

**Mark Rathbone examines the role of a little-known radical group in the 1890s in the evolution of the Liberal and Labour parties.**

The publication of the first volume of Paddy Ashdown's *Diaries* in 2000 focused renewed attention on the relationship between the Liberal Democrats and the Labour Party. From the first meeting between Ashdown and Tony Blair at the latter's house on 4 September 1994, less than seven weeks after his election as Leader of the Labour Party, both men were committed to 'The Project' to bring about a rapprochement between the two parties. 'It was a good evening,' Ashdown wrote, 'Jane and I agreed in the taxi on the way back that it could even prove a historic one'.

**'The Triangular Test', from 'Punch', 10 July 1912**



**O**n the day of the general election in 1997, Blair phoned Ashdown to say, 'I do want you to know that I am absolutely determined to mend the schism that occurred in the progressive forces in British politics at the start of this century'.<sup>1</sup> Blair's determination may have looked a little less absolute by election day in 2001, but at the time, both leaders were aware of the historical resonances of the process they were beginning.

**RAINBOW CIRCLE**

Indeed attempts to resolve the relationship between Liberalism and Labour began even before

the formation of the Labour Party. As long ago as 1893, a small collection of young Liberals, Fabians and socialists began meeting regularly to begin piecing together a new forward-looking political agenda. By the autumn of 1894, the Rainbow Tavern in Fleet Street had become the venue for its meetings and the group became known as the 'Rainbow Circle'. The name stuck, although by early 1896 the meetings had moved to the home of Richard Stapley at 33 Bloomsbury Square, because, according to the later recollection of one of the Circle's members, of 'shortcoming in its consumption of the more profitable forms of drink'.<sup>2</sup> Membership was limited to twenty

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and dinner (at half a crown) at 7 p.m. was followed by discussion at 8 p.m..

The group's membership was eclectic. There were Liberals of course: George Gooch was just twenty in 1893, but was later to enjoy a successful career as a historian and journalist, with a particular interest in British foreign policy, as well as being Liberal MP for Bath from 1906 to 1910. John Hobson, in his mid-thirties and already building a reputation as a radical journalist, was to emerge as one of the leading thinkers of the New Liberalism, writing *Imperialism: A Study* (1902), a radical critique of imperialism, and *The Crisis of Liberalism* (1909). Herbert Samuel and Charles Trevelyan were ambitious young Liberals with distinguished parliamentary and ministerial careers ahead of them. John Robertson, another future ministerial colleague of Samuel and Trevelyan, was already well known as a radical and humanist journalist.

But it was far from being an exclusively Liberal group. Ramsay MacDonald, who was a member, at various times during the 1880s and 1890s, of the Social Democratic Federation, the Fabian Society and the ILP, was later to become Secretary of the Labour Representation Committee on its formation in 1900. William Clarke, a journalist on the *Daily Chronicle*, was a member of the Executive of the

Fabian Society. Graham Wallas was another Fabian who was also a member of the Rainbow Circle and a contributor to the famous *Fabian Essays on Socialism*, published in 1889. He was involved in the establishment of the London School of Economics in 1895, and was later to become Professor of Political Science there. Sydney Olivier was another contributor to *Fabian Essays on Socialism*, as well as being Honorary Secretary of the Fabian Society from 1886 to 1889.

What were the objectives of this varied collection of Liberals and socialists? A statement of the Rainbow Circle's aims includes the following: 'to provide a rational and comprehensive view of political and social progress, leading up to a consistent body of political and economic doctrine ... a programme of action, and ... a rallying point for social reformers'. The same document included what amounts to an agenda for the group's discussions:

It is proposed to deal with:

1. The reasons why the old Philosophic Radicalism and the Manchester School of Economics can no longer furnish a ground of action in the political sphere;
2. The transition from this school of thought to the so-called 'New Radicalism' or Collectivist politics of today;

3. The bases, ethical, economic and political, of the newer politics, together with the practical applications and inferences arising therefrom in the actual problems before us at the present time.

