

LIBERAL LIBERTY LEAGUE

THE LIBERAL PARTY ASSEMBLY

This note is written on the eve of the Annual Assembly of the Liberal Party which meets at the Kingsway Hall, London, February 1 to 3. It is anticipated that the chief debate will be that on unemployment. We hope to give an extensive report next month. Meanwhile we print here the official resolution and the amendment which this League and the Huddersfield Liberal Association have submitted. Readers of this Journal will observe the contrast between the points of view presented, differences so fundamental that the Liberal Party, as politically constituted, is at the parting of the ways. The decision of the Assembly will be a fateful one.

THE RESOLUTION

The text of the "Full Employment" Official Resolution, moved by Sir William Beveridge and seconded by Mr. Elliot Dodds was as follows:—

(Lines 1 to 79)

"This Assembly contends that a primary aim of the State is the maintenance of full employment, i.e., a condition in which there are at all times more jobs than men and women looking for jobs. This will be achieved by the adoption of a policy of maintaining, by adequate public and private expenditure, a demand for the products of industry which is sufficient to absorb the whole man-power of the nation.

"To this end, the Government should maintain State expenditure at the required level by means of a long-term programme of planned outlay, directed in the first instance to: (a) the abolition of Want, by a national minimum wage and by adequate social services and allowances; (b) the prevention and cure of Disease, by the immediate institution of a genuinely comprehensive National Health Service without charge for treatment and the adoption of a nutrition policy; (c) an attack on Squalor, through the adoption of a bold and adequate housing programme; and (d) an attack on Ignorance, by the immediate training of a sufficient number of teachers, by an adequate programme of school building, and by ample provision for adult education.

"The level of private expenditure should be raised by increasing real wages as production increases; by a policy of generous family allowances and by reductions in taxation.

"Since all national progress depends upon an increase of the nation's wealth, we must improve our capital equipment, modernise existing plant, and spend money upon research and training for management.

"In order to achieve these results, the Assembly demands:—

- (1) The adoption of a national Budget, based on the datum of man-power, and no longer limited by the outworn financial conceptions which led to the wholesale loss of real wealth, through the failure to maintain a high rate of production and employment after the last war.
- (2) The location of industries on a national plan which will take into account the best interests of the whole community.
- (3) Full facilities for the passage of labour from one industry and one area to another, to prevent aimless movement, the hawking of labour and misdirection of juveniles.
- (4) Collective outlay or other action to secure good houses, good food, fuel and other necessities at reasonable prices for all.
- (5) Strengthening of the law governing the restraint of trade; effective control of such monopolies and cartels as are found to be necessary in the public interest; effective supervision

of trade associations in order to check the growing tendency towards monopoly and to protect consumers against exploitation or inefficiency.

- (6) Extension of the public sector of industry where this is required for special reasons, such as the need to control monopolies, or the overriding importance of the industry in the national life, or the necessities of national defence.
- (7) Increasing association of employees in private and public concerns alike with the management of those concerns in order to secure the maximum output.
- (8) Encouragement and regulation of Private Investment by a National Investment Board to rejuvenate the mechanical equipment of the country and to bring about its steady expansion.
- (9) International Trading arrangements based on the acceptance by all countries taking part of the three fundamental conditions of lasting multi-lateral trade: a policy of full employment, balancing of international accounts and stability of economic policy. While aiming at securing these three conditions for the sake of full employment, British policy should be directed to securing the greatest possible extension of international trade, with a lowering of tariff barriers and elimination of other forms of restriction, both in order to raise the standard of living, and, by promoting economic co-operation, to strengthen the bonds between nations."

(Lines 80 to 84)

"The Assembly further demands the cessation of the policy of the direction of labour at the very earliest moment consistent with the interests of national safety, and expresses its resolute opposition to industrial conscription in time of peace."

THE AMENDMENT

The text of the Amendment, submitted by the Liberal Liberty League and the Huddersfield Liberal Association, moved by Mr. Ashley Mitchell and seconded by Mr. T. Atholl Robertson, was as follows:

To delete all words after "This Assembly" in line 1 to the end of line 79 and in place of what is deleted to insert:

- (a) that poverty and lack of employment are a result of law-made or legally permitted restrictions upon the production and the exchange of wealth;
- (b) that the primary obstruction is the withholding of land for higher rents and prices, an anti-social speculation which is encouraged by the exemption from rating and taxation of unused land no matter how valuable it may be;
- (c) that equally serious impediments to full employment are the rates and taxes levied on industry and trade, and the tariffs, quotas, exchange controls, marketing schemes, bilateral trade agreements, and other obstacles to the production of wealth;
- (d) that the resort to revenue derived from the taxation of industry and trade and from the workers' wage-packets as a means of mitigating distress or of providing State aid to sectional interests is self-defeating in the one case and unwarranted in the other; and
- (e) that governmental no less than monopolistic dominion over the commercial life of the country destroys initiative and conflicts

with the equal rights and the equal opportunity to earn a livelihood in personal freedom which all citizens should enjoy and by which alone there can be scope for fully productive employment together with a just distribution of the product.

"The Assembly accordingly rejects any plans or proposals

- (a) which involve increased regimentation of the individual by the State;
- (b) which invoke the arbitrary powers of government to restrict imports at discretion;
- (c) which make the fiscal policy of this country depend upon the fiscal policies of other countries;
- (d) which imply the retention and control of monopolies and cartels instead of their reduction or abolition;
- (e) which use the proceeds of taxes and loans or the manipulation of money and credit to put goods on the market at fictitious prices or provide subsidies open or disguised to privileged interests;
- (f) which contemplate the unbalancing of budgets and the expansion of the public debt on the assumption that taking money from some and transferring it to others will advantage the community.

"The Assembly condemns such proposals as infringing popular liberties, menacing the general well-being, undermining the national credit and departing from the true conception of a Liberal State.

"And the Assembly declares that the Liberal Party places in the forefront of its policy relating to employment the destruction of monopoly and the liberation of productive enterprise from its present burdens and handicaps by policies designed to attain full freedom of production and trade, the first and most important steps being:

- (a) the levy of rates and taxes on the value of land (apart from building and improvements) whether the land is used or not;
- (b) correspondingly reducing, as this policy is developed, the rates and taxes now levied on the products and processes of industry;
- (c) forthwith establishing Free Trade by the abandonment of all protectionist tariffs and of every import restriction no matter what may be the fiscal policies of other countries; and
- (d) the abolition of all legally maintained restrictive practices which prevent the functioning of a free market at home."

F.J., London, W.1: "I agree a hundred per cent. with your statement that the 'Full Employment' Resolution of the Liberal Party Assembly 'constitutes the direct negation of all that Liberalism stands for.' The acceptance of such a programme would reduce the British Liberal Party—mother of Liberalism in the whole world—not only to be a sham body, but to the explicit role of a political clown or harlequin, concerned with caricaturing his original personality. The passing of that resolution and its insertion into the official programme would mean the irrevocable end of Liberalism not only in the very place of its birth but, enacted by its own standard bearer, political suicide in fact. . . . The price of the adoption of that policy would not only kill indefinitely and irretrievably British Liberalism but would involve Britain in a foreign policy of constant power politics accompanied by an incessant state of war. Most people do not think as far as that, but this would be the logical and irrefutable consequence of Sir William Beveridge's teachings."