

## **Liberals, Free Trade, and Europe from Cobden to the Common Market**

This short article sets out to investigate the extent to which the origins of Liberal support for European co-operation lay in an attachment to free trade and the belief in its propensity to bind nations together, reducing the likelihood of international conflict. This intimate association between free trade, peace, and Liberalism went back to the campaign against the Corn Laws in the 1830s and 1840s but remained central to the Liberal party's identity throughout the nineteenth century. It proved perhaps surprisingly resilient in the face of the First World War and the Bolshevik Revolution, and was only seriously challenged in the aftermath of a Second World War, in the face of the 'Keynesian revolution' and the relative decline of the British economy.

### *Free trade and peace in nineteenth-century British Liberalism:*

The emergence of a distinctive Liberal identity in mid-nineteenth century Britain was virtually synonymous with the adoption of free trade and the range of cultural values associated with it. Whereas 'liberal' ideas of constitutional and religious freedom had long found advocates among Whig politicians, the transformation of economic thinking which followed from Smithian political economy became integral to the mindset of Liberal politicians and thinkers from the 1830s, and it is impossible to dissociate free trade from the Liberalism of Cobden, Mill, Gladstone, and Asquith.<sup>1</sup> Within the colonial mind, Liberalism, particularly in Australia, did at times become distinctly protectionist in character,<sup>2</sup> but before 1914 Liberals in Britain who wished to embrace protection did so only after moving to the Unionist party; in the emergency conditions of both the First World War and the Depression-hit 1930s, some Liberals departed temporarily from free trade loyalties but after the Second World War, most returned, not simply to a comforting hereditary faith but to a set of values linking peace, free trade, and interdependence which seemed newly pertinent in the post-war reconstructions of Europe and of the world economy.

This close association between free trade and peace became central to Liberal debate and understanding following the controversy over, and repeal of, the Corn Laws in 1846. For Richard Cobden, the leader of the Anti-Corn Law League, free trade and peace became virtually synonymous, and he proclaimed free trade as 'the only human means of effecting universal & permanent peace'. For this reason, he believed in 1842, 'it would be well to try to engraft our Free trade agitation upon the *peace* movement – they are one and the same cause.' This belief in turn was based on the idea of interdependence. 'Free-trade by perfecting the intercourse & securing the *dependence* of countries one upon another must inevitably snatch the power from the *governments* to plunge their people into wars'.<sup>3</sup> This linkage made explicit in political terms an argument which went back to the thinking of Enlightenment figures such as Montesquieu, who extolled the peaceful potential of trade (*la douceur du*

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<sup>1</sup> Anthony Howe, *Free trade and Liberal England, 1846-1946* (Clarendon, Oxford, 1997); Joseph Coohill, *Ideas of the Liberal Party: perceptions, agendas and Liberal politics in the House of Commons, 1832-1852* (Wiley-Blackwell, Oxford, 2011).

<sup>2</sup> Stuart MacIntyre, *A Colonial Liberalism: The Lost World of Three Victorian Visionaries* (Melbourne UP, 1991), pp. 102-7; John A. La Nauze, *Alfred Deakin* (Melbourne UP, 1965; 1979 ed.), passim.

<sup>3</sup> Cobden to Henry Ashworth, 12 April [1842], *The Letters of Richard Cobden, vol. 1. 1815-1847*, ed. A. Howe (Oxford, 2007), p.267. See too P. Cain, 'Capitalism, War, and Internationalism in the Thought of Richard Cobden', *British Journal of International Studies*, 5 (1979), 229-47.

commerce).<sup>4</sup> Late eighteenth-century statesmen influenced by Adam Smith and advocates of freer trade such as William Eden also included peace as among its benefits. The Anglo-French commercial treaty of 1786 was thus lauded for the hope that ‘this new Connection between two great neighbouring nations may not only promote mutual Prosperity & Harmony but may tend to consolidate & preserve the general Peace of Mankind’.<sup>5</sup> Such optimism before the French Revolution was however soon overlain by twenty-five years of warfare against Revolutionary and Napoleonic France, when the only consortia of nations were the military alliances forged by Britain and the integration of Europe forged by Napoleonic military might. At the end of the French wars, peace-making led to the ‘Concert of Europe’ but this remained a conservative device for imposing a territorial settlement favouring Europe’s traditional rulers. In establishing the peace, military leaders such as Wellington deployed new tools of a quasi-collective European nature, but they remained geared to the immediate financial and military needs of peace-making rather than the longer-term reconstruction of Europe.<sup>6</sup> But the wars also fuelled two radical engines of change. Firstly, among new groupings of the ‘Friends of Peace’, it encouraged popular support for the Enlightenment view that war was economically, socially, and politically harmful. Secondly, the war’s end had seen the formation of the Peace Society in 1816, opposed to all wars but also promoting the replacement of war by arbitration.<sup>7</sup> The belief that free trade would undermine war also found a major exponent in the utilitarian Jeremy Bentham, whose ideas were propagated by many leading free traders, including influential figures such as John Bowring.<sup>8</sup> But it was the fusing of these three traditions in the thinking of Richard Cobden that brought the belief that free trade led to peace lastingly to the forefront of Liberal politics.