This programme demonstrates a clear recognition that neither Gladstonian Liberalism nor traditional radicalism were adequate to deal with the problems of the day. Two of the papers delivered to the Circle in its first few months were J.A. Hobson on 'The Economic Deficiency of the Manchester School' (7 November 1894) and Murray MacDonald MP on 'The Ethical Deficiency of the Old Radicalism'. If this sample of the first season's discussions has a essentially negative flavour, one attacking the inadequacies of established political doctrines, the 1895–96 season was more forward-looking, with Herbert Samuel presenting a paper on 'The New Liberalism' (6 November 1895) and other members leading discussions on 'The Socialist Societies', 'The Ethical Societies' and 'The Religious Societies' in succeeding months.<sup>3</sup>

### COLLECTIVISM

The members of the Rainbow Circle rose above the sectionalism of the time and attempted to steer the Liberal Party in a new direction. The group realised that the

## THE RAINBOW CIRCLE AND THE NEW LIBERALISM



**Leading lights of the Rainbow Circle: Charles Trevelyan, Herbert Samuel and Ramsay MacDonald**

traditional individualism of the Liberal Party would have to be tempered by a move towards collectivism, and a major role of the Circle was to discuss the implications of such a change, both on principles and practicalities. The group was a formative influence on the 'New Liberalism' which blossomed under the Liberal Governments of 1905–15. The term was certainly in regular use by members of the Circle, as the title of Samuel's paper in November 1895 demonstrates.

Three broad topics stand out among the Rainbow Circle's concerns as being of especial significance and it is in these areas that its influence was strongest – the need for greater government intervention to promote social reform, relations between the Liberal Party and Labour, and hostility towards imperialism. These three concerns can be traced in the pages of the *Progressive Review*, a periodical founded in 1896 to give the Rainbow Circle a voice. 'The idea,' wrote Ramsay MacDonald, 'would be to afford the progressive movement in all its aspects ... a medium of expression such as the Whig movement had in the *Edinburgh Review*, and later Radical and Positivist movements found in the original *Fortnightly*.'<sup>4</sup> A company was formed to control the new journal and MacDonald was appointed Secretary, with William Clarke as Editor.

### NEW LIBERALISM

Much space in the *Progressive Review* was devoted to the philosophy of Liberalism and the need to adapt it to new conditions. The principles of the New Liberalism were neatly summed up in the first issue: 'If Liberals still cleave to their honourable name they must be willing and desirous to assign a new meaning to liberty: it must no longer signify the absence of restraint, but the presence of opportunity'.<sup>5</sup> This passage, incidentally, is closely echoed by J.A. Hobson in his book *The Crisis of Liberalism*, published in 1909.<sup>6</sup>

The editorial of which this passage is a part was unsigned, so it is impossible to know whether the original was written by Hobson himself, though it seems more likely that it was the work of William Clarke. Whether in 1909 Hobson was, understandably, seeking further mileage from a euphonious phrase of his own or borrowing it from someone else is impossible to say, but either way it is a good example of the influence of the Rainbow Circle on one who in the new century was to become one of the leading philosophers of the New Liberalism. Freedman describes him as 'by far the most original and penetrating of the new liberal theorists at the turn of the century'.<sup>7</sup>

The *Progressive Review* did not confine itself to discussing the policies and internal affairs of the Liberal Party and it is significant that neither its Editor nor its Secretary were Liberals. Liberals, such as Samuel, Charles Trevelyan and Richard Stapley were, of course, involved,<sup>8</sup> but the publication's very title suggests an attitude to politics which rose above party distinctions and its editorial line was critical of the Liberal Party, at least in its existing form.

'We shall not expect to find ourselves in close or frequent sympathy with a party dominated by vested interests and inspired by a rooted and unconcealed distrust of popular government', proclaimed the *Progressive Review*'s first, rather self-righteous, editorial. 'Neither can we find in the existing Liberal party, as represented either by its leaders or its average members, such leading and such light as may adequately serve our cause ... We shall, however, give glad recognition and hearty support to the policy of whatever party from time to time contributes to the realisation of our principles, reserving to ourselves at the same time an attitude of frank independence.'<sup>9</sup>

### LIBERAL-LABOUR RELATIONS

Predictably, one topic which

quickly made its appearance in the pages of the *Progressive Review* was the relationship of the Liberal Party to the recently founded Independent Labour Party. Herbert Samuel, for example, in a reply to an article on the party by one of its founders, James Keir Hardie, argued that only the ILP's adherence to socialism separated it from the Liberal Party. He suggested indeed that able Labour men would be of greater use to the Liberal Party than many right-wing Liberals who obstructed the reforms demanded by New Liberals.

