly understood the delicate balance between rights and freedoms, just as those people today obsessively chattering about human rights 'would rather be equal in slavery than unequal in freedom'. He had already spoken of the tendency to welfare dependency—today the bane of all Western democracies—because 'politicians realise they can bribe the people with their own money'.

Tocqueville argued that Islam, because it came with 'political maxims, civil and criminal laws, and theories of science' as well as a 'body of religious doctrines', could potentialy be inimical to democracy. He flagged the dangers of growing individualism, materialism and prosperity that would lead to general apathy.

In effect, he raised questions, often unanswerable, which challenge us in the world we live in today.

Andrew McIntyre

16 Ayn Rand
Atlas Shrugged (1957)

The plot: sexy railroad executive tries valiantly to keep her family company afloat in the face of government and other family members. Eventually she discovers the secret of what happened to all the business people who have been disappearing.

Many people loathe this book; often they have not finished it. *Atlas Shrugged* is not great literature, the baddies are bad in every respect and the goodies are not only virtuous but good looking and smart.

Similarly, government action is universally bad (although often well-intentioned) and private enterprise is universally good. Despite these limitations, the book is well plotted and structured—it's a good read.

What makes this book worthy of this list is that it is a truly liberal novel, celebrating enterprise and modern social structures, notably working women. The central character of *Atlas Shrugged*, a single woman, runs a railroad. She is also glamorous, sexually independent and capable of forming emotional bonds. By contrast, non-working wives are presented as baddies, spongers on the wealth-creation of their husbands. This is chic-lit for feminist libertarians.

Louise Staley

15 Pope John Paul II
Centesimus Annus (1991)

Few would question that the late John Paul II's pontificate was one of the most intellectually forthright in centuries. No pope issued so many encyclicals, ranging from reflection upon the nature of human work to the vexed question of the relationship between faith and reason. Even his detractors concede that Karol Wojtyla possessed a formidable mind, one that forced even the most hardened of sceptics to re-examine their own presuppositions.

Pope John Paul was, however, not afraid to break new ground, as evidenced by his famous 1991 encyclical *Centesimus Annus*. Issued in the aftermath of Communism's defeat, to which the pope contributed so decisively, *Centesimus Annus* offered the Roman Catholic Church a fresh appreciation of private enterprise and the free market in societies equally committed to liberty and virtue. It also spoke favourably of a vigorous civil society and limited government, while simultaneously critiquing expansive welfare states. The encyclical additionally warned against the contemporary tendency to root democratic systems in moral relativism. Though ample precedents exist for these positions in Catholic teaching, *Centesimus Annus* synthesises these arguments through grounding them upon the Catholic understanding of man as a free, responsible, social, and sinful creature, capable of knowing the truth through faith and reason.

Samuel Gregg

14 Henry Hazlitt
Economics in One Lesson (1946)

Economics in One Lesson, written by the American journalist and philosopher Henry Hazlitt, is widely regarded as perhaps the finest primer on economic principles yet published.

Commencing with the proposition that '[t]he art of economics consists in looking not merely at the immediate but at the longer effects of any act or policy; it consists in tracing the consequences of that policy not merely for one group but for all groups', Hazlitt illustrates how the free-market system promotes economic efficiency. On the other hand, government interventions, including price controls, tariffs, minimum wage laws and industry subsidies, invariably fail to deliver on the outcomes promised by its supporters.

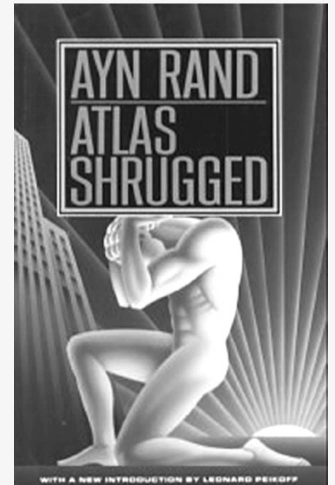
Hazlitt's ability to express complex economic principles in a form easily accessible to the layperson earned the praise of such classical liberal luminaries as Friedrich Hayek and Milton Friedman. *Economics in One Lesson* sold over a million copies and was translated into eight different languages. This is even more striking considering that Hazlitt himself was not formally trained in economics.