For Cobden, the anti-Corn Law battle was therefore a ‘peace crusade’, and emphatically he upheld that it was free trade, rather than simply commercial ties, between nations that was paramount.<sup>9</sup> Not only would free trade encourage peaceful relationships between states but low tariffs would reduce the amount of money available to governments for military expenditure and an aggressive foreign policy, inspired by the chimera of the balance of power and by the vested interests of Britain’s feudal-aristocratic establishment.<sup>10</sup> Cobden also believed that free trade would fatally undermine Britain’s colonial system, which ‘with all its dazzling appeal to the passions of the people can never be got rid of except by the indirect process of Free trade which will gradually & imperceptibly loose the bonds

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<sup>4</sup> Francis H. Hinsley, *Power and the Pursuit of Peace: Theory and Practice in the History of Relations between States* (Cambridge, 1963), 62-80; Michael Howard, *War and the Liberal Conscience* (Oxford, 1981), pp. 21-7; for a dissenting approach, Luca Coppalano and Francine M. McKenzie, *A Global History of Trade and Conflict since 1500* (Palgrave Macmillan, Basingstoke, 2013).

<sup>5</sup> Eden to Robert Liston, 27 Sept. 1786, cited Gordon Bannerman and Cheryl Schonhardt-Bailey, eds. *The Advent of Free Trade, 1776-1846* (Pickering & Chatto, 2008), p. 56.

<sup>6</sup> For Wellington as a pioneer of European integration, see Beatrice de Graaf, ‘An Imperial Peace: The Common European Security Project, 1815-1818’ (forthcoming) and ‘My advice to Brexit battlers: forget Hitler, think Wellington’, *The Guardian*, 24 May 2016.

<sup>7</sup> Howard, *War and Liberal Conscience*, pp. 31-40; John E. Cookson, *The Friends of Peace: anti-war liberalism in England, 1793-1815* (Cambridge, 1982); Martin Ceadel, *The Origins of War Prevention: The British Peace Movement and International Relations, 1730-1854* (Oxford, 1996).

<sup>8</sup> Stephen Conway, ‘Bentham, the Benthamites, and the Nineteenth-Century British Peace Movement’, *Utilitas* 2 (2) (1990), 221-43.

<sup>9</sup> For later theoretical support for this argument, see Patrick J. McDonald, *The Invisible Hand of Peace: Capitalism, The War Machine, and International Relations Theory* (Cambridge, 2009).

<sup>10</sup> For these views in the wider Liberal setting, see Jonathan Parry, *The Politics of Patriotism: English Liberalism, national identity and Europe, 1830-1886* (Cambridge, 2006), pp. 157-61.

which unite our colonies to us by a mistaken notion of self-interest'.<sup>11</sup> Not all advocates of repeal shared Cobden's visionary approach but it embodied the aspirations of the growing, especially Nonconformist, bourgeoisie and helped add an ethical international dimension to the economic ideas of the Anti-Corn Law League.<sup>12</sup> It was also a vision which met enthusiastic support from within the peace movement, a view taken to extremes by quasi-millenarian Liberal millowners such as David Whitehead of Rawtenstall.<sup>13</sup> Arguably too this world view became distinctive of the emerging Liberal party, as it moved away from Palmerstonian interventionism towards a more internationalist foreign policy. Thus, Gladstone, while his starting-point was that of a Christian globalist, not only supported Cobden on issues such as opposition to war in China (1857) but fully embraced his mindset in terms of free trade, low tariffs, reduced arms expenditure, and the cause of peace.<sup>14</sup> Under Gladstone, free trade became part of the mission of England, and he typically noted in 1876 that 'the operations of commerce are not confined to the material ends . . . there is no more powerful agent in the consolidation and knitting together the amity of nations'.<sup>15</sup> Such assumptions were prevalent in the Victorian Liberal party. At the high thinking end of the party, J. S. Mill agreed that war was 'always deleterious' in its economic consequences and that 'it is commerce which is rapidly rendering war obsolete by strengthening and multiplying the personal interests which are in natural opposition to it'.<sup>16</sup> But the view that free trade was a step to universal peace was widely shared among working-class activists, who participated in a wide number of associations linking trade and peace, for example, in 1865 the Anglo-French Working-Men's exhibition and the later Workmen's Peace Association.<sup>17</sup>