'A Labour organisation,' he wrote, '... which should send capable men to fill the places in the House of Commons, in local governing bodies, and in the party organisations of those false Liberals whose presence is a barrier to the full activity of the party ... would be heartily welcomed by all earnest Liberals.'<sup>10</sup> It was clearly implied that the ILP, at least in its existing form, could not fulfil this role, because its commitment to socialism was unacceptable. Samuel himself was heckled by ILP supporters at a Liberal meeting in Paddington the very month his article was published.<sup>11</sup>

The Labour Representation Committee, on the other hand, was exactly the sort of Labour organisation which Samuel had in mind. In the years following its formation in 1900, it was indeed welcomed by Liberals. Samuel described himself as 'The Liberal and Labour Candidate' in his successful by-election campaign at Cleveland in 1902, and secured warm letters of support from Labour men Sam Woods and Ben Tillett, as well as from the Liberal leader Campbell-Bannerman.<sup>12</sup> Such examples of local co-operation were given national sanction in the electoral pact negotiated between Ramsay MacDonald and Herbert Gladstone in 1903, in which the Liberals agreed not to oppose LRC candidates in thirty seats to give them a clear run against the Conservatives.

### ANTI-IMPERIALISM

Another feature of the *Progressive Review* was its strongly anti-imperialist line. The outstanding imperial issue in the late 1890s was the situation in South Africa, and the *Progressive Review* took an uncompromising line. In March 1897, for example, the Jameson Raid was condemned as 'not only ... a grave breach of international law, but an act which was incalculably mischievous in its results upon the peace, unity, and progress of the whole of South Africa'. Two months later, an editorial predicted (all too accurately, as it turned out) a war in South Africa between the Boers and the British, a prospect which, it was said, 'history will rank as one of the most discreditable incidents in the expansion of England'.<sup>13</sup>

In his study of the anti-imperialist movement, Porter assigns to the Rainbow Circle a position of great importance in the development of a radical critique of imperialism: 'The new "anti-imperialist" ideology of the turn of the century came chiefly not from the Labour or Liberal parties, but from this intellectual "Lib-Lab" group in the middle'.<sup>14</sup>

Not all members of the Circle, however, supported this line. William Clarke wrote a furious letter to Ramsay MacDonald on 2 February 1896 complaining that the anti-imperialist intentions of the *Progressive Review* were being undermined by a 'pestilential mischievous clique, led by Herbert Samuel', who were, it seems, 'out to promote a bastard Liberalism and a lot of imperialist tosh in which I do not believe'.<sup>15</sup> Clarke was, however, notoriously abrasive – the following year MacDonald was himself complaining of 'Mr Clarke's ill humours', and saying that, 'I have some reasonable grounds for feeling insulted'.<sup>16</sup>

The *Progressive Review* folded because of financial difficulties later in 1897, but the Rainbow Circle continued to meet, though there was some turnover of membership. On October 1901, Herbert Samuel wrote to Charles

**'If Liberals still cleave to their honourable name they must be willing and desirous to assign a new meaning to liberty: it must no longer signify the absence of restraint, but the presence of opportunity'.**

Trevelyan, 'The Rainbow Circle want to know whether you wish to continue your membership. You didn't attend once last session. Shame!'<sup>17</sup> Trevelyan resigned from the Circle the following month. Samuel's membership continued until 1912, although his attendance at meetings had become increasingly patchy for several years before that. The Circle survived until 1931, but clearly its heyday was in the 1890s.<sup>18</sup>

### LONG-TERM IMPORTANCE

Influential in its day perhaps, but what was the long-term significance of the Rainbow Circle?

First, as we have seen, it played a vital role in the development of the New Liberalism. Put into practice by the governments of Campbell-Bannerman and Asquith between 1905 and 1914, this political philosophy laid the foundations of the welfare state, the rise and decline of which were such prominent features of British history in the twentieth century. New Liberalism remains a discernible influence on the policies of the Liberal Democrats a century later.

Secondly, the Rainbow Circle was important because of the subsequent careers of its members and the lasting contacts between them. It is remarkable that such a small group should have produced so many men who went on to have illustrious careers in politics, journalism or education. No less than ten of the Rainbow Circle's members were elected to parliament in 1906 and several were colleagues in the Liberal governments of the years between then and 1915.

It is also clear that the friendships established in the Rainbow Circle in the 1890s had a long-term significance. Ramsay MacDonald as Prime Minister in 1924 and from 1929–1935 made use of contacts originally formed in the Rainbow Circle in the 1890s. Two of the ministers MacDonald appointed when he first became Prime Minister in 1924 were former Rainbow Circle

colleagues, Charles Trevelyan and Sydney Olivier. Trevelyan, having joined the Labour Party in 1919 after ministerial experience as a Liberal before the First World War, was President of the Board of Education in both of MacDonald's Labour ministries in 1924 and 1929–31. MacDonald appointed Olivier Secretary of State for India in 1924, elevating him to the peerage as Baron Olivier. Although it was unconventional to bring a retired civil servant who had never sat in parliament into the government, Olivier's career in the Colonial Office, notably as Governor of Jamaica from 1907–13, and in senior domestic civil service posts at the Board of Agriculture and Fisheries and the Treasury between 1913 and 1920 was valuable to a party which had no previous experience in government.