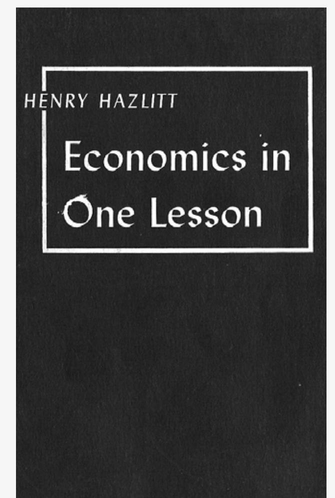
In an era of creeping nanny state government intervention, *Economics in One Lesson* provides the perfect antidote against the translation of bad economic ideas into malignant public policies.

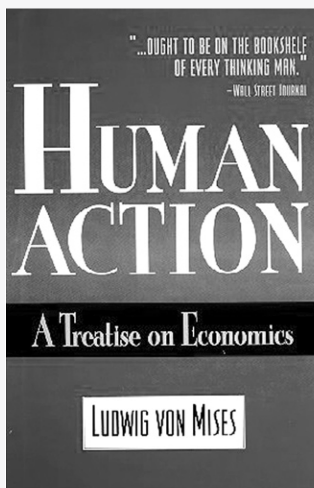
Julie Novak

13 Ludwig von Mises
Human Action (1940)

Von Mises is often regarded as the founder of the 'Austrian School' of economics. This accords privately owned property and complete freedom to trade the primary role for ensuring that goods are efficiently used and for ensuring the right allocations to production and consumption. In an era when socialism was rampant and Keynesian interventionist economics was being formulated, von Mises recognised that socialisation of decision-making seriously weakens incentives and brings about poor use of resources. He said, 'The dangerous fact is that while government is hampered in endeavours to make a commodity cheaper by interven-





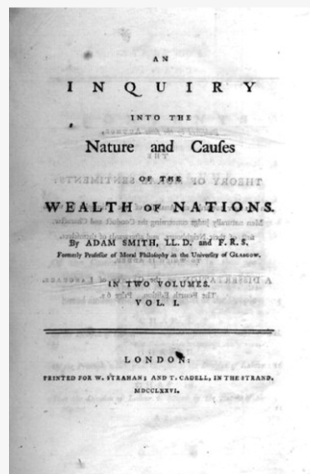


tion, it certainly has the power to make it more expensive.'

One notable contribution was his argument that socialism must fail economically because of the economic calculation problem—the impossibility of a socialist government being able to make the economic calculations required to organise a complex economy. He said, back in the 1920s, that 'Efforts to realize Socialism lead only to the destruction of society. Factories, mines, and railways will come to a standstill.' He also saw union privilege, in the form of aggressive picketing, as inimical to individual rights that bring about the most productive and free society.

His strictures extended to planning. He could have been discussing urban planning when he argued that 'The planner is a potential dictator who wants to deprive all other people of the power to plan and act according to their own plans. He aims at one thing only: the exclusive absolute pre-eminence of his own plan.' The vestiges of central planning are seen with deleterious effects on urban development in plans such as that those for Melbourne 2030. Under these plans, governments are specifying where houses should be built and shopping precincts developed, thereby granting super profits to favoured businessmen (some of which filter back to the politicians themselves).

Alan Moran


AN
INQUIRY
INTO THE
Nature and Caufes
OF THE
WEALTH OF NATIONS.
By ADAM SMITH, LL.D. and F.R.S.
IN TWO VOLUMES.
VOL. I.
LONDON:
PRINTED FOR W. STRAHAN; AND T. CADELL, IN THE STRAND.
MDCCLXXVI.