### *Free trade and Europe before the First World War*

The real dilemma for British Liberals in the mid-nineteenth century lay in selecting the best means by which free trade was to be advanced in the wider world – was it a spontaneous process, part of God's handiwork, which required simply the removal of the 'artificial' interference of the past or was it a more cooperative or collaborative process in which other nations should be urged to engage? In which case, what form of cooperation was much appropriate - was it simply a matter of setting out a British unilateral model of free trade, which Cobden, for example, widely propagated on his tour of Europe in 1846/47?<sup>18</sup> Here Cobden himself became increasingly wary of being perceived as an agent of 'perfidious Albion', pursuing free trade simply in Britain's own interests, and insisted that nations

<sup>11</sup> Cobden to Ashworth, 12 April [1842], see note 3 above.

<sup>12</sup> Richard F. Spall, 'Free trade, foreign relations and the Anti-Corn Law League', *International History Review*, 10 (1988), 405-32.

<sup>13</sup> Alex Tyrrell, 'Making the Millennium: The Mid-Nineteenth-Century Peace Movement', *Historical Journal*, 21 (1978), 75-95.

<sup>14</sup> Keith A. P. Sandiford, 'Gladstone and Europe' in B. Kinzer, ed. *The Gladstonian Turn of Mind; Essays presented to J. B. Conacher* (Toronto UP, 1985), 177-96, who suggests Gladstone 'looked too often upon Europe through the eyes of the British chancellor of the exchequer' (179).

<sup>15</sup> Cited H. Colin G. Matthew, *Gladstone. 1809-1898* (Oxford, 1997), p. 272.

<sup>16</sup> Cited Georgios Varouxakis, *Liberty Abroad: J. S. Mill on International Relations* (Cambridge, 2013), p. 181.

<sup>17</sup> Eugenio Biagini, *Liberty, Retrenchment and Reform: Popular Liberalism in the Age of Gladstone, 1860-1880* (Cambridge, 1992), p. 101; Howe, *Liberal England*, p.106, n. 213; Paul Laity, *The British Peace Movement, 1870-1914* (Oxford, 2001).

<sup>18</sup> Howe, *Liberal England*, pp. 73-85; Miles Taylor, ed. *The European Diaries of Richard Cobden, 1846-49* (Ashgate, 1994).

needed to domesticate the cause of free trade, and adopt lower tariffs unilaterally.<sup>19</sup> This policy was not without success and recent research supports the idea of a considerable lowering of tariffs in the 1840s and 1850s.<sup>20</sup> However, this process bypassed the larger states, including Germany (organised economically as the Zollverein), France, and Austria-Hungary. Nor did free trade advocates succeed in adding free trade to the peace negotiations after the Crimean war. How far therefore might the British government, as the world's largest trading nation, need to intervene to draw other nations into trade bargaining? Eventually in the context of the Anglo-French war scare of 1859, Cobden was a convert to the need for commercial treaties, although insistent that concessions made by Britain would be offered to all countries, not on a simple bilateral basis. This led to a reappraisal of commercial treaties, which had fallen into disrepute in the 1830s and 1840s as simply bargaining tools, likely to favour vested interests, but now promoted as peace bonds between nations. The subsequent success of the Anglo-French (Cobden-Chevalier) treaty of 1860 in generating a whole rash of further treaties, creating the Cobden-Chevalier treaty network, encouraged some to foresee new forms of European co-operation, not simply as in the past over issues of war but for purposes of trade and taxation, a new public law within the 'Commonwealth of Europe'. Nevertheless, what has been seen in retrospect as the first 'common market' generated less debate at the time than it perhaps deserved.<sup>21</sup> However, free trade gained further support as an important part of the creation of new nations, for example, Italy or Greece, and in this way was associated with the deepening current of internationalism in the 1860s. Liberals also generally welcomed the wider means by which the integration of Europe was furthered – the improvements in travel and communications, including a proposed Channel tunnel (warmly commended by Cobden in the early 1860s), postal and telegraphic unions, as well as the growth of a European civil society as seen in friendship visits, transnational musical societies, trade bodies, and international congresses on a huge variety of issues ranging from free trade to statistics and public health.<sup>22</sup>

