

New Horizon

Issue 2

JOURNAL PUBLISHED BY THE NATIONAL LIBERAL PARTY



SHOULD WE BE MORE LIKE SWITZERLAND

BY CONSULTING THE PEOPLE?

OLD TITLE • NEW IDEAS • NEW HORIZON

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If you would like to comment or contribute on this issue please write to NLP, PO Box 4217, Hornchurch, Essex RM12 4PJ or email us on natliberal@aol.com

Whilst modern National Liberals look for inspiration from the ideas and work of earlier NLs in the UK and Europe, there are ideas and economic models of other philosophers and political scientists that can also be of interest to us. One such are the works of 'Distributists' i.e. those who believe in the widest possible spread of ownership of land, property, or workplace. For the latter, such set-ups might be represented by sole proprietors, partnerships, cooperatives or (at least) greater employee share ownership. Not everyone of course is a budding entrepreneur nor can all industry operate on a small-scale (as most successful cooperatives do) but the goal of spreading ownership, under the slogan 'where owners work and workers own', is clear. Although originally articulated by thinkers such as GK Chesterton and Hilaire Belloc in the early part of the 20th century, they influenced many outside their immediate circle. The Liberal politician (and one-time President) Elliot Dodds, as chair of the party's 'Ownership for All' Committee (1938-53), promoted co-ownership in industry and was clearly influenced by Distributist theory (even paying tribute to Chesterton & Belloc as '*doughty fighters for Liberal values*'). In the second part of a long running issue on Economic influences on the NLP, we touch on the theory and host three short articles from modern 'distributists' concerning the prospects for distributism locally (in Romania, Sri Lanka and the Philippines).

If then we have to sometimes look *outside* the movement's history for inspiration we also have to look *beyond* it. For example, National Liberalism's heyday was the 19th century; its focus being the creation of nation-states and political reform (expanding civil liberties and greater democracy). Technology has developed exponentially since then and modern politics has to react to its impact on those earlier goals e.g. the internet and instant messaging has meant the means to educate, inform and express are so much greater than ever before. Equally, in the 19th century it was not believed feasible to gauge a people's collective opinion, given poor education, poverty and burgeoning populations. Yet at the time, almost in isolation, the Swiss were beginning to develop their system of direct democracy, largely through referendums and 'initiatives'.

SWISS MODEL

Since then the 'Swiss Model' of democracy has evolved into a sophisticated instrument of translating the people's will into practice. A delicate balance of representative institutions (a two chamber Assembly/Parliament) and direct democratic mechanisms operating in a federal state (the principle of which we cover in a future issue!) have all contributed to a peaceful and prosperous society. We believe that such a system, culturally adapted to local conditions, should be the goal for all and any country. Our feature article *Consult the People* (a précis of a chapter in a forthcoming book on Democracy) explains in further detail.

Despite vociferous opposition from our Parliamentarians, referendums are not as unusual in the UK as we might imagine. Over 50 national and local votes have taken place since the 1970's, particularly in the last decade, and the appetite for such is likely to grow. The present government even introduced a petitioning system that will generate a debate in Parliament, by right, if a petition raises 100,000 signatures. This smacks of the Swiss system of 'initiatives'.

If we go back further still we find talk of using referendums. In response to the Liberal Government's 1911 budgetary proposals, opposition leader Arthur Balfour suggested a referendum be held on the question of Tariff reform. In response, Winston Churchill (echoing the majority of parliamentarians then and now) stated '*We (and Labour) believe in democracy through representative institutions*'. Balfour's call however, was supported by the Liberal Leader in the House of Lords, Lord Rosebery. Also believing it to be an appropriate mechanism for deciding upon the Lord's future (and later other issues), he stated that a referendum was an appeal to the nation on a single issue; '*You cannot get a single issue in a general election. Whatever the merits of general elections may be, they are not conducted in the Palace of Truth*'. It is fitting then that we should have an article concerning whether the latter was an early national liberal.

There are also other articles concerning the often overlooked influence of Liberalism within Trade Unions, NLP Policy, and book reviews on the tragic fate of inter-war German Liberalism. Due to lack of space some articles have had to be shelved until the next issue. As always contributions will be welcome. Please contact us at natliberal@aol.com.

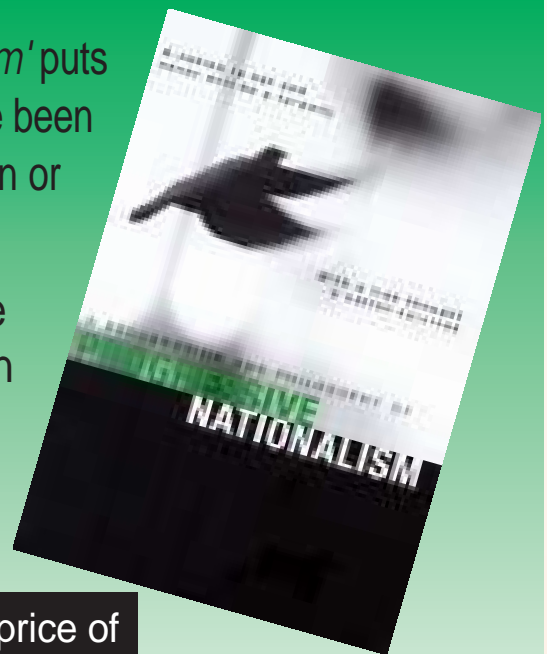
We hope you enjoy this issue as much as we do writing it as we continue our quest to rediscover our roots and lay the foundations for a better future.

Read the alternative patriotism that balances a love for nation, its people and the environment.

'A Declaration of Progressive Nationalism' puts into words what many political thinkers have been searching for and lacking in orthodox green or patriotic circles.

Read how Nationalism, Social Justice and Environmentalism can be fused in an holistic ideology. *"You will find yourself drawn to its pages as if they were familiar texts"*.

Copies of this book are available for the price of £5 (inc P & P) made out to G. Williamson, c/o PO Box 4217, Hornchurch, Essex RM12 4PJ.



The NLP is a party of political reform, whether electoral or constitutional. It particularly believes in the right of citizens to decide upon their own future directly rather than 'subcontracting' that out to professional politicians. Some people call this Direct Democracy, others 'People's Sovereignty'. One way we can ensure such direct participation is via referendums. Switzerland is a model in the use of such votes to decide upon all manner of issues, whether by constitutional right or by popular initiative (a vote requested via petition).

We would like a similar system introduced into the UK. We have already had referendums and we are increasingly turning to them as a way of gauging and then acting upon popular opinion. We would like, however, for this to become the norm rather than the exception.

We reproduce below an abridged article that will be a chapter in a forthcoming prestigious book entitled *Democratic Reform: The Next Leap Forwards*. The authors hope it will be published before the end of the year. Anyone interested in obtaining such a book should e-mail us at natliberal@aol.com and we shall provide you with the details when available.

CONSULT THE PEOPLE!

There is a great deal of discontent amongst large sections of the public towards the so-called 'political class'. Politicians are held in low esteem and have overtaken 'double-glazing salesmen' as figures of dishonesty. The reasons are varied; mired in expense scandals, thought to be too close to lobbyists and media barons, not listening, too remote and 'out of touch.' Furthermore, the decisions they take often seem at variance to the public as evidenced in opinion polls, and in certain cases consistently so. Why?

The reasons are varied too; a system that demands party loyalty (enforced by whips) above all, a 'political correctness' that limits discussion on certain topics, and a restricted social circle that prioritizes issues different, perhaps, than those that concern the average voter.

Policy issues

Examples of contemporary major policy issues that seem to hold public interest are: Employment, Education, Europe, and Immigration. For politicians it might be: Economy, Business, Taxation, Budgets. The former list is very personal and social whilst the latter is very 'management' and finance orientated. The 'Political Class' essentially view representative democracy

as electing Managers of a UK Plc. Compromise, control and maintaining the status quo are in favour, whilst conviction politics is very much frowned upon. If some of the more controversial issues become 'debated' (and politicians would rather they not be!) there is often a large democratic deficit between the views of the 'political class' and the public. For example, the issue of Britain's role within Europe is regarded as important by politicians and a significant number of the public alike but, as on so many other issues, is often kicked by the former into the long grass since the gulf between the two is seen to be too wide. Hence calls for a referendum on the EU (of any nature) is strongly resisted by party leaderships and government, lest the result would be against their liking and the in-house divisions such a campaign might highlight.

If we are serious however about re-engaging the public with politics, we have to take on board the concerns of the 'majority' and significant minorities.

Voting System

The UK's political system of First-Past-The-Post (FPTP) undoubtedly entrenches existing political orthodoxies in Parliament and excludes all manner of radical (and significant) thinking.

To quote from one of our party publications *“Apologists for the ‘First Past the Post’ system of parliamentary representation argue that it is (democratic). A candidate with the support of, say, 26% of the total poll is deemed elected even though his ‘majority’ is tiny. What counts is that he is out in front. The fact that 74% of voters supported other candidates is deemed irrelevant.*

According to its apologists, this system enables stable government with a workable majority in parliament. Its detractors, in contrast, point out that such a government is in danger of losing touch with the people it purports to represent. Once ‘the people have spoken’ their elected representatives can ignore their wishes for up to five years. These parliamentarians are often at the mercy of party whips that use a mixture of threats and promises to keep them in line.