12 Adam Smith

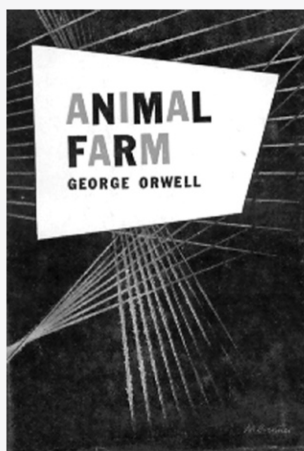
The Wealth of Nations (1776)

The Wealth of Nations is one of those books that many people think they know something about. People know it contains a story about pin-making and that there's something in it about an 'invisible hand'.

Most of those who talk about *The Wealth Nations* probably haven't read the work they are talking about—and given that its modern edition runs to over 1,100 pages, this is hardly surprising. What's more, if anyone actually starts trying to read Smith it is unlikely that they will persist for more than ten pages. Long stretches of the book are incredibly tedious. At the other end of the ideological spectrum, *The Communist Manifesto* is evocative and interesting, and completely misguided. Against this, *The Wealth of Nations* is often boring and repetitive, yet it is profoundly true.

Among Smith's analyses of topics that are today are now outdated, such as the labour theory of value, sits the insight that has justifiably gained him his reputation. This is his idea that the free exchange of goods and services not only produces the most efficient economic outcome, but the ability to engage in such practice is an expression of individual liberty. Smith regarded himself first and foremost as a 'moral philosopher'. The reason *The Wealth of Nations* has endured is because, contrary to popular perception, it is not a book about economics, it is a statement about human rights.

John Roskam



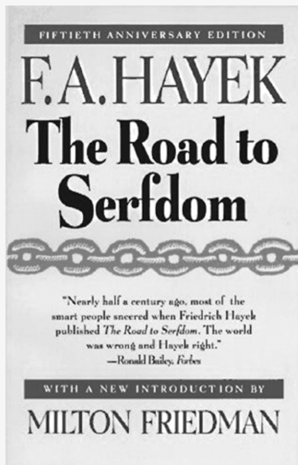
11 George Orwell

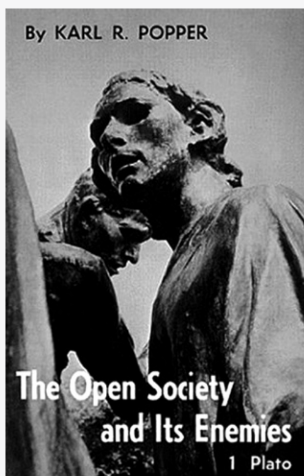
Animal Farm (1945)

George Orwell said that his novel *Nineteen Eighty-Four* was written 'to alter other people's idea of the kind of society they should strive after'—to do what the IPA has tried to do since its inception in 1943. Surely he wrote his earlier and even greater work, Animal Farm, with some of the same intention.

Animal Farm is sheer genius. It uses simple prose: 'They were gored, kicked, bitten and trampled on'. The characters are strong: I can't re-read it without a near tear for poor old Boxer. It is in places funny: at least Squealer's explanations of tactics and the bleating sheep amuse this one-time politician. The irony is biting and has entered popular speech: 'All animals are equal but some animals are more equal than others'. It is, however, pathos evoking pity and sadness—not just for the less fortunate animals of the tale but for millions of poor, gullible, tyrannised people. Above all, to anyone who cares a damn about the kind of society for which we should strive, it is instructive. Bear in mind that it was first published in 1945, when the Soviet Union was still our brave ally and socialism was going to end poverty.

If the art of altering other people's minds is one of presenting argument clearly and memorably to those who have no wish to change their ideas, then *Animal Farm* is a work that any modern liberal think-tank might wish it had published, not only for its commercial success. It holds my attention





to a degree that the best of either Voltaire or Swift cannot, if only because the appalling circumstances that they satirised had ceased before I was born.