Nevertheless, Liberal opinion remained divided on several issues involving the degree to which economic welfare required the creation of new institutional arrangements. Firstly, commercial treaties remained contentious. The repeal of the Corn Laws had been a radical departure from the past in its unilateral character, setting out a model of free trade which others might follow but which Britain undertook in her own interests, and without prior bargaining with other nations. This changed in 1860 with the return to the negotiating table, and although the concessions Britain made to France were generalised to all nations, this did not prevent considerable criticism of Britain's departure from unilateralism from leading Liberals, including one of the architects of Repeal, C. P. Villiers, his brother Lord Clarendon, and Gladstone's future chancellor Robert Lowe; by the 1870s, Gladstone himself would once more become doubtful about the 'higgling' involved in trade negotiations.<sup>23</sup> A second division concerned the creation of a level economic playing-field within the European market – how far should free trade Britain benefit from the import of subsidised goods, from

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<sup>19</sup> For the case of Belgium, see Cobden to Corr van der Maeren, 5 Oct. 1856, *The Letters of Richard Cobden vol. 3 1854-1859* eds. Anthony Howe & Simon Morgan (Oxford, 2012), p. 243.

<sup>20</sup> Antonio Tena-Junguito, Markus Lampe, and Felipe Tãmega Fernandes, 'How Much Trade Liberalization was there before and after Cobden-Chevalier', *Journal of Economic History*, 72/3 (2012), 708-40.

<sup>21</sup> Peter T. Marsh, *Bargaining on Europe: Britain and the First Common Market, 1860-1992* (Yale, 1999).

<sup>22</sup> Francis S. L. Lyons, *Internationalism in Europe, 1815-1914* (A. W. Sythoff, Leyden, 1963).

<sup>23</sup> Roger Swift, *Charles Pelham Villiers: Aristocratic Victorian Radical* (Routledge, London, 2017). p. 191.

industries propped up by continental states? Should free trade also mean ensuring equality of conditions across nations? This led to a long-running debate on ‘cheap sugar’ (its selling price reduced by bounties on its production) with most Liberals ready to endorse the welfare benefits of maximum cheapness through free imports, although others were ready to promote the advantages of enlightened international regulation, removing subsidies and ensuring equal competition.<sup>24</sup> A third issue concerned monetary stability and the monetary standard, with Liberals divided between those who saw the gold standard as the natural complement of free trade but also a minority who saw the monetisation of silver and a bimetallic standard as promoting greater equality of global economic conditions. The monetary unification of Europe was also extensively debated in the late 1860s, and although it generated more sceptics than converts, the latter included the economist Jevons and the Liberal Chancellor Robert Lowe, for whom unification would reduce the price of commercial transactions and so help maintain Britain’s competitiveness. This debate was largely at a technical level, but European monetary integration was not without its Liberal supporters in the 1860s.<sup>25</sup>

Monetary unification in the 1860s was not foreseen as a prelude to political union but free trade and peace were throughout the nineteenth century occasionally linked with the ideal of a federal United States of Europe. This had been a part of continental discourse since Saint-Simon’s proposal for a European parliament in 1814. Its first popular flowering was during the continental revolutions of 1848, largely among French republicans and those inspired by Mazzini, with his goal of a brotherhood of nations.<sup>26</sup> In an age with no British restrictions on the free movement of individuals, many such figures sought refuge in exile in England, where they found their ideological home and political defenders in Liberal circles.<sup>27</sup> Less enthusiasm greeted the possibility of a United States of Europe, but this suggestion was taken up by the working-class peace movement in the 1860s, with some support from sympathetic Liberal leaders, for example, Samuel Morley, who, in supporting a proposed international workmen’s exhibition in 1870, commended the ‘brotherhood of labour’ as a step towards a ‘United States of Europe’.<sup>28</sup> In the wake of the Franco-Prussian war, academic liberals such as Seeley discussed the United States of Europe, if largely to dismiss it. Thereafter, this federal ideal became the property of the republican and socialist left across the continent, albeit still normally in association with free trade and disarmament. Other European liberals such as the French economist Leroy-Beaulieu occasionally promoted the idea of an ‘European economic alliance’.<sup>29</sup> By the 1880s (and until the 1930s), the British Empire would prove a long-term deterrent to the Liberal commitment to a federal Europe, although by 1900 the Cambridge sage, Henry Sidgwick regarded federalism in Europe as ‘most probable’ in the long term.<sup>30</sup> In the short term, this ideal won over several British Liberal advocates, including the journalist Emily Crawford, the Cobdenite pamphleteer