Democratic deficit

In a divided society this can be dangerous if one section of the community is, in effect, always excluded from decision-making by a form of parliamentary despotism. The (failed) attempt to replace FPTP with the Alternative Vote earlier this year was intended to address this democratic deficit. AV would have been an improvement on FPTP, but inferior to the Single Transferable Vote system of Proportional Representation as used in Northern Ireland.

In Westminster FPTP elections, we get the chance to ‘throw the rascals out’ every four or five years, but once elected our parliamentarians can do whatever they like without reference to the electorate.” (See page 8 New Horizon 1. at <http://nationalliberal.org/wp-content/uploads/2011/12/NHfirstissue.pdf>)

A fairer system is therefore, one that produces a Parliament that reflects the political ‘divisions’ within the country. This is why the system(s) that does so, is called ‘Proportional Representation’. There are various systems on offer throughout the world with different checks and balances, but all attempt to reflect their countries political ‘mood’.

Yet, even if PR produces a Parliament that better reflects national opinion(s) there is no guarantee that the government, however created, will listen to the public in between elections? After all, even if politicians adhered to their Party Manifesto’s, how many of their voters ever read, let alone base their vote upon them? And what about issues that become important within the term of a Parliament that had not previously attracted significant party political attention?

Direct Democracy

One alternative system is known as direct democracy where elected legislatures act as popular delegates. Whilst this worked well in ancient Athens or an Anglo-Saxon Moot where populations were small and often recognisable, it is clearly impractical in today’s largely anonymous society. However, one still needs to ensure Parliaments pass legislation that echoes the wishes of the people.

The National Liberal Party has suggested that we introduce referendums as a regular consultative constitutional measure. The party is circulating an on-line petition which states;

Everyday important decisions are made by Government which directly affects the people. However, the people are never consulted as part of the decision making process. The war in Afghanistan is just one example of this.

The National Liberal Party and the undersigned call for the introduction into law the use of Referendums based on the successful direct democracy system used in Switzerland, allowing people to vote on major issues such as Europe (including renegotiating the Lisbon Treaty), Nuclear power, immigration, the creation of an English Parliament and going to war. (See <http://www.gopetition.com/petitions/consult-the-people.html>)

Switzerland: a practical and workable application of ‘Direct Democracy’

In Switzerland regular elections are held to elect representatives to their Federal

(national) Parliament. The use of PR ensures that the party split in the number of representatives more closely resembles a party's percentage vote far more than would be produced by a FPTP system. Although it is more likely to produce coalition government it does ensure stability and embraces significant minority opinion. After years of practice, parties have found a way to achieve a consensus that often bedevils Westminster!

Crucially, Switzerland also operates three mechanisms of Direct Democracy: Referendums, Initiative and Recall. Referendums cover votes on Government proposed changes to the Constitution, important Federal (National) laws or International treaties. Initiatives allow the public themselves to call for changes to the Constitution or Federal law. Recall allows the electorate to petition for a re-election of public officials for unacceptable behaviour. Had a similar system been operating here, electors could have petitioned for the recall of those MPs who abused their expenses.

This form of Direct Democracy institutionalises the voters' right to decide on issues themselves. Implementation of these measures would go a long way to address the 'democratic deficit' in the United Kingdom.

Of course there are objections to the 'Will (tyranny?) of the majority'. Certainly the public could pass legislation that is threatening to minorities, based upon misconceptions or oversimplifies the problem or solution. Yet, with appropriate checks and balances, the system can, and in Switzerland does, work well. Just because we might find ourselves in a minority on certain issues doesn't mean the system is wrong, only our message! (or its' delivery?).

Prosperous and Peaceful

Switzerland today is prosperous, peaceful, and democratic. Interestingly, the Swiss Professor of economics at the University of Zurich, Bruno Frey, believes that stability and well-being in Switzerland is related to

its' institutions.

In his article 'Happiness, Economy and Institutions' published in 2000 in the Economic Journal (Royal Economic Society) he concluded "*With data from interviews of more than 6,000 Swiss residents, we have adduced strong evidence that institutional (or constitutional) factors exert a systematic and sizeable influence on reported happiness. The existence of extended individual participation possibilities in the form of initiatives and referenda, and of decentralised (federal) government structures raises the well-being of people.*" p.933

Of course, the exact mechanisms of the 'Swiss' system may, perhaps, not be suited to the UK i.e. Switzerland has a much smaller population, greater number of smaller communes, a decentralist structure etc. However, adapted to the UK's culture and structures, the Swiss system of popular votes and a proportional Parliament will reconnect people to politics and is vastly more democratic (in the literal sense) than our present one.

Whilst the 'New Horizon' is an ideological magazine discussing National Liberal philosophy and history, we are conscious of the desperate need to introduce that ideology into contemporary political life. The National Liberal Party is the political party organisation

attempting to do that in the UK. A member of the National Liberal Steering Committee, Graham Williamson, took part last year in a Q&A series by a facebook group 'UK Politics'. We reproduce here some of his answers on behalf of the party.

1. What are the you're party's 3 main policies?

Referendums – The National Liberal Party feels that it is not right that Governmental decisions are taken without regard to the wishes of the people. The only way of course, to test those wishes would be via a public vote, a referendum(s). In Switzerland, arguably one of the most successful democracies in the world, referenda is regularly used, which proves beyond all doubt, consulting the people, and not ignoring them, can definitely work.

We have recently launched a petition entitled 'Consult the People' <http://www.gopetition.com/petitions/consult-the-people.html> which specifically calls for referendums to be used to ascertain the people's view. This is, in our view, the basis of any genuine democracy.

Civil Liberties – For National Liberals the defence of personal liberty is a core policy. Governments struggle, at best, to resist the lure of power and often seek to centralise authority into their hands. This will inevitably impact upon individual freedoms. In times of heightened threats to national or personal security, Authority will seek to restrict their citizens movements and expression. What are and are not acceptable restrictions are of supreme importance to many. Outside of power/influence, National Liberals must be part of societies 'civic conscience'. With power/influence, they must ensure the 'correct balance' is struck between personal freedom and collective security and responsibility. To assist in this, we call for a specific Civil Liberty watchdog, with some executive blocking powers, to ensure our civil liberties are maintained in the face of private or public threats.

Renewable Energy – A developed society such as ours consumes a great deal of energy. Much of that is presently of a finite quality or pollutes. Since we reject the nuclear option as expensive and dangerous, we should invest more heavily in cleaner 'fossil fuel' and renewable energy technology. We would, for example, ensure all properties included solar panelling (which is becoming more efficient). Technology can of course be used to produce cleaner (as well as more of any) energy.

2. Should smaller parties have a "vision" or a manifesto?

It should have both. The vision represents the 'goal'

i.e the type of society they envisage whilst the policies (Manifesto) describe the 'tools' they will use to achieve it. We are presently heavy on vision and light on policy but our Steering Commission will be unveiling a Statement of Policy (manifesto) in the New Year.

3. Should we have a referendum on the EU, if yes, when?

Given that we believe in the use of Referendums as a principle then the answer has got to be yes! However, we do believe that, despite what Europhiles and Eurosceptics say, that it might be possible to renegotiate the UK's (or any country's) relationship within the EU.

As has been stated many times and by all but the most pro-Europeans (who conveniently remain silent on the matter) the UK joined and later voted to remain in a Common Market i.e. a trading bloc. It was even presented as such by Europhiles and there was no talk of it evolving. Of course, anyone who has studied the motive and agendas of the European Commission and their party political supporters, especially on the Continent, will be aware that that was never going to be the end of the matter. For them everything is a stepping stone to a United States of Europe.

That said there is no reason why a largely trading relationship (plus some Regional co-operation on matters of common necessity) could not be worked out for those European countries that don't wish to be absorbed by an 'ever closer Union'? After all, countries outside the EU are not at 'war' with members and bilateral relations are good.

It is true that the Eurocrats are determined to continue with centralising power. Indeed, in reaction to the problems of the Eurozone, they (and most of the political leaders) are demanding that members budgets and taxation regimes are brought into line and threatened an all or nothing reaction (in or out of the EU!) to Greece if they had been allowed to vote to reject the bailout proposals.

However, most of these threats are idle and the upshot of the crisis is likely to further centralisation (in the Eurozone). This in effect is leading to a 'two-tier' Europe and thus offers a window of opportunity for the ten countries outside to negotiate a new (trading) relationship within the EU. If our Government has the will to do so (and Cameron has talked about 'clawing back powers') we believe an acceptable deal could be brokered.

If so a referendum, offering a Yes to one of the three questions (In, Out, New Deal), as put crudely by the recent House of Commons motion, should take place as soon as a deal is brokered. If there was no acceptable deal offered, the referendum would simply offer an In or out of the EU. Under such circumstances we would recommend withdrawal.

4. What is your party's "route" into mainstream politics (e.g. local elections, Scottish, Euros...)

Initially, it is to highlight our position in political society, to show to liberals (and their critics) that the desire to protect personal freedoms and liberties is not the preserve of out-of-touch 'do gooders' but is (or should be) the concern of all of us and to show to 'patriots' (and their critics) that preserving the nation-state is also important in preserving our liberties and protecting us from the designs of big business or 'big politicians'.

