

# LEARNING THE LESSONS OF HISTORY: LIBERALISM IN THE 1930s



‘Those who cannot remember the past are doomed to repeat it.’  
(George Santayana, 1905)

The *Journal of Liberal History* announces a new series of articles. What can we learn from the lessons of history for modern-day Liberal politics? What do we need to remember? Articles are invited; they should be thought-provoking and polemical, and between 1500 and 2500 words in length.

In this first article in the series, **Matt Watson** contrasts Liberal policies of the 1930s with those of today.

Ramsey Muir MP,  
1931

**W**HILST, IN the modern world of spin and media presentations, the publications of political parties are regarded with a healthy scepticism, at the turn of the twentieth century they were a decidedly more serious affair. As historical sources, they can be invaluable in determining the attitudes both of the parties themselves, and more generally, the feelings towards politics of the enfranchised, politically active public.

One such publication is *The Liberal Way*, produced in 1934. It was published, according to the foreword by Ramsey Muir, in order clearly to lay out Liberal policy, following a policy review in anticipation of the general election of 1935. What is most intriguing about the document is that there are striking similarities, in terms of policies, with the modern-day Liberal Democrats. This leads to the question: to what extent are the policies and attitudes of the 1930s Liberal Party similar to those of the party of today?

What first draws attention in *The Liberal Way* is the opening statement. It presents to the reader several questions which

it believes are the relevant issues of the day, namely peace and the League of Nations; political liberty; free enterprise versus state control; and unemployment and poverty. In many respects, these questions are still relevant today.

## International affairs

International conflict is as much an issue today as it was in the 1930s. At the time of the book's publication the League of Nations was beginning to decline. Events throughout the 1930s would remove any pretence that the League had any influence over nation states. At the same time, in Germany, Adolf Hitler was ascending to power and after only a year the Anglo-German Agreement was signed in an attempt to limit Germany's rapidly expanding naval power. The League was failing, as dictators ignored its pronouncements and member nations were unwilling to commit financial and military resources to the enforcement of its decisions. This international situation has parallels with today, when the United Nations is being increasingly sidelined, replaced by bilateral agreements and unilateral action.

Liberalism has always been an internationalist ideology willing to look for solutions beyond the confines of national boundaries. The policy laid out in *The Liberal Way* follows in this tradition, arguing that Britain, as an influential and powerful nation, should use its authority on the world stage to encourage diplomacy and discussion – for example with Russia, which by 1930 had become hostile to many values of liberal democracy. This follows trends within modern liberal thought which argue for the engagement at the discussion table of various world powers. One important line from the book should ring true with Liberals today: ‘we cannot make ourselves safe by means of armaments’, although this doctrine would later be set aside in the world war that was to follow. This attitude is prevalent throughout the modern-day Liberal Democrats, where there is a reluctance to sanction the use of military action. The central policies, discussed in 1934, to combat international conflict – interaction with the League and reduction in arms trafficking – were replicated in the 2005 Liberal Democrat manifesto under the headings ‘reforming and strengthening the UN’ and ‘tackling the arms trade’: a clear example of a continuing tradition.

There is also discussion in *The Liberal Way* about tariff reform. Free trade was often considered the central principle that united the Liberal Party in a ‘coalition of convenience’ so it is unsurprising that it features in a policy document. The argument about free trade is similar today. Back in the 1930s the case was that free trade would boost the economy of the UK and that tariffs would destroy world trade, something that the UK was reliant upon. However, today the discussion has gained an ethical dimension, regarding how free trade might benefit developing nations. Liberal Democrats have argued that

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development can best be promoted by opening up the EU’s markets to African agriculture. The ideas that Liberals espoused in the past have not disappeared but have assumed a different form, through intergovernmental organisations such as the European Union, the largest free market in the world.

### **Political reform**

Political liberty is an important theme in the book and one central to Liberalism. The words of the 1930s’ Liberal Party have an eerie ring to them; discussions of ‘party dictatorship’, and freedom from arbitrary arrest are relevant today. Modern-day Liberals argue that we need protecting from authoritarian governments or, in Lord Hailsham’s words, ‘elective dictatorship’.

In the past the Liberal Party identified a challenge to parliamentary democracy from both the left and the right: ‘Socialism and Fascism’. They feared a ‘party dictatorship’ both from a socialist Labour Party as well as from Oswald Mosley and his Fascist movement. This concern was undoubtedly influenced by events in Russia and Mussolini’s rise in Italy. It can be argued that the conditions for a ‘party dictatorship’ exist today as governments elected with massive parliamentary majorities can override the safeguards that are currently in place. Many of the 1934 criticisms of the UK’s constitution are the same criticisms levelled now simply because many of the key reforms that Liberals have proposed have not been introduced.