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<sup>24</sup> Howe, *Liberal England*; pp.204-13, 277; Michael Fakhri, *Sugar and the Making of International Trade Law* (Cambridge, 2014), pp.19-67.

<sup>25</sup> See especially Luca Einaudi, *Money and Politics: European Monetary Unification and the International Gold Standard (1865-1873)* (Oxford, 2001).

<sup>26</sup> Mark Mazower, *Governing the World: The History of an Idea* (Random House, 2012), pp. 31-64.

<sup>27</sup> See especially, Maurizio Isabella, *Risorgimento in Exile: Italian émigrés and the liberal international in the post-Napoleonic Era* (Oxford, 2009); Bernard Porter, *The Refugee Question in mid-Victorian Politics* (Cambridge, 1979).

<sup>28</sup> *Times* (11 Jan. 1870), p. 5. See too Laity, *Peace Movement*, pp. 121. 125.

<sup>29</sup> e.g. *Times* (26 Dec. 1900), p. 3.

<sup>30</sup> Henry Sidgwick, *The Development of European Polity* (Macmillan, London, 1903; 1920 ed.), p. 439.

Augustus Mongredien, and the prominent journalist and social reformer, W. T. Stead.<sup>31</sup> The last was closely linked with the peace movement, and in this context, federalism was promoted as the best means towards peace, thereby undermining the priority of free trade itself. More typically, by the end of the nineteenth century, peace activists, while holding free trade to be a desirable and necessary goal, gave more immediate attention to legal and institutional means of achieving international disarmament and peace.<sup>32</sup>

Despite some bifurcation therefore between the movements for peace and free trade which Cobden had sought to combine in the 1840s, most Liberals became increasingly aware of the urgent need to resist the growth of tariffs and the political appeal of economic protectionism in later nineteenth-century Europe. For the challenge of economic nationalism had grown rapidly in the wake of the completion of national unification in Germany and Italy.<sup>33</sup> This challenge was fostered intellectually by the revival of protectionist ideas of Friedrich List, was encouraged materially by the falling incomes for farmers, peasants and manufacturers in the wake of the Great Depression (1873-96), and became financially attractive by the potential tariff income to fund the growing, mostly military, expenditure of the Great (and lesser) Powers in the age of empire. Here, as the late Colin Matthew argued, Cobdenite international harmony promoted by trade was taken for granted and no collective nor British effort was made to counter protectionism;<sup>34</sup> rather tariffs levels rose, markets became increasingly fragmented, and the division of the world into neo-mercantilist blocs loomed. British Liberals were reduced to attempts to warn or to influence, by galvanising fellow-spirits across the world – not always without effect.<sup>35</sup> In such terrain, the links between free trade and peace were far from lost – tariffs were widely shown to be the source of arms expenditure, and the most avid free traders remained a core component of the peace movement.<sup>36</sup> In the context of the Boer war, the peace movement, to some extent, was more successful in gaining attention, at least until the tariff wave threatened Britain itself. Here the ‘tariff reform’ movement of Joseph Chamberlain provided the spark for the widespread restatement of Cobdenite ideas, in which the bonds between free trade, peace, and interdependence were reiterated by diverse categories of Liberal, not only F. W. Hirst but J. A. Hobson, L. T. Hobhouse and Bertrand Russell. The first International Free Trade Congress held in London in 1908 (accompanied by a Peace Congress) duly reiterated the core Cobdenite beliefs, now urged by powerful new recruits such as Winston Churchill.<sup>37</sup> The fear

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<sup>31</sup> William T. Stead, *The United States of Europe on the eve of the Parliament of Peace* (Review of Reviews, London, 1899); Laity, *Peace Movement*, p. 129.