John Hyde

10 Friedrich Hayek
The Road to Serfdom (1944)

The Road to Serfdom is one of the most remarkable books of the twentieth century. Hayek shows that fascism, communism and democratic socialism are all based upon the same collectivist utopian tendencies, and that individual freedom in the personal and political spheres cannot be sustained in the absence of economic freedom. Written in the early 1940s, it is a 260-page warning against the dangers of extending wartime central planning into the post-war era, and of the tyranny that inevitably follows from the nationalisation of the means of production—even if this is achieved via democratic methods.

Despite being rejected by several publishers, it eventually sold over a quarter of a million copies and was serialised in *Reader's Digest*. Its widespread readership now makes it a document of great historical significance. Many of Hayek's contemporaries believed that government ownership of all means of production was the way forward, whereas no sane scholar or politician would today advocate such a policy agenda. The book deeply influenced an entire generation of American and British conservative thinkers and practitioners, and later inspired a countless number of individuals in the former Soviet Union. It should be read by all serious students of modern political affairs.

Alex Robson

9 Karl Popper
The Open Society And Its Enemies (1945)

Sir Karl Popper stands alongside F.A. Hayek as one of the two great dissenting voices from the post-war collectivist consensus. *The Open Society and Its Enemies*, his greatest work, was written in New Zealand during the wartime years. Popper fled his native Austria in 1937 to escape the rise of Nazism. He had originally wanted to settle in Australia but, remarkably, was overlooked by the University of Queensland when he sought appointment as professor of philosophy. The University of Christchurch did not make the same mistake. Published in Britain in 1945 and in the United States in 1950, *The Open Society* was not simply an attack on collectivism, but a comprehensive account of the intellectual roots of the totalitarian state in idealist philosophy.

Popper identified the two most important of the classical and modern idealist philosophers—Plato and Hegel—and found in them the source of the totalitarian ideal that the state is a perfectible construct, to which individual human beings (indeed, large human populations) may—indeed on occasions must—be sacrificed. In Plato's philosopher king, Popper found the prototype of the twentieth-century dictator. In Hegel's metaphysics, he found the key to the dictator's argument: that human perfection is achieved by the arrangement of society according to a universal 'rule' or 'will', perceptible only to the enlightened few, whose destiny it is to impose it, at whatever cost, on the rest of mankind. This is the philosophical idealist's conceit, to which Popper opposed the notion of 'the open society'—a phrase he coined—which values the contestability of different views of the good. Popper's anti-Hegelian approach drew heavily upon Kant, and anticipated the liberal pluralism which Isaiah Berlin later popularised.

The Open Society and Its Enemies is nowadays more admired than read. The first great twentieth-century work to expose the sources and explore the implications of collectivism, it is an erudite landmark in the battle of ideas.

George Brandis

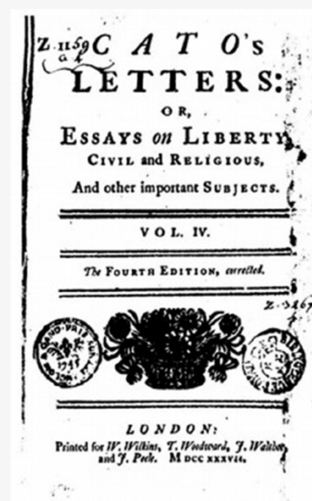
8 John Trenchard and Thomas Gordon
Cato's Letters (1720-1723)

Cato's Letters first made their appearance in the *London Journal* in 1720. Written by John Trenchard and Thomas Gordon, they adopted the incisive pseudonym of Cato the Younger, a principled opponent of Julius Caesar's, to oppose tyranny and advocate liberty and freedom of speech. Their timing was prescient. Appearing in the early aftermath of the bursting of the South Sea Bubble, the two men were partly motivated to rail against the bribery and excesses of the members of the corporation and, most particularly, against their connections and support from within government and parliament.

While the letters' relevance to their contemporaries was clear, the writers argued the universal case for liberty in that sharp, uncompromising manner of seventeenth-century writers. For instance, they urge the reader that 'You are born to liberty, and it is in your interest and duty to preserve it … your governors have every right to protect and defend you, none to injure and oppress you.'