Thereafter, it will be to build the party from the bottom-up by electing councillors independently or in partnership. Without PR it will be very difficult to elect someone on a higher level so we would see partnership as the best way to cover that next phase. This will involve the creation of a 'Coalition of the Centre' that will include small parties of centre-left and right that will co-operate in campaigns and maybe elections, whilst retaining their independence. Such partnerships are the future for small parties.

5. Would you say you are on the left, the right, the center or another third way?

We believe we are part of the (radical) centre as we believe in some fundamental changes to our political system i.e. a Swiss style democracy, but see this occurring through political evolution rather than revolution.

6. What is your policy on 'votes at 16'?

Despite the legal adult age being 18, most 16 year olds are treated as adults in practice so having the vote seems logical. As an aside, however, I am not sure that giving 16 year olds the vote will break the cycle of apathy since many adults over 18 year olds are equally apathetic/disaffected despite having the vote!

What we sorely miss in this country is any real attempt at inculcating a sense of citizenship (as apart from brainwashing!) in the public. We in the UK have, unlike many other countries, always treated politics as something 'someone else' does. This apathy is encouraged, in my opinion, by professional politicians who are only interested in the public every so often at voting times and would rather keep the masses in ignorance, lest they actually support change! Once upon a time children were taught

British Constitution lessons, thoroughly turgid but better than nothing. And nothing seems to be on the cards as the now named Citizenship lessons are

under threat.

A young man from Bethnal Green however is campaigning to keep lessons and is petitioning the Education Secretary and can be supported by visiting his website or on facebook at Hands up who's bored. He deserves backing since calls to reduce the voting age, while increasing those voters political ignorance, just doesn't make sense!

7. What is your own personal view on 'benefit tourism'?

Clearly there is a problem of fraud everywhere in life. Some people try and get something for nothing. BT, I believe refers to EU nationals moving to Britain in order to obtain more generous benefits. There are also those who arrive specifically to benefit from our overworked and underfunded NHS for treatment or to give birth. Of course, it is exploitation and should be restricted. I would include it as part of any renegotiation of our EU relationship.

8. Under your leadership, where do you see the party in a year's time?

Well I am not the 'leader' as such for we are presently run by a four man Steering Committee, pending a new constitution in the new year. Nominally, the nearest position we have to a leader would be our National Secretary, Glen Maney, who is an ex-Liberal Democrat activist. That said, I would like us to have re-established in the political milieu the philosophy of National Liberalism, based upon the ideas of an 'alternative liberal' tradition (in the 19th century it was THE main strand of liberalism throughout Europe) as personified by figures such as Hoare-Belisha, Chamberlain and Roseberry, who combined a patriotism with their liberalism.

9. Why should people join your party?

If they believe that our personal freedoms are under threat and need to be protected, that our democracy is too reliant upon professional politicians and should be 'devolved' to the people and that our nation-state should be maintained and protected from the excesses of globalisation or the designs of supra-national bodies such as the EU, then they can promote these principles via the NLP.

10. What one thing would you change about the British political system?

Apart from introducing referendums based upon the Swiss system I would introduce PR into elections. The present system is not representative of the electorate. It is of course designed to create an Authority (Westminster/Council) based upon a single party but in doing so prevents the views of many being represented in these bodies. It is not surprising there is a growing apathy when the system is designed to strangle independent and diverse opinion from gaining recognition. PR will re-energise political life.

ECONOMICS Pt 2

Distributism

IN THE first issue of *New Horizon* we looked at the ideological (economic) roots of the National Liberal Party. We stated that our fusion of two classical ideological trends - Nationalism and Liberalism – made us unique. No other group or party in Britain seems to give equal weight to ‘national questions’ (concerning all of the nations and peoples of the British Isles) and ‘liberal questions’ concerning the individual. We also noted that this fusion of nationalism and liberalism provides us with a general ideological position that can be best summed up as being ‘*Neither Left nor Right - Neither Capitalist nor Communist.*’

We then specifically turned to the economic roots of the National Liberal Party. They are linked – in part - to those who formed the Liberal Nationals (LN) headed by Sir John Simon in the early 1930s. David Dutton’s **Liberals in schism – A history of the National Liberal Party** points to an early form of economic nationalism as being a driving force behind the formation of the Liberal Nationals:

“In 1930’s Britain the Parliamentary Liberal Party was divided over the measures they believed were required to govern a Britain rocked by a world depression. A minority had come to believe that protectionist measures, contrary to Liberal dogma in favour of Free Trade, were now necessary to save British workers jobs.”

However, the protectionist ideas of the Liberal Nationals are not our only economic influence.

We also interested in elements of the Distributist ideas of GK Chesterton and Hilaire Belloc, monetary reform ideas (with particular reference to the Social Credit ideas of Major CH Douglas) the principles of Islamic Banking (sometimes called ‘participant banking’ and which forbids usury), National Syndicalism, Guild Socialism (as advocated by the likes of William Morris, GDH Cole and Arthur Penty) and the early patriotic socialism of people like Keir Hardie, Henry Hyndman and Bob Blatchford. The ideas of the Co-Operative movement, the Chartists and Levelers are also of interest to us.

With this in mind, it’s time we looked at these economic ideas in a little more detail.

We’ll start with Distributism which – in England, especially - is normally associated with Gilbert Keith Chesterton and Joseph Hilaire Pierre René Belloc. However, the real roots of Distributism lay in the 1891 Papal social encyclical (1) issued by Pope Leo XIII entitled *Rerum Novarum*– *On the Condition of Labour*.

Rerum Novarum(2) addressed the “*misery and wretchedness pressing so unjustly on the majority of the working class*” and spoke of how “*a small*

number of very rich men” had been able to “*lay upon the teeming masses of the laboring poor a yoke little better than that of slavery itself.*”

As well as being critical of the economic and social conditions of the day, it also pointed the way forward. Ownership of property was the right of all men. It also believed in a system that allowed “*as many as possible of the people to become owners*”, the duty of employers to provide safe working conditions and sufficient wages, and the right of workers to form unions. Common and government property ownership was expressly dismissed as a means of helping the poor.

It could be argued that whilst *Rerum Novarum* provided the intellectual roots of Distributism, the co-operative movement, friendly societies, credit unions and building society movement provided the practical roots and direction.

In his essay *Distributism as a means of achieving third way economics* (1) Richard Howard explains the crucial role played by Chesterton and Belloc in linking both these intellectual and practical roots:

“It was however left to Hilaire Belloc and GK Chesterton at the turn of the century to draw together the disparate experiences of the various co-operatives and friendly societies in Northern England, Ireland and Northern Europe into a coherent political ideology which specifically advocated widespread private ownership of housing and control of industry through owner-operated small businesses and worker-controlled co-operatives.”

It was from this link that Distributist thinking evolved and developed to become a serious economic alternative to both capitalism and communism. Thus, in the next issue of *New Horizon* we will look at Chesterton and Belloc’s ideas for “*an affluent, cohesive society of home owners and self-employed*” in greater detail.

Being an economic model of course there is no reason that it should not flourish everywhere. We therefore host three articles from overseas exponents of the distributist idea (whether expressed via individual businesses or co-operatives), looking at its value of and prospects for in their respective countries.

(1) <http://www.papalencyclicals.net/encyclical.htm>

(2) http://www.vatican.va/holy_father/leo_xiii/encyclicals/documents/hf_l-xiii_enc_15051891_rerum-novarum_en.html

(3) <http://www.hsnsn.asn.au/Distributism.html>

One Acre and a Cow!

Introduction

The prospects of introducing the tenets of Distributism/self-ownership in the 'developing' world: a case study.

One of the early criticisms of Distributism was that, in the 'West', man was too wedded to wage slavery and industries had expanded way beyond the scope of small businesses or even cooperatives. In contrast, it has been mooted that in 'developing' countries businesses are not so large and agrarian economies not yet overwhelmed by the absentee landlord. But still, the forces of laissez-faire capitalism have been in the ascendancy and are as slavishly supported by governments as in the west. There are opportunities however for the principle of Distributism i.e. the ownership of the means of production (work) should be spread as widely as possible among the

general populace, to develop. One interesting case can be seen in Sri Lanka. After years of conflict, the armed aspect finished in May 2009. Due to massive civilian casualties, there were an estimated 89,000 widows (and probably more orphans) created within the Tamil community. Most of these women (and families) had been reliant upon their husband's income. With the local economy shattered and government aid at a minimum the future looks bleak. A reluctant government has suggested work might be found for such women in some existing or potential large factory, no doubt on minimum wages and lining the pockets of some wealthy businessman.

Rather than offering handouts, external charities are beginning to invest in self-help schemes and cooperatives. The former are one/two (wo)man businesses e.g. raising livestock, brick making, home-gardening etc and the

latter, groups of women usually operating from one building but owning and sharing in the assets. Thus from being a traditional economy where families relied upon the male householder for all their income, many of whom worked for someone else, we are seeing in the north and east of Sri Lanka the development of a distributist economy where an ever increasing number of adults will work for themselves. A cross-community trade body, the National Fisheries Solidarity Movement, has even demanded that the government 'should provide at least one acre of land area (per war widow) for agriculture' thus paraphrasing the famous distributist phrase 'three acres and a cow'!

