Reports

Europe: The Liberal Commitment

Autumn Conference fringe meeting, 16 September 2018, with Anthony Howe and Eugenio Biagini; chair: Julie Smith
Report by **Neil Stockley**

The Liberal Democrats, like their Liberal and SDP predecessors, have always supported the European project and membership of the European Union. The Liberal Party's conversion after the Second World War to the cause of European union has been well documented. Less well known, however, is the history of the ideas and political debates that made the European cause so attractive and important for Liberals. This meeting sought to redress the balance.

Anthony Howe, Professor of Modern History at the University of East Anglia, argued that Liberal support for European cooperation originated in the party's strong belief in free trade and its ability to bind nations together and promote world peace. In tracing the origins of the Liberal attachment to free trade back to the political economy of the Scottish Enlightenment, he emphasised three main ideas. The first, following Enlightenment thinkers such as Montesquieu, was a belief that trade, which later also came to encompass industry, would act as a civilising force in the world. Second, from Adam Smith the Liberals acquired an understanding of the economics of free trade: abandoning tariffs and market restrictions would 'lead to maximum wealth and welfare'. In other words, in an ideal world, free trade would work to the benefit of everyone. Third, free trade implied a dismantling of the mercantilist state and restrictions on individual liberty – 'rolling back the frontiers of the state' – a point of view that became especially attractive to libertarians.

Professor Howe explained how free trade united Liberals and Whigs in the mid-nineteenth century. Smithian political economy had early on entered Whig thinking, and was later widely diffused under the 'March of Mind', so that its language became 'an essential part of Liberal political discourse'.

The main catalyst, he argued, was the battle over repealing the Corn Laws, in 1846. The Anti-Corn Law League took the ideas developed by Cobden and Bright and built a popular case for free trade as vital to the interests of the nation and of ordinary people, in terms of employment, wages, food prices and the distribution of wealth. Free trade was soon connected to popular freedom – of education, of religion, of knowledge, of land ownership and from slavery. These ideas all formed part of the Liberal Party's distinctive identity in the Victorian era and remained as such until the 1950s.

Professor Howe went on to highlight three important linkages between free trade doctrines and the party's developing approach to Europe and international affairs in the second half of the nineteenth century. The first of these concerned the pursuit of peace. During the campaign against the Corn Laws, Cobden had argued that if nations became economically interdependent, their governments would be bound not to go to war. Free traders identified with the peace movement and were in the forefront of opposition to military spending and wars such as in the Crimea.

Second was the Liberals' belief in the primacy of non-intervention in the affairs of other nations. They criticised the use of military force as 'a remnant of the feudal past' that placed the new commercial civilisation at risk and argued that British military intervention was unlikely to serve Britain's long-term interests. The most enthusiastic Liberal free traders dismissed any notion that their cause could be advanced through force and opposed, for instance, the opium wars in China.

The third linkage was between free trade and Liberal anti-imperialism. Liberals believed that the colonies, having been captured by military conquest, were illegitimate and detrimental to Britain's welfare. Free traders, following the views of Smith and Bentham, saw the colonies as an artificial distortion of markets.

The three linkages were most enthusiastically adopted by the Manchester School in the Liberal Party and became 'a touchstone of Liberal thought and decision making', Professor Howe said. Free trade formed a core part of the Liberal creed of internationalism that was closely associated with Cobden, the 'international man'. Such were the origins of John Maynard Keynes' later contention that that free trade was more than an economic doctrine, and enabled 'ethical choices over peace, empire and war'.

Professor Howe then discussed the longer-term implications of these developments. In the early twentieth century, the Liberals remained the party of consumers, cheap food and 'the free breakfast table'. They argued that low tariffs meant low prices and trade maximisation, fewer resources available to the government to spend on military purposes and a shift towards the use of direct rather than indirect taxes. He argued that these issues contributed to the party's landslide victory at the 1906 general election. Anti-protectionist rhetoric remained a key feature of the party's general election campaigns during the inter-war years and in 1945.

The Liberals remained a strongly internationalist, anti-imperialist party (though Professor Howe allowed that the 1880s were something of an exception). A continuing belief that economic interdependence would make war impossible was critical to the thinking of post-First World War Liberal thinkers, such as Hobson (a biographer of Cobden), Norman Angell and Keynes himself. In the 1920s, the party strongly supported the League of Nations and other international institutions.

Professor Howe suggested that the Liberals' adoption of the European cause followed naturally from their attachment to free trade and support for internationalism. Free trade was, after all, designed to maximise trade with the continent and, in the 1860s, Liberals and free traders promoted new commercial treaties with European countries as 'peace bonds' between nations. Liberals advocated measures to enhance integration with Europe, such as the first channel tunnel proposals and the abolition of passports. Some also supported a United States of Europe in the 1880s and at the turn of the century, as a means of ensuring peace.