In 1931, MacDonald was expelled from the Labour Party after forming the National Government, a coalition with the Conservatives and Liberals. The Acting Leader of the Liberal Party, who became Home Secretary in the National Government, was another former Rainbow Circle colleague, Herbert Samuel. One wonders if, when they were cabinet colleagues in 1931, MacDonald and Samuel ever reminisced about the evenings they had spent together thirty-five years before, setting the world to rights over a half-crown dinner in the Rainbow Tavern. What would the fiery young socialist MacDonald have said then had it been revealed to him that he would one day be expelled from the Labour Party over his insistence on cutting unemployment benefit and lead a Conservative-dominated coalition government?

Finally, the Rainbow Circle represented an early attempt by Liberals and Labour politicians (even before the formation of the Labour Representation Committee in 1900) to work out the relationship between these two strands of progressive politics. Although the two parties have remained separate, there have

been examples of constructive, if often uneasy, dialogue between them. The electoral pact of 1903 has already been mentioned and benefited both parties in the 1906 election. Labour and Liberal ministers were colleagues in wartime coalitions between 1916 and 1918, and between 1940 and 1945. The Lib-Lab Pact of 1976–78, forced upon James Callaghan's Labour government by electoral circumstances, was not an entirely happy experience for either party.

'The Project' to realign British politics in the late 1990s is a more recent example of the complex relationship between the two parties. On election day in 1997 Tony Blair told Paddy Ashdown of his determination to mend the schism in the progressive forces in British politics. Whether the Joint Cabinet Committee on constitutional reform on which Blair invited Ashdown to sit in 1997 really amounted to something quite so earth-shaking looked doubtful four years on: Charles Kennedy took the role of opposition rather than that of ally in the Liberal Democrats' successful 2001 election campaign, and he and Tony Blair agreed in September 2001 to suspend the Joint Cabinet Committee.

Nevertheless, the co-operation between the two parties between 1997 and 2001 has yielded some results: devolution, the Human Rights Act, the Freedom of Information Act and the first stage in reform of the House of Lords.<sup>19</sup> By 2000 the two parties were also sharing power in Edinburgh and in Cardiff after the first elections to the Scottish Parliament and the Welsh Assembly. No doubt the members of the Rainbow Circle would have approved.

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- 1 Paddy Ashdown, *The Ashdown Diaries*, Volume One 1988–1997 (Penguin, London, 2000), pp. 278 and 555.
- 2 J.A. Hobson, *Confessions of an Economic Heretic* (London, 1938), p. 95.
- 3 Many of the agendas and other documents relating to the Rainbow Circle's early years are preserved in the Samuel Papers in the House of Lords Record Office, notably A/10 (1–4).
- 4 Samuel Papers A/10 (2).
- 5 *Progressive Review* Vol I, No. 1 (October 1896), pp. 3–5.
- 6 Hobson wrote (p. 92) that Liberals 'tended to lay an excessive emphasis upon the aspect of liberty which consists in absence of restraint, as compared with the other aspect which consists in presence of opportunity'.
- 7 M. Freeden, *The New Liberalism* (CUP, 1978), p. 253.
- 8 Hobson, *op. cit.*, p. 52.
- 9 *Progressive Review*, Vol I, No. 1 (October 1896) pp. 3–5.
- 10 *ibid.*, Vol I, No. 3 (December 1896), p. 259.
- 11 Samuel Papers A/155(II) (12).
- 12 Samuel Papers A/18 (1, 4, 10 and 15).
- 13 *Progressive Review*, Vol. I, No. 6 (March 1897), p. 540; Vol. II, No. 8 (May 1897), p. 176.
- 14 B. Porter, *Critics of Empire*, p. 157.
- 15 Quoted in B. Porter, *op. cit.*
- 16 MacDonald to Samuel, 3 July 1897; Samuel Papers A/10 (6).
- 17 Samuel to Trevelyan, 24 October 1901; Samuel Papers A/14(4).
- 18 *The Minutes of the Rainbow Circle 1894–1924*, edited by Michael Freeden, were published by the Royal Historical Society in 1989 (Camden Fourth Series, Volume 38).
- 19 See Mark Rathbone, 'Labour and the Liberal Democrats', *Talking Politics*, April 2002, for a fuller discussion of this issue.