The following is an article from Mr M. Iqbal, a one-time Government official promoting co-operatives, considering how they might function and grow.

Co-operatives Societies can play a key role in helping war victims in Sri Lanka

by M.C.M. Iqbal

formerly an Assistant Commissioner in the Department of Co-operative Development in Sri Lanka

Before the outbreak of the 'civil war' in Sri Lanka, the Northern and Eastern districts of the Island were replete with various types of co-operative societies which were playing a significant role in the development of the people of these districts. The escalation of the war led to the functioning of these societies difficult. Many have become defunct. Yet according to a recent report issued by the Office of the Governor Northern Province a considerable number of these societies have started functioning again. According to this report currently there are 1359 thrift and credit co-operative societies (TCCS) functioning in the North.[1] These societies

play a key role in providing micro-credit to its members and are the best means available now at the grass root level, to channel assistance to the victims of the war in those areas. Many victims of the war are members of these societies. As the responsibility for the proper disbursement of the funds of the society rests with the members of the society who are living in the village itself, there will be a better management of the funds. Loans from TCCSs are granted on the basis that the monies will be repaid to the society into a revolving fund. The collaterals for the loans are also members of the society itself. This ensures that the monies are duly recovered on the agreed instalments within the time period specified.

Once the recovery commences, fresh loans could be given to others in the waiting list from the amounts that get collected every month. In other words, a donation provided to the TCCS rotates and assists several persons instead of getting expended on one person. As stated earlier the management of the funds are supervised by the membership as a whole and the Co-operative Department is obliged, through the co-operative inspectors, to supervise the societies activities and regularly check the books of their books to ensure that funds are used only for the approved purposes and whether the figures tally with the monthly bank statements. That way misuse of the funds is minimised and the monitoring of the funds disbursed is done systematically.

It should be noted that when donations of bigger amounts are made to societies, it is customary for such money to be granted to a Union of these societies at the District level with a condition that the donation should be used for the specified purpose only. A memorandum of understanding could be signed between the organisation that is donating such funds and the District Union concerned to ensure compliance with this requirement. Every district in the North and the East has District Unions of TCCS which are equipped to handle and disburse large amounts of monies to its member societies.

FINANCIAL TRANSPARENCY IMPORTANT

The question that may be asked is, how safe are the funds so provided these societies? They are expected to conduct all their financial transactions through their banks. So funds could be provided directly to the bank account of the Society concerned after signing a memorandum of understanding with the society. The memorandum of understanding could contain a condition that copies of the financial statement of the society certified by the co-operative department should be provided to the benefactor regularly. It is a requirement that at every meeting of a TCCS and the District Union, a financial statement should be presented. At the end of the year the Department of Co-operative Development is obliged to prepare an audit report of every co-operative society. Benefactors could demand a copy of these statements be sent

to them to enable them to keep track of what is happening to the funds they provide. The Department of Co-operative Development is closely involved in supervising and providing technical assistance to these societies.

HELP FROM OVERSEAS

The other option benefactors overseas have is to form co-operatives of their own in the respective countries where they reside with the objective of providing help to their brethren back home in Sri Lanka. Once such a body is formed and is registered under the co-operative laws of their respective countries, they could avail of the internationally accepted principle of co-operation between cooperatives and directly link up with the co-operatives in Sri Lanka and work with them. Such co-operatives could become a non-controversial means by which the already divided factions among the Tamils in the Diaspora could be brought together in different countries for the common and undisputed objective of helping the victims of the war back home in Sri Lanka. These societies would eventually become the best and the most viable means of helping the war victims without any political bias as they would be recognised as legal, non-political co-operative institutions in their respective countries. They would also be able to interact with the other co-operative institutions of respective countries and share information on the plight of the people for whose benefit they have formed the co-operatives.

Thus it could be seen that helping war victims in Sri Lanka through their co-operative societies is the best option available to ensure that funds provided by interested persons or organisations in the Diaspora are efficiently and effectively channelled to such victims. They could identify organisations overseas which are working with co-operatives and provide funds to such organisations to be sent to the war victims through their co-operatives. By this means the Diaspora could play a key role in the uplift of the war victims in Sri Lanka and help create a more 'distributist' society.

[1] A Report on Co-operatives in the North , News Desk – Media Unit – Office of Governor , Northern Province, Sri Lanka - <http://www.np.gov.lk/pdf/cooperatives.pdf>

Can Distributism Mend a Looted Country?

By Ovidiu Hurduzeu

Today's Romania is a looted country, with a wrecked economy, a banking system in foreign hands, its natural resources and fertile land up for grabs. A corrupt political caste has ruined the country by ransacking the state's finances for its own benefits and the benefits of the foreign banks. Romania had zero debt in 1990; over the past 22 years, the country piled up a mountain of debt and is now enslaved to the IMF. A Third World style politico-business plutocracy has amassed fabulous wealth through corruption, fraud and feasting at the public trough while the people are grappling under the burden of "austerity measures".

A Global problem

Romania's case is not unique. It is emblematic of what is wrong with neo-liberalism and the global economic system. Each country tells a different story. And yet, each story evokes the same intractable issues and systemic failures: the degradation of the state, the erosion of the social capital, the collapse of the large family and of the civic middle – the self-organized associations such as parishes, unions, civic organizations – rampant deforestation, the depletion of natural resources, the concentration of power and wealth at the top of society, widespread disempowerment, poverty and despair, at the bottom.

What is to be done? In Romania like elsewhere, the political pundits are long on criticism, but short on solutions. Responses to the crisis which aim to strengthen the economy are deeply misguided and doomed to failure: more "austerity", more privatization, more deregulation, more selling of natural resources and environmental degradation.

The challenges here are partly economic and partly social. Romania needs structural change at the societal level and a different kind of economy, if its prospects for a fair and lasting prosperity are to be materialized. Many Romanians now realize there is life beyond neo-liberalism, globalism, consumerism, Europeanism and other delusionary "isms" recklessly imported to their country after 1990.

Most importantly, they rediscovered their own model of social and economic development: the **distributism** of the Romanian agrarians in the inter-war period.

An economic Third Way?

Like the British distributists, the Romanian agrarians viewed their doctrine and practice as a Third Way, neither capitalist nor socialist. They shared the distributist antagonism to Big Business, Big Finance, trusts, cartels and the unlimited accumulation of wealth. They were ahead of their time when they **advocated a sustainable industrialization** – industries to be scattered widely in smaller units across the land - and rejected large-scale heavy industries, depending on the interests of foreign investors and the mercantilist national state.

In line with the distributist view, the agrarians believed that humans became free and independent through well-distributed productive property i.e. through ownership and work. **Concentration of property** and power in the hands of a few was considered degrading to human dignity and disruptive to the social order. The Romanian agrarians were not much less anti-statist than the British distributists. They placed emphasis on decentralization, local-self government and on the idea of building a state from the bottom up. They believed the cooperative principles – private property, responsibility towards the community and cooperation in voluntary associations – were valid for the entire society.

The prospects of a distributist order in Romania were brutally destroyed by communism. The communist rule embodied what the agrarians hated most: gigantism, dictatorship, slavery, violence, No God. During the communist rule, the

members of the agrarian party, the National Peasant Party, were persecuted, murdered or condemned to many years in prison.

And yet, the longing for the distributist order envisaged by the agrarians in the inter-war period is still alive among the Romanians. The newly-formed Romanian Distributist League marks a first victory for a "restored" Distributism in that country.



Ovidiu Hurduzeu

If Distributism is to be successful in Romania, and hopefully in other Eastern European countries, it has to take a somewhat different path from both today's neo-distributism in the West and the agrarianism of the past. Romanian distributists should promote a low capital, low-overhead, resilient and sustainable economy. Such an economy would reduce waste and inefficiency through the greater efficiency with which it extracts use-value from a given amount of land or capital.

Small

Distributists should support a healthy relationship between ownership and production by maintaining and encouraging small businesses, small workshops, small farms in which the owner would be personally involved in the actual production of the product or service. He would see himself primarily as a craftsman or a farmer or as some kind of service provider, rather than as someone who could indifferently make and sell books or shoes or computers depending on where the greatest profit could be made at the moment.

Basically, a distributist Romanian economy is going to be a sharing system. Workers in a cooperative enterprise put more of themselves into their work and feel free to share their private knowledge – knowledge that would be exploited ruthlessly as a source of information in a conventional enterprise. As a rule, self-employment in the household sector, self-managed peer networks and self-managed cooperatives is humanly rewarding and enhancing. When persons realize that they are involved in a genuine sharing system, an enormous human energy is released: there is a transformation from suspicion to trust; from lack of commitment to strong commitment; from holding back to plunging in; from disappointed wariness to confident hope.

Romanian distributists are best equipped to oppose the dehumanizing schemes of both neoliberals and neo-communists since they never subordinate ends to means. One of their main objectives is to implement the RRR (remoralize the market, relocalize economy and recapitalize the poor) and to *repersonalize* the economic and social life which became “profane” under communism and now neoliberal capitalism. In their opinion, there is no such thing as a separate, isolated and autonomous economy. The “profane” economy is in reality the economy “profaned”, that no longer orients itself to God nor abides to any ethical guiding

values.