After the First World War, most Liberals supported forms of greater economic cooperation with Europe rather than a 'retreat into Empire'. In *The Economic Consequences of the Peace*, Keynes made an impassioned plea for a free trade union in Europe, a quasi-Common

Market, as the only way to restore prosperity to a devastated continent. Then, in the inter-war period, support for free trade and for Europe were key features of the Liberals' commitment to internationalism.

Professor Howe acknowledged, however, that the connections between the Liberals' belief in free trade and their eventual commitment to European unity were not always straightforward. First, 'their commitment to the idea of Europe was always stronger than the liberal commitment to Europe as a political entity'. It was difficult to identify 'who were Europe's liberals'. There was, for example, no pro-free trade party in France, and in Italy the anti-democratic liberals were the most enthusiastic free traders. Some efforts were made at 'cultural entrepreneurship', he explained later, but these did not extend to politics.

Furthermore, free trade was a doctrine that was global rather than specifically European in nature. The implications of this distinction became clear in the 1950s when the party's most avid supporters of free trade and free markets opposed Britain's membership of the nascent Common Market, which they saw as an anti-consumer, capitalist cartel, that would push up prices. And, as Dr Howe pointed out, the distinction can be seen in the political arguments of today, as some advocates of leaving the European Union, drawing upon Cobden's and Bright's case for free trade, view the Common Agricultural Policy as akin to a return to the Corn Laws. In other words, he suggested, the Brexit cause has Liberal and well as nationalist origins.

Professor Eugenio Biagini of Cambridge University examined the differing ideas and visions of 'Europe' held by the two most influential Liberal leaders of the second half of the nineteenth century: William Ewart Gladstone and Joseph Chamberlain. His contribution added further depth to our understanding of what lay behind the internationalist approach of the Victorian Liberals.

Professor Biagini contended that Gladstone's legacy was to bring together the traditions of Christianity and free trade and pass them on to a new generation. He advanced the concept of the 'sisterhood of nations' with the argument that 'dealing in a noble way with your neighbours' could be in a nation's self-interest, by boosting stability, peace, prosperity, trade and commerce and inspired internationalists all over the globe. In articulating the link between the liberalism that was set to national traditions and the Enlightenment and a Christian tradition, but without traditional dogmatic and hierarchical restrictions, Gladstone marked a turning point in the history of world liberalism.

Professor Biagini began by providing some important context. The 'Europe' that Gladstone knew during his periods in office was a Europe of empires – the Romanov, Habsburg, Hohenzollern and the British – rather than of nation states, and all were conglomerates of ethnic groups and nationalities. The key concern of nineteenth century international relations was to avoid a new clash of empires.

Professor Biagini was clear that Gladstone was comfortable with such a structure of European politics. After all, 'it had always been like this' and, importantly for Gladstone, the continent had achieved political, legal and cultural unity under the Roman Empire, whose legacy to European civilisation had included concepts of liberty and the rule of law. Christianity had added a new layer of imperial and cultural significance, later supplemented by literature and political theory. Gladstone was very familiar was all these concepts and theories: Christianity was central to his political outlook and one of his main sources of political and literary inspiration was the Italian poet Dante Alighieri, a firm supporter of the Holy Roman Empire. Gladstone regarded his vision of a 'universal monarchy', a community of free peoples living under empires, as altogether sensible.

Empires controlled most of the continent and, due to technological advances in the nineteenth century, dominated most of the rest of the globe, with the British Empire the pre-eminent power. Gladstone saw the seemingly permanent process of imperial dominance as a positive development, because he believed that empires were a means of expanding a Christian civilisation.

Still, according to Professor Biagini, he was also aware of the power of nationalism, which, after 1848, was the main driver of change in Europe. Gladstone recognised that nationalism could be a positive as well as a disruptive force, which he sought to 'harness to the chariot of the imperial state', especially the British Empire. He perceived no necessary contradiction between 'empire' and 'liberty', so long as empires acted according to their mandate, which, for Gladstone, was essentially a Christian one. The question then arose, what would happen when empires failed in this responsibility.

Professor Biagani recounted Gladstone's anger when imperial powers fell well short of his required standards of ethical behaviour. The Austrians repressed Italian demands for constitutional and parliamentary reform in 1848–49 and in 1876; the Ottoman Empire put down Bulgarian demands for autonomy with brutal force. Then there was the British Empire, of which Gladstone was an effective defender but also a fierce critic, particularly when Disraeli tried to incorporate into it parts of Central Asia, making conflict with Russia inevitable.