<sup>32</sup> Laity, *Peace Movement*; Martin Ceadel, *Semi-detached idealists: the British peace movement and international relations, 1854-1945* (Oxford, 2000); Casper Sylvest, *British Liberal Internationalism, 1880-1930: Making Progress?* (Manchester UP, 2009); Dan Hucker, ‘British Peace Activists and ‘New’ Diplomacy: Revisiting the 1899 Hague Peace Conference’, *Diplomacy & Statecraft*, 26:3 (2015), 405-23.

<sup>33</sup> Anthony Howe and Mark Duckenfield, eds. *The Challenge of Economic Nationalism, 1879-1939* (Pickering & Chatto, London, 2008).

<sup>34</sup> *Gladstone Diaries*, vol. x (1990), ed. H. Colin G. Matthew, p. cxi.

<sup>35</sup> Marc-William Palen, *The “Conspiracy of Free Trade”: The Anglo-American Struggle over Empire and Economic Globalisation, 1846-1896* (Cambridge, 2016).

<sup>36</sup> A. J. Anthony Morris, *Radicalism against War, 1906-1914: The Advocacy of Peace and Retrenchment* (Longman, London, 1972).

<sup>37</sup> Howe, *Liberal England*, p. 276. Churchill had written in reaction to Chamberlain’s tariff reform campaign, ‘It is very much better that the great nations of the world should be interdependent one upon the other than that they should be independent of each other. That makes powerfully for peace’ to J. Moore Bayley, 20 March 1903, cited Randolph S. Churchill, *Winston Spencer Churchill Vol. II The Young Statesman, 1901-1914* (Heinemann, 1967), p. 57.

of protectionism, as retrograde both morally and economically, also prompted the entry into politics of many younger Liberals, including the novelist E. M. Forster. Free trade as a solvent of hostility between nations was an essential part of the growing critique of ‘old school, balance of power’ diplomacy, and in this way, the Liberal belief that free trade would act as a solvent of tensions between nations was powerfully restated in Edwardian Britain. The most lucid expression of this ‘neo-Cobdenite’ worldview was that of Norman Angell, arguing that the complex interdependence of the world made the economic costs of war so great, that future war would have no victors, and that any potential gains were ‘illusory’.<sup>38</sup>

### *Free trade and peace in the age of total war*

Paradoxically, the First World War, whose outbreak falsified the long-held belief that economic progress made war impossible, included among its consequences a vigorous restatement of the old Liberal, even Cobdenite, belief that free trade was essential to future peace. Schemes for international government, which flourished as the war developed, sought *inter alia* to restore and guarantee free trade. This was the moral, for example, of Hobson’s biography of *Richard Cobden: The International Man* (1918) while Lowes Dickinson (whose father had painted a fine portrait of Cobden) regarded free trade between nations as an essential part of the antidote to ‘international anarchy’,<sup>39</sup> the leading Edwardian social reformer Helen Bosanquet also turned her attention to foreign policy in *Free Trade and Peace in the Nineteenth Century* (1924), a work sympathetically reviewed by the economist and future Liberal candidate, Roy Harrod.<sup>40</sup> Another Liberal, Lloyd George’s pre-war economic adviser, George Paish, author of The League of Nations Society’s tract *The Economic Interdependence of Nations* (1918), later toured Europe in the manner of Cobden in 1846/7 urging the necessity of free trade for the revival of European prosperity. Lest this restatement of the value of free trade be considered merely a revival (or even, survival) of an antiquated Cobdenite mindset, we need also to consider that post-war Liberal advocates of free trade included many of its advanced thinkers, not least Keynes himself in the immediate aftermath of the peace settlement. Here, while Keynes’ damning critique of the peace settlement is well-known, his positive proposals for economic reconstruction are too often ignored. Yet central to them was his scheme for a European free trade union, designed to overcome ‘the loss of organisation and economic efficiency, which must otherwise result from the innumerable new political frontiers now created between greedy, jealous, immature, and economically incomplete nationalist States.’<sup>41</sup> As an antidote to the dangerous political fragmentation of Europe, the adoption of such a scheme, for Keynes, would typify the ‘whole of our moral and emotional reaction to the future of international relations and the Peace of

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<sup>38</sup> See especially Laity, *Peace Movement*, pp. 189-93, and Martin Ceadel, *Living the Great Illusion: Sir Norman Angell, 1872–1967* (Oxford, 2009), pp. 98, 125, 131; Bertrand Russell in September 1914 suggested ‘If there is to be an Anti-War League, he [Angell] might be its Cobden’ (id.). Angell, a briefly Labour MP, 1929-31, was a future member of the Liberal International in the 1950s.