Romanian Distributist Goals

Our twin tasks for the present are 1) **to promote the model of distributist communities and distributed economies** 2) to develop and propagate **a new worldview** – distributism – that is quite different from the old one, in order to gain enthusiastic support from the public.

As far as our first goal is concerned, we need to encourage a major shift to dispersed production in countless micro-enterprises, and from wage labor to the informal and household economy. That will produce a de-massification of production capability supported by the trends in machine-tool evolution (smaller, smarter, cheaper) and a corresponding de-massification of capital. Concomitantly, the household – the family – is going to be revitalized as a powerful and relatively autonomous productive unit. By building their own homes, by recycling old cars or avoiding automobile altogether, by building their own furniture, sewing their own clothes, and growing their own food, Romanians can internalize 70-80% of all their needs and live a low-cost, comfortable subsistence “off the grid”.

A new model

The future distributist economy of Romania will make use of renewable energy and green technology, crowd-sourced credit and micro-lending, re-localized networked manufacturing, small-scale organic agriculture and a mode of economic organization centered on civil society and peer networks. A new paradigm is being born at the edges of the dominant society and it seems unlikely that it can function on anything resembling the current corporate model supported by the global industrial-financial system.

Distributism cannot promise equality. It cannot promise that every Romanian citizen will be the master of his or her own personal capital. But distributists can promise a more sustainable, secure future for Romania. **They will encourage the Romanian people to be responsible for their own welfare and the welfare of their country.**

Ovidiu Hurduzeu, is a Romanian social critic and the author of several books and articles on the subject of distributism, globalization, consumerism and the Eastern Orthodox Faith. He holds a Ph. D. in French and Humanities from Stanford University. He now lives in California with his wife Andreea. He supports the new and popular Rumanian group **Liga Distributista** see - <http://www.facebook.com/#!/groups/192652520759544/>

A Case for Distributism in the Philippines

The Philippines, known to most as a group of islands in Asia-Pacific, is home to thousands of cooperatives, helping various economic sectors, whether they might be rural or urban.

Cooperatives are defined as "... an enterprise of organization owned by and operated for the benefit of those using its services."

This means that those who are members of a cooperative own the cooperative.

The thing about this is that they are also *workers* for the organization as a whole, spreading ownership towards a lot of individuals.

An example of a cooperative organization would be Mondragon, being the largest business group in the Basque region, and the seventh largest in Spain.¹

The then President of the Philippines, Gloria Macapagal Arroyo, stressed the importance of cooperatives in boosting the country's economy.^{2,3}

Her aspiration for the country to attain First World status in a couple of decades, I contend, is quite possible.

To fully understand how cooperatives play a role in economic development, we must take into consideration a few facts:

- Cooperatives cater to approximately a billion members worldwide
- Financial cooperatives serve about 13% of the world's population.
- They provide over 100 million jobs throughout the world
- They produce 50% of global agricultural output
- The top 300 cooperatives generate \$1.6 trillion

(Source: *Cooperatives: Resilient to crises*,

key to sustainable growth, International Labor Organization)

The role of cooperatives economic development in the Philippines is indeed essential, and its ownership model is what Distributism as an overriding economic model is all about.

Advocating ownership among a large number of individuals who are members of various cooperatives paves way to social justice — the basis of Distributism, which has its foundations in Catholic Social Teaching.

Only a few people in the country such as myself have a basic knowledge of Distributism. Fewer people see its potential in fostering economic growth.

Currently, second to China, the Philippines is the strongest economy in Asia.⁴ Although the role that cooperatives played in doing so hasn't been stated if not overlooked, investing in them would be a wise move for the government.

If the Philippines has indeed attained such a growth in recent times, it will continue to grow more (and more justly) if cooperatives are given the boost they need. Would such enterprises be essential in establishing a Distributist economy in the country? Indeed they would be.



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Founder of the *The Distributist League of the Philippines* - join via facebook

[1] Introduction, Mondragon Cooperative Corporation (<http://www.mondragon-corporation.com/language/en-US/ENG/Who-we-are/Introduction.aspx>)

[2] Philippine Information Agency, October 19, 2007

[3] Secondary source: Philippines Continues to Lead the Way, *The Distributist Review*

[4] PH strongest economy in Asia - Deutsche Analyst, *The Manila Times*

WERE THE LIBERAL NATIONALS A ONE-OFF?

In reaction to a dangerous split in the 1930's Liberal party, the remaining leadership dismissed the breakaway Liberal Nationals (LN) as at best 'opportunists' or at worst 'closet conservatives'. Underneath the soundbites lay a very different picture, since from 1931 until just after the Second World War, there was a 'silent war' for the hearts and minds' of the liberal voter.

The Liberal Party had continued to decline since the end of the First World War, losing their working class voters to Labour, whilst many of their middle-class voters supported the National Government, whether Liberal National or Conservative. Indeed the latter agreed to 'ring fence' LN candidates by declining to stand against them. This meant that the LN's ultimately held more seats than the Liberals. What finally decided victory however in favour of the official Liberal party, was not a conscious choice by Liberal voters but a Conservative 'betrayal' that threatened to pull the rug from under LN MPs unless they agreed to be 'absorbed' into a merged party (in name only).

Rather than join the Liberals into a spiralling decline they chose the (personally) easier route. By committing themselves so much to the Tory dominated coalition they had flown too close to the Conservative web and no longer had the energy to escape.

A National Liberal strain?

One might be forgiven then for believing the

LN's were a unique aberration and that the Liberals had otherwise been a heterogeneous force united under one banner. In reality, from its inception, the Liberal party suffered a number of splits and disagreements and not only over personalities. In a series of articles we shall look at some of the political strains that existed in and out of the party that suggests that the Liberal Nationals were not alone in their 'difference' but were perhaps part of a 'National (patriotic) Liberal' strain that had dominated continental European liberalism from the mid-19th century and found its echoes within the UK.

One such group, at the turn of the 20th Century, were popularly known, if by a somewhat narrow definition, as 'Liberal Imperialists'. They were called as such due to their 'patriotic' support for the Empire (in line with a popular 'imperial spirit') but they were also concerned with social reform. One such leader was Lord Rosebery.

Was Lord Rosebery an early National Liberal?

Archibold Philip Primrose was born in London (1847). He inherited his title the 5th Earl of Rosebery from his grandfather. A keen sports lover and avid reader he

was courted by both Liberal and Conservative leaders but eventually plumped for the former, largely due his overriding belief in personal liberty. He was credited with getting the then Liberal leader (Gladstone) elected in Midlothian in 1879 using 'American' style campaigning techniques e.g. open-air meetings etc.

Although he served as a Scottish Minister



Was Lord Rosebery an early National Liberal?

and opened the first national Congress of the new Cooperative movement, he was a rather reluctant politician. He never really recovered from the early death of his wife, Hannah, in 1890 and was personally more interested in ideas than bureaucracy's.

Liberal Imperialist

He was for example a leader of the 'Liberal imperialist' faction (forming the Liberal League in 1902 as a successor to the Liberal Imperialist Council). This faction believed in exploiting the benefits of the Empire and social reform. He once gave a speech extolling 'national efficiency' and suggested that reform at home would make Britain more efficient by liberating the working man's potential. It was both an 'accident' (as the the lesser of evils) and a personal surprise that Queen Victoria asked him in 1894 to form a Government under his Premiership. His attempt at reform was largely unsuccessful due to a Conservative dominated House of Lords and a divided Liberal cabinet. Perhaps predictably given his lack of personal ambition, his tenure came to a miserable end a year later. More libertarian in later life and not under party constraint he campaigned on issues of personal liberty or as he put it, *"for freedom as against bureaucracy, for freedom as against democratic tyranny, for freedom as against class legislation"* (Letter to the Times February 1910).

His last great battle was, unsurprisingly given his position, to protect the House of Lords being neutered as an effective Second Chamber. As always the reasons for reforming the Lords was either to break the stranglehold of privilege that blocked reform or to remove an obstacle to a majoritarian government implementing legislation, however objectionable (take your pick). Rosebery, unlike some of the Conservative peers, would say he was resisting the latter. Thereafter he retreated more into his books and horses until his death in 1929.

Was he a national liberal? Well, by today's standards he opposition to home rule for Ireland (although he was initially in support but thought it was a contentious issue delaying much needed social reforms) and his contempt for the small 'Little England' group in Parliament and unswerving support for the Empire would raise the hackles of today's national liberals, given our belief in independent nation states. To be fair however, to be 'patriotic' in Victorian Britain meant, at least, loyalty to the Empire and his actual promotion of it made him an emotional (if not a literal!) 'nationalist'. His support for the House of Lords (although he did make firm proposals for reform) can be viewed in two ways (see above). Yet, whilst we support the modernisation of that body we do accept that all legislatures need a reforming (second) chamber, we see no point having a body that merely rubber stamps Parliament. Interestingly, Rosebery supported the use of referendums (a relatively new concept outside Switzerland at that time) to settle serious constitutional matters.