The ultimate challenge to the British Empire was, of course, Ireland, following the famine and various acts of repression which were founded on religion and, in the nineteenth century, assumed a political dimension. Gladstone recognised the connection between the Irish question

and free trade. Support for nationalism in Ireland took off in 1842 when Sir Robert Peel abolished the Corn Laws which, as Professor Biagini said, 'was very good for the working class in Britain and very bad for peasants in Ireland'.

By the 1880s, arguments over Ireland shifted to demands for self-government, if not independence. Gladstone believed that these demands could be reconciled easily with his understanding of empire and his understanding of liberty. He sought to apply to Ireland the strategy, already used for Canada in 1867, of devolving most of the powers and decision-making that were not essential for the defence of British interests to elected local assemblies.

Professor Biagini then contrasted Gladstone's approach with that of Joseph Chamberlain. Chamberlain, he said, perceived the social unrest in Ireland as a consequence of unaddressed social problems. His preferred solution lay in a combination of repression and social reform, much as the French government had dealt with its rebellious provinces.

Chamberlain may have lacked Gladstone's education and depth of learning, but he was well informed on contemporary developments and had an innovative approaching to policy-making. He was influenced considerably by the French colonial reformer and Protestant, Charles de Freyinchet, who was adamant that the state could be a power for good. Gladstone agreed to some extent, but he and Chamberlain differed over the extent and the methods for deploying the power of the state.

Gladstone was clear that the state should avoiding sides with any class; to do so, he believed, risked provoking a political backlash, which he perceived as a major threat to liberalism. He saw free trade as way of countering social and political unrest, with the state providing a neutral set of institutions and setting frameworks and rules, under which groups in society could bargain the best conditions they could secure.

Chamberlain, on the hand, believed that the state's role was to improve peoples' living standards and that in order to do so, the Empire should become more assimilationist, bringing under the direct control of the English state its colonies and provinces, starting with Ireland. He sought to follow the model that the French Empire had used with Algeria and other provinces.

The financial costs of this imperial project were considerable, as British manufacturers came under pressure from increasingly efficient German and American exports. There were also diplomatic costs, as the use of trade barriers aroused the enmity of foreign countries. For Gladstone, these costs outweighed any advantages that Britain gained from protectionist policies. For Chamberlain, the future of Europe was 'a competition for survival, a sort of Darwinian scenario', in which the Anglo-Saxon countries had to pull together in order to increase their chances of controlling their fates.

Professor Biagini then discussed the lessons that we today can draw from these two statesmen and their understandings of Europe, free trade and liberalism. Here, he was somewhat cautious. First, in the Brexit debate, we often hear Britain referred to as an 'island nation', but for both men, he was clear, Britain was the British Empire and especially for Chamberlain, however far the empire stretched, it was Britain's backyard and Britain's purpose in history was to develop this global estate.

Second, Professor Biagini argued, most of the issues around Brexit boil down to a choice over whether unilateralism or multilateralism is the best way to address European and global challenges. For Gladstone, there was no question: multilateralism was consistent with his understanding of the religious condition and Roman imperial condition of Europe and its role in the world. For Chamberlain, 'a Darwinian understanding of the world' led him to think that it was better for each nation, if not each race, to fight its own corner as best it could. Professor Biagini concluded that the ultimate result of this approach was clear for all to see in 1914 and 1939, and that was precisely what the founders of the European Union wanted to avoid ever happening again.

The risks inherent in projecting the views of historical figures, however iconic, on to contemporary events were underlined by a debate at the Liberal Democrat Conference just hours before the meeting. The conference adopted a new policy paper on international affairs and rejected, by 124 votes to 122, an amendment in favour of 'continuing to promote free trade across the world, in particular between developed and developing nations, recognising the benefits this brings to all nations involved'. Duncan Brack, a vice-chair of the Federal Policy Committee, explained that the paper embraced free trade and globalisation, but without supporting the removal of regulations in such areas as environmental protection and food safety. The defeated amendment failed to make such a distinction, however, and could easily have been misinterpreted, especially in debates around Brexit.

As Professor Biagini had pointed out, Britain dominated any economic activity in the world until the 1870s and 1880s; without competition, it could only benefit most from trade without tariffs, quotas and non-tariff barriers. Gladstone would not recognise the UK's trading situation in the early twenty-first century, or the arguments over different forms and purposes of regulation. But he would surely acknowledge that his successors were, like him, striving to balance realism and moralism when applying Liberal and internationalist principles to contemporary challenges.

Neil Stockley is a former Policy Director for the Liberal Democrats and a long-standing member of the History Group.

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