<sup>39</sup> Goldsworthy L. Dickinson, *The Economic War after War* (Union for Democratic Control, 1916), pp. 9-10; id. *The International Anarchy, 1904-1914* (George Allen & Unwin, London, 1926), ‘Whatever else may be said or thought about the theory of free trade, few, I think, will deny that it is a peace-loving policy’; Dickinson also emphasised the ‘how policies of protection have fostered that friction between states which leads sooner or later to armed conflict’ (pp. 19-20). For Angell’s post war views, see Norman Angell, *The Peace Treaty and the Economic Chaos of Europe* (Swarthmore Press, London, 1919).

<sup>40</sup> *Economic Journal* 35 (June 1925), pp. 294-6.

<sup>41</sup> *The Economic Consequences of the Peace* (Macmillan, London, 1919), pp. 248-50.

the World'.<sup>42</sup> Later, for example, in 1921 he interpreted 'the ancient doctrine of Liberalism' to include 'general disarmament' as 'the form of economy least injurious and most worth while' and 'by freedom of trade and international intercourse and co-operation, the limited resources of mankind could be employed to his best advantage'.<sup>43</sup> In his thinking on reconstruction in Europe at the time of the Genoa Conference (1922), Keynes saw the real struggle in Europe not as one between Bolshevism and the bourgeoisie but as, in the second quarter of the nineteenth century, between 'liberalism or radicalism, for which the primary object of government and of foreign policy is peace, freedom of trade and intercourse and economic wealth' and 'that other view, militarist or rather diplomatic which thinks in terms of power, prestige, national or personal glory, the imposition of a culture, and hereditary or racial prejudice'.<sup>44</sup> In his 'three dogmas of peace', alongside the 'general principle of pacifism', and imperial disengagement, Keynes emphasised in equally Cobdenite terms, 'we must hold to free trade, in its widest interpretation, as an inflexible dogma, to which no exception is admitted, wherever the decision rests with us. We should hold to free trade as a principle of international morals, and not merely as a doctrine of economic advantage'.<sup>45</sup> As is well known Keynes's faith in free trade wavered in the 1930s, while a sizeable number of Liberals rallied to the National Government and its protectionist policies after 1931. But, as Sloman has shown, the economic internationalism of the Party as a whole was strengthened, as economic nationalism was held accountable for Europe's growing political tensions: 'the ultimate justification for internationalist policies was the Cobdenite one that nations which traded with each other would not fight each other'.<sup>46</sup> Hence, despite the flurry of Liberal interest in state intervention and planning in the late 1920s, after 1931 'free trade returned to the heart of Liberal policy', with its emphasis on international co-operation restored.<sup>47</sup>

The means towards such cooperation were, however, not always clear cut. Liberal opinion was divided between those who saw the League of Nations as designed primarily for the prevention of war by means of international conciliation and arbitration and those who saw part of the League's work in recreating an international economy based on free trade.<sup>48</sup> For the most part, the League now became integral to attempts to restore the world economy, with the 1927 and 1933 World Economic Conferences and the cause of tariff disarmament widely supported.<sup>49</sup> However, as the depression and the dictators struck and as faith in the League faded, those Liberals who remained globally rather than domestically oriented,

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<sup>42</sup> Ibid. p. 250.

<sup>43</sup> *The Collected Writings of John Maynard Keynes: Volume XVII. Activities 1920-1922 Treaty Revision and Reconstruction*, ed. Elizabeth Johnson (Royal Economic Society: CUP and Macmillan, 1977), 271.

<sup>44</sup> Ibid. 373.

<sup>45</sup> Ibid. 451-2.

<sup>46</sup> Peter Sloman, *The Liberal Party and the Economy, 1929-1964* (Oxford, 2015), p. 94.

<sup>47</sup> Ibid. p. 106. As late as 1938 J. A. Hobson, in Edwardian New Liberal vein, still linked consumer democracy, free trade, and pacific internationalism, see 'The Sense of Responsibility' (1938) in John M. Hobson and Colin Tyler, eds. *Selected Writings of John A. Hobson, 1932-1938: The Struggle for the International Mind* (Routledge, Abingdon, 2011), p. 209.