But for Trenchard and Gordon, appeals to liberty are not complete by themselves. *Cato's Letters* strongly advocates security of private property as a key foundation of a liberal society: 'the security of property and the freedom of speech always go together … where a man cannot call his tongue his own, he can scarce call anything else his own'. Individual liberty is inconceivable without economic liberty.

Chris Berg


CATO's LETTERS: OR, ESSAYS on LIBERTY, CIVIL and RELIGIOUS, And other important SUBJECTS.

VOL. IV.

The FOURTH EDITION, corrected.

LONDON: Printed for W. Wilkins, T. Woodward, J. Walthoe, and J. Peele. MDCCXXXVII.

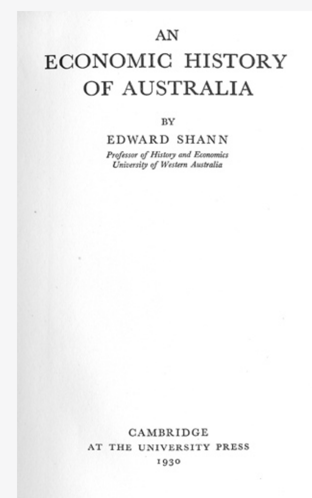
7 Edward Shann
Economic History of Australia (1930)

Economic history as an academic discipline is practically dead. It has been killed off by subjects such as marketing studies and globalisation theory. But if our policy-makers all knew a little more economic history, their policy-making would be immeasurably improved. Australian economic history is about more than just wheat, wool and gold. It is about the decisions that governments made as they rode the years of boom and bust. In its broadest sense, economic history is where economics meets politics to make history.

Given the massive changes imposed on the national economy in recent decades, it might seem strange to nominate a book published in 1930 as a 'must read' for someone living in 2006. *An Economic History of Australia* was written before any of the Great Depression, the Second World War, Keynesianism or the computer.

Shann's genius is to identify the dominant tendency of economic policy-making in this country. And this is the tendency of politicians and the public to believe that the good times will continue indefinitely. It is a tendency deeply-rooted in the national psyche. Donald Horne is famous for making up the label 'the lucky country', but it was Shann's idea first. What Shann said about us three-quarters of a century ago holds true today—we are very good at 'eat[ing] up the easy gains of a period of unusual plenty'.

John Roskam


AN ECONOMIC HISTORY OF AUSTRALIA

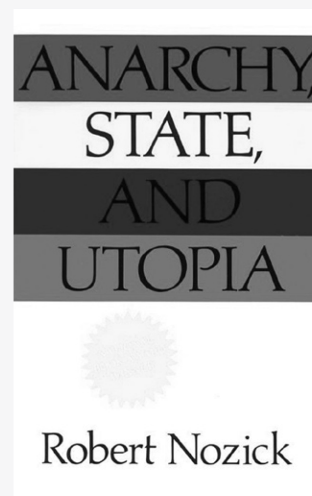
BY EDWARD SHANN

Professor of History and Economics, University of Western Australia

CAMBRIDGE AT THE UNIVERSITY PRESS 1930

6 Robert Nozick
Anarchy State and Utopia (1974)

Robert Nozick was an American analytical philosopher who wrote widely on a range of technical subjects, but is best known for his *Anarchy, State, and Utopia*. This is a philosophically sophisticated exploration of issues in the classical liberal tradition, as interpreted by American libertarians. Nozick took a strong rights-based approach. He did not justify this, but made gestures towards John Locke, and there are also some resonances of the Kantian idea of treating people as ends in themselves. The interest of Nozick's approach is in the ingenious application of these ideas, and in bringing to these views the touch of a brilliant analytical philosopher. His book has three sections. First, he argues that, starting with individual rights, it is—*pace* the views of individualist anarchists—possible that a minimal state could be formed legitimately. Second, he provides a whole range of arguments against those who would wish to go



beyond a minimal state, including an interesting critical engagement with his colleague at Harvard, John Rawls. In the final short section, on 'utopia', Nozick explores some of the possibilities for social pluralism—centred around 'utopian' experiments based on specific values and lifestyle choices—within the compass of a minimal state.