Belief in individual liberty

If this 'accident of history' hadn't have happened perhaps Rosebery's contribution wouldn't have amounted to much but he did leave an interesting legacy. One of his sons, Harry, became the 6th Earl, a Liberal MP, subsequently Secretary of State for Scotland (1945) and President of the Liberal National/National Liberal Party in 1945-57! Famously, one of the leaders of the Liberal National faction and later separate party (Hoare-Belisha) said in 1931, *'We shall have to fight and I think take the offensive for the soul of Liberalism, maintaining that we are in the Rosebery tradition'*. This tradition might be best described as a belief in individual liberty (under threat from government or private interests) within the framework of a great property-owning democracy. I think we can safely say that Rosebery was a contemporary 'neo-national liberal' in all but name.

Liberalism and Trade Unions

Historically, Unions began organising in the workplace to protect the interests of their members, especially in the 19th century, as the Industrial revolution attracted large numbers of rural workers into urban factories.

Liberals in the UK initially viewed industrial relations as a 'voluntary bargain' between workers and employers and that unions, notwithstanding their welfare function, were a natural outcome of workers seeking to strengthen their hand in that bargaining process.

In turn the burgeoning trade union movement initially supported Gladstonian liberalism's policy of industrial and employment reform up to the turn of the 20th century. There was even a Liberal-Labour movement which entailed local Liberal associations putting up trade union sponsored Parliamentary candidates.

However, the turn of the century also saw a series of decisions restricting the activity of

the Labour party as their parliamentary wing.

Thereafter the Unions became increasingly wedded to Labour and were viewed by a declining Liberal party as part and parcel of a two party duopoly, which Liberals saw as the main obstacles to change. Crucially, unlike as we will see in Europe, they didn't support or create their own liberal unions offering an alternative trade unionism.

European experience

In Europe, Trade Unions have traditionally been more militant and more socialist/Marxist in orientation. Indeed they became less concerned with 're-balancing' legislation less in favour of employers than with taking over institutions in favour of the 'working-class' i.e. the mirror image of the middle/upper class parties they believed were acting in the interests of their class. Indeed some of these unions were formed by socialist parties (rather than the other way round) as an additional political tool. They were quite prepared to use strikes as a political weapon to fight legislation (sometimes Governments) they opposed.

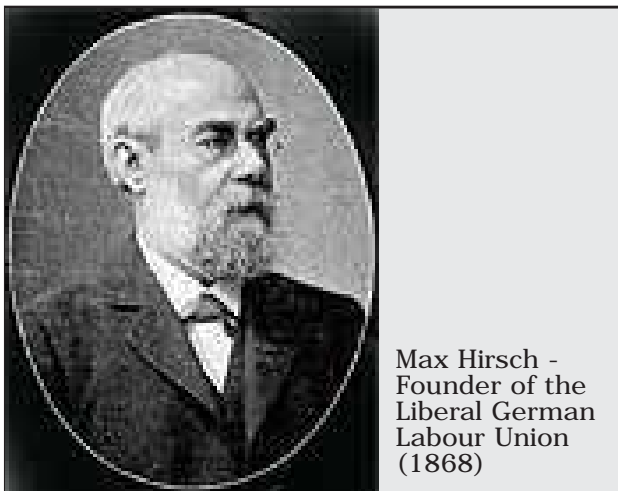
Other workers, whilst accepting there were injustices with the present system, rejected socialism as the answer, either as a political model or as a national unifier i.e. representing all classes.

Non-Socialist Trade Unions

Thus non-socialists, who wished to campaign for social justice in the workplace, formed their own trade unions. Many were 'Christian' (especially Catholic) following Pope Leo XIII's Encyclical entitled *Rerum Novarum* (The Workers' Charter) which attacked the treatment of workers and called for greater rights and support in the workplace. The fear of the socialist alternative was undoubtedly a major factor. They became quite significant in number and in some countries e.g. Belgium they were larger than socialist unions.

Others were Liberal unions that also rejected socialism but were non-confessional and sought to unite all workers, regardless of religion or sometimes trade i.e. covering blue and white collar workers.

Like the Christian unions they saw the struggle for workers rights and improved conditions as



Max Hirsch -
Founder of the
Liberal German
Labour Union
(1868)

unions, culminating in the Taff Vale case (1901) which led to a union being sued for loss of profits due to strike action. Contrasting Liberal Party inactivity to these events, unions increasingly turned towards the emerging Labour movement.

Many Unions in the UK and especially on the Continent increasingly crossed into political action by applying pressure on government to pass legislation in the interests of their members or workers as a whole. This involved industrial action, campaigning, lobbying, or financing sympathetic candidates or parties. By and large these have been socialist or social democratic e.g. in the UK Trade Union's moved on from being largely 'self-help' groups to help found

primarily an economic one and largely restricted their activities to the workplace rather than the political field. They, or sections of, sometimes supported political parties that broadly supported their approach but they rarely saw themselves as an alternative, extra-parliamentary, force. They largely believed there was (or should be) a “harmony of interests” between the employers and the worker. They opposed political strikes although a minority (including Christian ones) rejected strike action per se. Fundamentally, they did not see their role as an arm of a political revolution but rather supporting the rights and conditions of their members. Thus, in many respects they remained as ‘friendly societies’, looking after the welfare of members inside and outside of work.

For example, in 19TH century Germany liberal supporting workers first banded together in self-



help unions, providing welfare support for workers falling on hard times. Some of these liberal unions were also very patriotic. Many of these were linked to the liberal Progressive People’s party (particularly followers of Friedrich Naumann) but some to the National Liberals.

Indeed, Germany of the 19th and particularly the 20th century is an interesting kaleidoscope of the trade union movement. It included, in order of strength, the Free Unions (socialist), Christian (largely but not exclusively Catholic), Hirsch-Duncker (Liberal and National Liberal), Yellow (sole company and management controlled) and independent/non-political ones.

For liberals seeking to unite working and middle class interests wherever possible, the liberal unions (labelled after the two founders, Max Hirsch and Franz Duncker) were vital bridges between workers and the largely middle class party members. Thus, unlike in the UK, they were able to incorporate in liberal party programs policies that sought to alleviate workers’ conditions in and outside employment and

consequently maintain a significant following in working communities.*1

What should the role of Trade unions be in a (National) Liberal ‘society’?

National Liberals favour an economy composed of the self-employed, partnerships and cooperatives i.e. where owners work and workers own. However, in practice most businesses are large concerns owned by shareholders, many of whom are external to the company. In these concerns, we would favour greater employee share ownership.

Where would Trade Unions fit in?

Whilst then those companies remain owned solely or primarily by external investors or by on site management, unions are required to look after the collective interests of the workforce e.g. pay, pensions and working conditions.

That apart, unions provide another more personal function that could in practice be required even in a cooperative and that is personal representation. Any employee, whatever the company structure, may require help vis a vis his fellow employee or ‘management’ that is not resolved on an informal basis. Unions are best qualified to provide that support.

That said, since unions fulfil a vital role (with others) in the workplace, what is it that we would want a union to represent within society and act in the workplace?

Firstly, it should be **libertarian**. It should recruit and support any member regardless of his background, including his politics which is something that is not clearly defined as an act of discrimination as is sex or race. If the member is de facto willing to sign up to the union’s ‘principles’ then it should be obliged not to discriminate against them.

Secondly, it would be a (progressive) **nationalist** union i.e. anti-globalist, opposing the excessive export of capital or the importation of labour but will not be ethnically or racially based. All who subscribe to its ‘principles’ would be welcome.

Thirdly, it is a **liberal** union that welcomes moves to increase workplace ownership and broadly supports workplace non-discriminatory legislation and mores.

Fourthly, whilst taking the above ‘political’ position above it is a **non-party political** union. Whilst it is likely to attract certain members of

a liberal nationalist persuasion, it would, in contrast to Socialist/Marxist unions primarily seek to recruit any worker that feels they need its services.

Fifthly, it should primarily be viewed as an **economic** union. Its sphere of influence is in the workplace (It is not designed to be an extra-parliamentary force trying to bring down a government or to act on behalf of any perceived class).*2

There has never been a union (liberal nationalist) like that historically in the UK and hardly in Europe, but the impact of globalisation, the EU and the world movement of peoples has meant workers are far less isolated from the impact of decisions and actions taken overseas than in previous decades and an appropriate response is overdue.

Existing unions are ideologically ill-equipped to defend national workers interests being brought up on a diet of internationalist slogans e.g. 'workers of the world unite'(equally Social Liberals i.e. in the Liberal Democrats are ill-equipped politically to support those interests, being wedded to the notion of the free-movement of labour and supra-national bodies such as the EU). There is also a vacuum for a non-socialist trade union(s) that can work in

partnership rather than antagonism with government (providing the latter does not attack employee rights which is/should be the core mission of any trade union).