<sup>48</sup> For a thorough overview, Patricia Clavin, *Securing the World Economy: the Reinvention of the League of Nations, 1920-1946* (Oxford, 2013). The League recruited many 'liberal' economists including Robbins and Meade. For Keynes's own reservations as to its economic scope, see *Collected Works, XVII*, p. 203.

<sup>49</sup> Sloman, *Liberal Party*, pp. 94-5. See too Anthony Howe, 'The Liberals and the City, 1900-1931' in Ranald Michie and Philip Williamson, eds. *The British Government and the City of London in the Twentieth Century* (Cambridge, 2004), pp. 135-52.



demonstrated growing interest in the idea of a federal Europe.<sup>50</sup> Among liberal economists of the 1930s, including Robbins and Hayek, restraint of sovereignty in the form of common economic policies became part of the necessary price of free trade and avoidance of war; Robbins, for example, opposed Keynes's arguments for national self-sufficiency by reference to the dangers of war between autarchic nation states.<sup>51</sup> Similarly, if arrived at by a different route, leading federalists in the 1930s such as Lothian also emphasised the necessity of economic interdependence.<sup>52</sup> As a result by 1946 a considerable body of Liberal opinion was ready to endorse the goal of a 'Federal Europe', and, in a more gradual vein, to support moves towards the creation of a European common market.<sup>53</sup> Yet agreement was never total – in the 1950s, the simulacrum of Victorian free trade, the Cobden Club remerged to energise bodies such as the Keep Britain Out movement and the Cheap Food League, although, by and large, this proved the prelude to their supporters' departure from Liberal ranks and eventual absorption within the Thatcherite Conservative party.<sup>54</sup>

By the 1950s, European integration, multilateral institutions, and nuclear arms seemed more likely to defend peace than the propagation of free trade. Even so, the belief that free trade, interdependence, and peace were inherently connected had been a virtually uncontested assumption within British liberalism for more than a century, not only as an economic creed but as an intrinsic part of an open society and of international morality. Such beliefs were essentially cosmopolitan in nature and global in implications, and in the twentieth century became a vital part of the Anglo-American relationship.<sup>55</sup> But for the most part after 1846 they had directed and guided Britain's economic relationship with the Continent, seeking to reconcile individual welfare, growing national independence, and the European common good. Whether by means of unilateral decision-making, bilateral treaties, or multilateral institutions, the promotion of free trade was deemed a primary means towards 'goodwill among nations'. Even so, however powerful such beliefs were, they served only to temper and rarely to overcome the forces of tariff protection, national rivalry, imperial expansion, and militarism in the 'European century'.

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<sup>50</sup> Richard S. Grayson, *Liberals, International Relations and Appeasement; The Liberal Party, 1919-1939* (Frank Cass, London, 2001), p. 155. William Layton, the Liberal editor of *The Economist*, had supported a European customs union, while the Cobden Club had debated a 'United States of Europe' in 1930.

<sup>51</sup> Susan Howson, *Lionel Robbins* (Cambridge, 2011), esp. pp. 300-1, 322, 327, 345-52: Robbins's post-war federalism was far more muted, although he reluctantly endorsed the Common Market in the early 1960s (ibid. 721-3); Fabio Masini, 'Designing the Institutions of International Liberalism: some contributions from the interwar period', *Constitutional Political Economy*, 23/1 (2012), 45-65; Ian Hall and Jorg Spieker, 'F. A. Hayek and the Reinvention of Liberal Internationalism', *International History Review*, 36/5 (2014), 919-42.

<sup>52</sup> Grayson, *Liberals*, pp. 51-2, 71.

<sup>53</sup> Malcolm Baines, 'Liberals and Europe', *Journal of Liberal History*, 42 (2004), 45-48; Grayson, p. 155; Sloman, *Liberal Party*, pp. 171, 207-9; Howe, *Liberal England*, pp.307-8 for Sir Andrew MacFadyean.

<sup>54</sup> Richard Cockett, *Thinking the Unthinkable: Think-tanks and the Economic Counter-Revolution, 1931-1983* (Harper Collins, 1993), pp. 122-34; 'Cobden Club', *Oxford Dictionary of National Biography* [weblink]; Sloman, *Liberal Party*, pp. 209, 222-33.

<sup>55</sup> Anthony Howe, 'Free Trade and the International Order: the Anglo-American Tradition, 1846-1946' in Fred. M. Leventhal & Roland Quinault eds. *Anglo-American Attitudes: From Revolution to Partnership* (Aldershot, 2000), pp.142-67.