Jeremy Shearmur

5 Frédéric Bastiat
The Law (1849)

Frédéric Bastiat forms part of the laissez-faire school of economists from nineteenth-century France. Not content to keep his ideas on liberty confined to theory, Bastiat was also a political activist during the revolutionary period of the 1840s. With the vehicle of his French Free Trade Association, he was successfully elected to the National Assembly in 1848.

The Law was published in the year of his death and gives his view of legal philosophy in a concise pamphlet. The text itself is eminently readable, being infused with the excitable language of his activist nature. At its heart, *The Law* puts forward a theory of natural law where the proper role of law is confined to a collectivised version of the individual right to defence of life, liberty and property. Anything outside of this framework is to be considered legal plunder—a corrupting influence the presence of which will inevitably lead to revolution, regardless of the extent of the electoral franchise. *The Law* is a timely reminder of the destructive nature of economic rent-seeking in a legislature; it is well worth reading.

Julian Barendse

4 Edmund Burke
Reflections on the Revolution in France (1790)

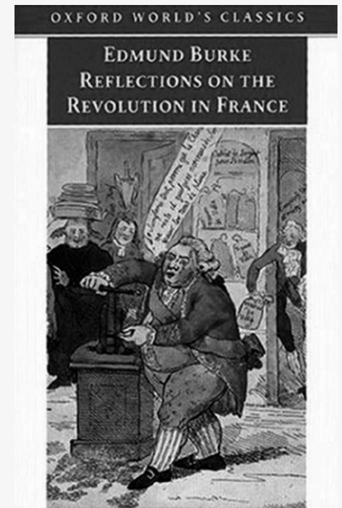
Edmund Burke's *Reflections on the Revolution in France* was written in 1790 and is widely reckoned to form the basis of modern philosophical conservatism. It was written as a critique of the French Revolution, towards which Burke was deeply antagonistic, and made many startling accurate predictions of the horrors that were later to occur.

Burke understood the Revolution as an attack on the traditional and established order by forces motivated by abstract ideas and a spirit of rationalism in a futile and impossible attempt to create a perfect society. This was a rationalism, however, that did not understand the fallibilities of human nature and the extraordinary complexity and evolutionary nature of society. As Burke correctly predicted, it led to disaster and the Reign of Terror.

Burke was a defender of tradition and of evolutionary change in the social order which he believed should only take place in response to specific promptings or occurrences. In his famous words, he saw society as 'a partnership not only between those who are living but between those who are living, those who are dead and those who are to be born.'

It is a book that also remains highly relevant today, cautioning us against the sometimes unexpected consequences that can be unleashed when established tradition is overturned.

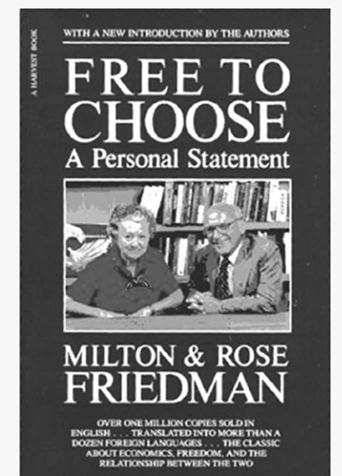
Jason Briant

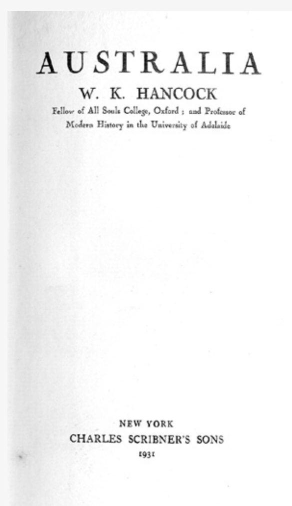


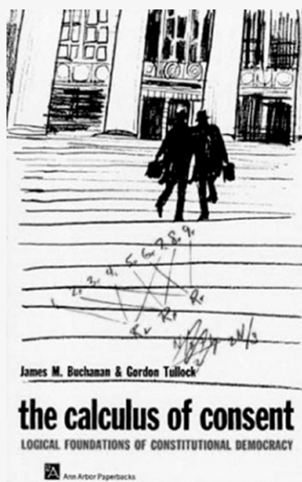
3 Milton and Rose Friedman
Free to Choose: A Personal Statement (1980)