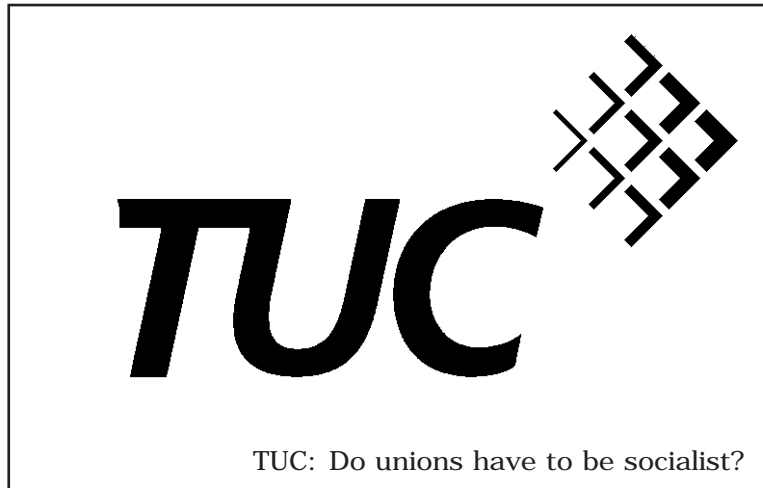
Campaigning to protect employee rights in the present business recession, protecting all workers interests under attack from globalism, and the promotion of greater employee share ownership, requires the joint efforts of a liberal nationalist trade union and a national liberal political party.

*1 The ultimate demise of both left & right liberals in Germany pre-1933 was not due to the failure of the Liberal Unions to recruit workers, who were stronger post the 1st World War than previously, but the failure of the parties to hold onto their middle-class supporters.

*2 As with the Hirsch-Duncker unions it would seek to achieve political influence through those

members holding joint party memberships and campaign for particular economic positions as a complimentary partner (rather than an independent quasi-political actor) supporting liberal nationalist policies.

There is a facebook group that has been formed to look into and promote liberalism within trade unionism. You can join by logging into *National Liberal Trade Unionist*.



A member of the National Liberal Executive is hoping to launch a political Foundation dedicated to researching and promoting the tenets of National Liberalism. In particular it will research the works and lives of leading personalities of the UK's Liberal Nationals (1930-48) and similar world figures up to the present day.



It will also seek to develop ideas and policy whilst promoting and nurturing National Liberalism globally.

We are seeking a serious sponsor(s) for this work which will be launched within two years. Details and funding are open to negotiation. Can you help? If you are interested in promoting an alternative liberalism then contact natliberal@aol.com

Book review:

Liberals in Schism: A History of the National Liberal Party – By David Dutton

A FORGOTTEN TALE

Whilst the modern day National Liberal Party in the UK was only formed a few years ago there was an earlier version.

In 1930's Britain the Parliamentary Liberal Party was divided over the measures they believed were required to govern a Britain rocked by a world depression. A minority had come to believe that protectionist measures, contrary to Liberal dogma in favour of Free Trade, were now necessary to save British workers jobs.

Bedeveled by personality clashes and disagreements over whether to support a Lib-Lab Coalition, a National Government or outright 'independence' these differences turned into a split. In 1931 a group of MPs under the leadership of Sir John Simon openly supported the formation of a National Government which vowed to introduce import tariffs. The Parliamentary Group called itself the Liberal Nationals (LN) to differentiate itself from the 'Independent' Liberals.

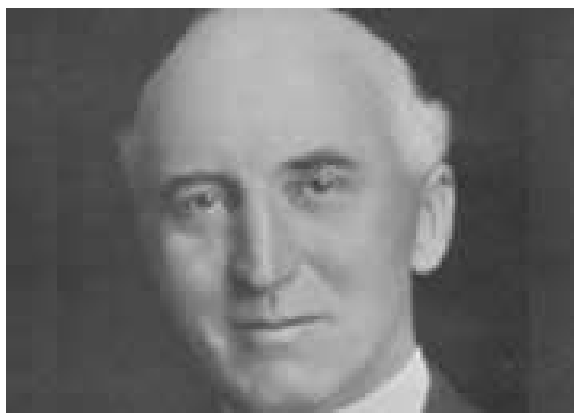
FORGOTTEN

Although the group continued in some format or other until 1968 few political commentators recall their existence let alone discuss their relative importance. The book by David Dutton *Liberals in schism* is an attempt to rectify this gap in our knowledge.

Dutton himself explains this collective 'memory loss' to three factors; the history was written by their rivals (Liberal Party) victors that sought to minimise, ridicule and focus on the LNs eventual absorption by the Conservatives, their unwavering support for an ultimately discredited National Government and the personal unpopularity of their leader amongst other political figures.

Despite all this the LN's were crucial to sustaining the 'National' identity of the Governments in period between 1931-40 (and delivered Liberal votes), whilst forcing the Conservatives to marginalise their right-wing and contributing to the almost catastrophic decline of the original Liberal Party. Indeed the author maintains that it was by no means certain that the LN would not capture the heart of Liberalism and replace the Liberal Party as its premier voice.

LN leaders themselves certainly thought so as per the quote from Leslie Hore-Belisha (an LN Minister) in 1936 'That day may not be distant when the Liberal Nationals will be regarded as the true preservers of our tradition'. Of course they benefited by a first-past-the-post electoral system which meant that their smaller number of unopposed (by Conservatives) candidates had a greater chance of success than the opposed



Sir John Simon

Liberal Party candidates. Before the Second World War this meant that they were usually the larger group of 'Liberal' MPs, invariably won out in rare Liberal-LN contests and in the early 1950s even obtained the most votes.

DOOMED

Ultimately though they were doomed by the loss of personnel due to the war and the greater fusion of ideas within both LN and Conservative parties. The latter realised that the LNs needed them more than the other way round and pounced upon the LNs at their weakest moment and persuaded them to form joint Constituency organisations under the Woolton-Teviot pact of 1947. This in turn meant the smaller LNs (or National Liberals as they became known) were absorbed by the larger Conservatives (as had occurred to the Liberal-Unionists some fifty years earlier).

The Liberal Nationals are interesting because they were prepared to support coalition politics and ditch dogma in the national interest. Some believed they were upholding an honourable tradition in Liberalism that was again in the ascendant. Hore-Belisha again 'We shall have to fight and I think take the offensive for the soul of Liberalism, maintaining that we are in the Rosebery tradition*'

Others thought that since the Liberal Party seemed no longer capable of vying for power (becoming a much smaller 'third' party in a two-party system) they should attempt to influence others particularly the predominant Conservatives by working within Government. Lord Simon is quoted as saying that Liberals should not 'deplore the spread of Liberalism which had now got into so many people's blood that it had almost ceased to be the Liberals' own particular strain'. In other words the idea e.g. personal liberty before the Party.

Of course the alternative explanation says they were motivated by personal interest 'to save their parliamentary seats and prepared to sell their political souls to the Conservative devil in order to gain a finger-hold on the seat of power'.

AN ALTERNATIVE LIBERALISM

Whatever the motives a number of them reflected a patriotic element within Liberalism who were attracted to the Liberal party by 'political liberalism' i.e. civil liberty and individual freedom i.e. independent of authority – self-employed, smallholder, and home-owner. It expressed itself in different ways at different times e.g. amongst the 19th century Liberal-Unionists and 'Roseberyites' and not always in the Party e.g. 1930 Distributists. However by and large after the mid- nineteenth century It was increasingly marginalised and usually suppressed.

This book (ISBN:

9781845116675) is a valuable contribution to any study of that 'alternative' Liberal tradition – patriotic, 'politically' liberal, consensual and preference for the economically independent. Today we believe it can flourish best outside the Liberal (Democratic) Party via an alternative one, the National Liberals.

* Lord Rosebery, the last Liberal Prime Minister of the 19th century, was a Liberal 'Imperialist' whose aim was to turn Britain into a great property-owning democracy.

Article courtesy of the National Liberal Party website

Book review:

Lessons in History: A book(s) review of 'Gustav Stresemann: Weimar's Greatest Statesman – Jonathan Wright' & 'German Liberalism and the dissolution of the Weimer Party system – Larry Jones'

Both the above books best suit a joint review since their subject matter heavily overlaps each tome being based on a similar characters, theme and time; namely, the fate of German Liberalism and its leaders in the early 20th century (up to 1933). Their fate, as with socialists, communists, unorthodox nationalists, political Catholics and others was an unhappy one as, for the leaderships at least, it was exile, imprisonment or worse. German Liberalism basically divided into two camps: social or left-liberals and national liberals. All had taken heart and strength from the 1848 revolutions that called for greater liberty and national unity. Indeed, as elsewhere, national/patriotic liberalism was predominant. However, industrialisation and the rise of the 'urban proletariat' led to a struggle for the latter's hearts and minds. Socialists (and much later Marxists) made great inroads into this growing section of society and increasing numbers voted for the Social Democratic Party. Liberals were slow to react but some, particularly Friedrich Naumann and his short lived National Social Union, hoped to combine liberalism with a progressive (social) message. Adherent's promoted their own trade unions (Hirsch-Duncker) and pushed for social reform in and out of Parliament.

Before the First World War, the liberal parties split into the Progressives (left-liberal) and the National Liberal Party (a broad church across the Liberal spectrum).