The first shortcoming is the electoral system under which they claimed ‘every election is a gamble’. It is unsurprising that this is the main problem the Liberals highlight. During the 1920s the party had suffered heavily at the hands of the electoral system; when it polled more than a quarter of the votes in 1929 it was rewarded with less than a

tenth of the seats. This was used by Herbert Samuel to account for the decline of the Liberal Party when he was writing his memoirs. It is interesting to note the length of time that demands have been made for proportional representation – going back to John Stuart Mill’s *Considerations on Representative Government* in 1861. *The Liberal Way* describes a system closely resembling the single transferable vote. It also answers one of the charges critics of proportional representation often raise, which is that it produces a weak executive. The answer is simple: it is ‘absurd to contend that an executive cannot be strong unless it is in a position to force through Parliament whatever it thinks fit.’ The Liberal Party has consistently argued for a Parliament that could act as a more effective check and balance upon the executive.

This leads on to the book’s second criticism, the relationship between Parliament and the government. The writers contend that a government would not have to fear free parliamentary discussion if the House of Commons was properly representative. They argue that those who reject proportional representation are in fact rejecting parliamentary democracy. Interestingly, some of the book’s proposals, such as proportional representation, reduction of the power of party whips and the recasting of the relationship between executive and Parliament, have featured in the Power Inquiry, which set out a number of reforms concerning how to improve democracy in the UK. However, some of the reforms that were being called for in 1934 have been implemented, including the creation of departmental select committees, which were introduced in 1979, and devolution to Scotland and Wales, brought in in 1999. It seems from this that the Liberals were ahead of their time, but it should be noted that many of the reforms that Liberals have been

calling for since the early 1930s have yet to be fully addressed and so form part of modern manifestos.

### The role of the state

One of the central conflicts in economics ever since Adam Smith's *Wealth of Nations* is the extent of state intervention in the economy. This has been increasingly relevant in recent years since the main 'socialist' party rejected its central pledge to nationalise industry, in the form of Clause IV, and thereby created a political consensus over the economy.

In 1934 the UK had seen its first Labour governments, and the Liberals were being forced into the tricky position of maintaining their radical, progressive edge whilst distancing themselves from socialism. The way the Liberals of the 1930s attempted to do this was by coupling the Liberal ideology of individual freedom, liberty and equality to their industrial and fiscal policy. The distinction that they made was between state regulation, where the state acts to secure and protect individual liberty, and state management or socialism. The Liberals recognised that state monopoly constituted another form of tyranny; they had the experience of Soviet Russia as a point of reference. Parallels can be drawn with the economic policy of many of today's parties. All three main parties have adopted the idea that the state should act as a regulator but not a manager as their conventional wisdom. The beginning of this thinking can be seen in the literature of the 1930s Liberal Party.

### Poverty and unemployment

One of the duties of the state that the Liberals were clear upon was the tackling of poverty, especially in urban areas. They rejected the notion that their social reform was a 'kind

of socialism', stating that they aimed to improve the existing social order without changing it. They asserted that many who claimed to be socialists were actually social reformers, Liberals under another name. Nowadays, this position on social reform has been broadly accepted by all three main parties – this is 'centre ground' politics as often referred to in the media. The ideas presented by the Liberals in 1930 to relieve poverty, including the universal provision of health care and access to education as well as means-tested social security, have now become part of this political consensus.

It is interesting to note, however, that one of the primary methods for relieving poverty, redistribution of wealth, has slipped from the modern political agenda. This is likely to be due to the idea that redistribution of wealth involves a high tax burden, something that, for political reasons, modern governments are reluctant to impose. However there was a proposition discussed in *The Liberal Way* that has not been implemented, yet acts as a redistributive tool without the need for higher tax rates: making workers shareholders in their company. Hence, they would be able to receive a share of the profits that it was acknowledged they had helped to create. This plan avoids the public ownership of socialism and replaces it with 'popular' ownership, similar to the modern co-operative movement. This relates back to the Liberal principle of property being the basis for personal liberty and independence. It is ironic that business owners might attack this idea today when it actually constitutes a massive expansion of the idea of private ownership.

### Conclusion

By looking at contemporary materials it is easy to see that many of the ideas once proposed

by a declining Liberal Party have since formed the basis of much of the consensus in politics today. This may, in part, explain the decline of the party; many of the founding principles of Liberalism were increasingly becoming accepted as the norm in society. Sources such as *The Liberal Way* show the extent to which the modern Liberal Democrats follow their predecessors in terms of policy. However, what is lacking, indeed from all modern parties, is the robust ideological justification for their policies and ideologies that characterised early twentieth-century politics. The Liberal Democrats are often charged with lacking a coherent ideology and yet by looking at previous Liberal publications an ideology emerges centred on the protection of the individual from the abuses of both the state and poverty. This points towards a consistency within Liberal thinking and demonstrates how, even as socialism is moving towards New Labour's 'third way' and Conservatism is changing from Thatcherism to 'modern compassionate Conservatism', Liberal ideas remain solid.

Dangerfield argued that Liberalism was not relevant to the modern world. He was wrong; despite the Liberal Party being sidelined, its ideas have permeated the political narrative of much of the twentieth century.

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## References

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