'You must turn the issues over in your mind at leisure, consider the many arguments, let them simmer, and after a long time turn your preferences into convictions.' These words, contained in the preface to Milton and Rose Friedmans' *Free to Choose*, are the best advice for reading this book. Many of the ideas expressed may have been shocking in 1980, but are now considered mainstream, even old-hat. The book was an instant success, becoming a best-seller, and being translated into 17 languages.

The central message resonates today: Big government is a big problem. Government-sponsored education has not improved. The welfare state, with its cradle-to-grave regulation, still compromises human freedom. The Friedmans' end the book with a chapter entitled 'The tide is turning'. Unfortunately, the tide has not turned enough. Big government continues to control too much of our lives. Yet gov-







ernment failure is ubiquitous. 'The repeated failure of well-intentioned programs is not an accident.' The market best protects the interests of consumers, workers and students. While many of the book's 'nuts and bolts' examples are dated, there still is much to learn from reading this classic of human freedom, and then letting the ideas simmer.

Sinclair Davidson

2 W K Hancock
Australia (1930)

Australia was published in 1930 by the young Keith Hancock as a contribution to the *Modern World* series published by Benn. Its major achievement was to provide a definitive critique of those policies of the early Australian Commonwealth that today go by the name of the Australian Settlement. Hancock built on the work of Edward Shann and Frederic Eggleston to demonstrate the illogicalities and inconsistencies of these policies and how they were threatening the foundations of Australian prosperity.

Hancock saw the cause of these problems as the 'exuberant' democracy of Australians and their belief that they could 'dispose of facts by parliamentary adjustment'. In the pursuit of 'fair and reasonable' prices and wages for themselves through political means, Australians had, in Hancock's assessment, ignored the laws that govern the real world in favour of ones created by themselves. The consequence was the creation of policies such as protection and industrial arbitration that undermined the capacity of the Australian economy to be competitive. Hancock argued that these policies had not made Australia rich but had survived because Australia, with its small population, was rich and could afford such mistakes. He looked forward to Australian democracy growing up and becoming responsible.

Greg Melleuish

1 James M. Buchanan and Gordon Tullock
The Calculus of Consent: Logical Foundations of Constitutional Democracy (1962)

With exquisite timing and clarity of argument, James M. Buchanan and Gordon Tullock's *The Calculus of Consent* gave rise to the public choice school of thought. In so doing, it helped transform the study of economics and political science, the practice and structure of government and politics and, importantly, how individuals view the political process. It also laid the foundation for a revolt against Keynesianism and big government. It is truly a classic.

The central genius of the book was to examine the logic of collective action—government action in particular—from the perspective of the individual.

The book was first published in 1962, when the Keynesian Revolution was at its height and its failings not yet apparent. The prevailing view at the time was that government could fix everything—mend the family, manage the economy, regulate industry and impose the perfect tax regime.

Buchanan and Tullock explored many of the systemic flaws of big government which subsequently became readily apparent. They warned against the growth of the rent-seeking society. As government control over resources grows, lobbying will become a dominant focus of human endeavour, for no productive end. They warned against the ricochet effect of government. Since the benefits from lobbying are concentrated in the hands of a few and the costs dispersed widely, the incentive structures are skewed towards ever-increased lobbying and ever larger government.

As a systematic attack on the powerfully harmful effects of big government, *The Calculus of Consent*'s influence has been immense and long lasting.

Mike Nahan