Jonathan Wright's book on the statesman Stresemann (which took 10 years to write and is perhaps the most comprehensive biography on the man) explains that when he joined in 1906 he was on the NLP's left-wing; backing voting reform and small businesses interests, in contrast to his party's conservative wing (backed by figures in Germany's heavy industry). A brilliant orator and a moderately successful businessman, he rose within the party's ranks, despite right-wing opposition, to become a confidant of the NLP's pre-war leader Bassermann. What united these disparate elements was nationalism, 'Nationalism was deeply ingrained in the German liberal tradition, and it is by no means an historical accident that...relied upon nationalism as a means of integrating the divergent and potentially antagonistic social and economic forces that constituted their material base into some sort of coherent political force'.*1

The First World War eventually saw him become leader (1917) but, in an attempt to appease the party's right-wing and no doubt his own heightened nationalism, he clung onto the prospects of a German victory (or peace with attendant annexations) far longer than most. This led to tragic consequences for post-war Liberalism.

Larry Jones book is equally thorough but he focuses his attention on all the 'liberal' wings, between the period 1918-33. He like Wright highlights the inability of the factions to unite; their best chance being in

1918/1919 when the old parties died and new ones were required. Unfortunately, despite the friendship of the two leaders (Fishbeck (Progressives) and Stresemann (NLP)), an influential left-wing faction blocked the latter's involvement in a new German Democratic Party (DDP) due to his annexationist stance (whilst ignoring other, lesser figures). Stresemann in turn, rather than retire, founded his own German People's Party (DVP) from the ashes of the NLP. Until the late 1920's they spent more time attempting to take votes off each other rather than those to their left or right.

Despite their backgrounds both parties were divided horizontally (in left and right wings) and vertically (in sectional, mostly economic, groups). The DDP had five recognisable political factions and the DVP were forever hostage to their industrial (and thus financial) wing. Both were steeped in the economic and cultural tradition of the 19th century 'honoratiorenpartei' (loose associations) which relied upon wealthy notaries to finance election campaigns. Thus, not having a tradition of activism or fund raising, they soon became reliant upon industrial monies and with it pressure and patronage. In contrast, the SDP and especially the NSDAP (Nazi) parties relied much more upon their own membership's sacrifices. Both Liberal parties also created vocational councils/committees e.g. workers, artisans and to attract such interests but they also raised unrealistic expectations amongst such new recruits and encouraged the division of political society into competing rather than complimentary sectional interests.

As Jones points out, Weimer politics in general broke down into competing economic factions that the system was unable to satisfy, which in turn de-legitimised those parties, especially Liberal ones, most associated with it. Since these parties and later a multitude of single-issue alternatives could not resolve Germany's ills, the disaffected middle-classes eventually turned to the NDASP as their preferred party of protest with devastating consequences. What were then the country's ills?

The defeat of Germany shook the confidence and spirit of the patriotic segments of the population. The iniquity of the Versailles Treaty at the end of the war, which resulted in territorial losses and crippling debts (to pay off Allied reparations), led to economic shocks, whether hyper-inflation or mass-unemployment, that progressively broke down pre-war voting loyalties.

The extreme nationalists insisted that Germany refuse to 'fulfil' the demands of the Versailles Treaty but Stresemann argued that only by cultivating support amongst the Allies could there be a (peaceful) revision of the Treaty. Any attempt at resistance would lead to further territorial losses. The experience of the French/Belgium occupation of the Ruhr, in reaction to

Germany's failure to meet reparation payments, only confirmed that view. In time events began to prove Stresemann's theory that future Allied leaders would recognise the iniquity of the Treaty's obligations, and its anti-national character, and would thus ameliorate Germany's condition. The Dawes and Young plans led to foreign investment and eventually the Ruhr was 'liberated'. However, Stresemann's death in September 1929 led to the collapse of his party and doomed to failure of numerous attempts to unify or at least encourage useful cooperation between the two dwindling liberal parties.

As benefitting a sympathetic biographer, Wright sees Stresemann's role (who, apart from a short lived Chancellorship, was Foreign Minister in almost all Weimar Government's) as vital to the legitimacy of the Weimar Republic. Although initially sceptical of the Republic he believed that only the compromise and consensus of a parliamentary system* could deliver stability and remove Allied fears (which might ultimately lead to an ultimate revision of the Versailles Treaty). His passionate combination of nationalism and liberalism appealed to three different constituencies i.e. to patriots, liberals and a longstanding 'national liberal' tradition. Whilst he was alive people were more or less willing to go along with his peaceful revisionist strategy.

Stresemann had considered retiring for a couple of years between the years 1930-32 (to recuperate from recurring bad health) and then standing for President. Since the ultimate contest between Hindenburg and Hitler consolidated the latter and his party as an almost unstoppable force it is an interesting piece of speculation and not inconceivable that Stresemann could have won such an election and built a patriotic alternative? Stresemann himself had no illusions that a reckoning beckoned and that Germany's treatment (by the victorious allies) were responsible for the swing to the radical right*1



Gustav Stresemann

Apart from Germany's misfortune to lose him at his political prime there were a number of other factors as to why liberalism collapsed and attempts to create (liberal) patriotic alternatives foundered.

Firstly, that alternative (as encapsulated in national liberalism) was spread across the two liberal parties, crudely within the right of the DDP e.g. Fischbeck and Hellpach and the left of the DVP e.g. Stresemann and Curtius. Despite numerous attempts at liberal unity (as Jones so painstakingly logs) the left of the DDP and the right of the DVP parties would continually frustrate any link up.

Indeed, all the parties were effectively coalitions (apart those of the radical right and left) and much energy was spent in-fighting within them, much to the disgust of voters.

Secondly, as mentioned previously, the system failed to deliver stability or revision (quickly enough) and the existing parties more or less took the blame.

Thirdly, the rise of sectional groups and interest parties* alienated the young and ideological who drifted to the extremes. Stresemann had wanted the DVP to be a true people's party uniting the nation's communities (Volksgemeinschaft). However, since the party was formed from the left-over's of the NLP (including the factional industrial wing), after many had already joined the new DDP, it could not be achieved.

Can then any lessons be learnt from the period?

The NLP (and the Progressive's) electoral fortunes waxed and waned dependent upon the topicality/popularity or otherwise of 'nationalist' and 'liberal' issues. Their propaganda efforts, albeit quite poor, would have little impact. To put it another way, there was little point focussing propaganda on issues that the voter found unimportant (at that time). Alternatively, since 'national' e.g. constitutional, and 'liberal' e.g. privacy and civil liberty, issues are much more topical in today's UK it suggests that relevant propaganda would find a growing audience.

Both books recount how, because of the unfamiliarity of ministerial responsibility, an electoral system and voter preferences that produced minority governments, and the unwillingness of 'extremist' parties from taking any responsibility, the search for a working coalition was illusive. Great Coalitions (including the Social Democrats or alternatively and occasionally, the far-right DNVP), small coalitions (of the liberal parties and Centre party), Parliamentary Alliances and even a 'Government of experts', all failed to deliver the stability that Germany required. In frustration many voters flocked to the NSDAP.

A microcosm of the problem of creating a workable cooperation can be found in the fruitless search for either, a unified liberal party, a new alternative middle party or simply a campaigning alliance. Countless attempts were made to get the leaders of the parties together, sometimes with success, but always the differences between the 'extreme' wings of the parties scuppered any early promise as each feared they would lose what leverage they felt they held over their respective parties. Indeed the only 'successful' merger, between the DDP and the romantic 'anti-party' Young German

Order into a new, and short-lived State Party, only came about because their former's leader carried out negotiations in secret (from his own party as much as from everyone else).

Interestingly, Stresemann himself made some observations shortly before his death about the best way to move forward any party cooperation after provisionally agreeing the founding of a 'Patriotic Bloc' between the two Liberal parties:

Target key personnel early on, preferably leaderships, and give them responsibility. Personalise and popularise any working group rather than rely on Manifesto's. Build camaraderie.

Focus on common ideas/campaigns.

Widen the circle to encourage healthy competition and minimise the importance of drop outs.

Promote and highlight the benefits of cooperation e.g. building individual party profiles and strength in numbers.

Make it an 'opt-in' rather than 'opt-out' relationship i.e. members join in agreeable campaigns and quietly sit-out those not so.

Of course, the liberals were ultimately attempting to unify into one party whilst this reviewer believes that parties with similar objectives (in the broadest sense) should merely aim at coordination and cooperation. A 'People's Alliance' of small centrist parties can benefit individually and collectively without surrendering their identity or independence of action (the fear of which bedevilled Germany's liberals and frankly most historical attempts at mergers). Thus, it might be possible to seriously challenge the political establishment by offering

a powerful alternative.

*1 Jones, *German Liberalism 1918-33*, 477.

*2 'That is my tragedy and your fault' - Stresemann to British journalist Bruce Lockhart, Wright, *Gustav Stresemann*, 477, n. 129.

*3 'Unlike the old NLP, the DVP was 'no longer an ideological party but more & more a pure industrialists' party' - Letter of Stresemann, Wright, *Gustav Stresemann*, 450.

*4 'Politics is the art of the possible, is the necessity of reaching an understanding with others' - Stresemann speech, Wright, *Gustav Stresemann*, 144.

*5 '(Politics) reduced to an appendix to the representation of interests' - Letter of Stresemann, Wright, *Gustav Stresemann*, 456.

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