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Take back the past

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The surprising fact about the 20th century was the return of the liberal free market, circling back to where it began. It was helped because liberalism, unlike socialism, was never a theory of history and could not be falsified by events. But, socialist historians still control the past, and it is still widely believed that the welfare state was created by socialism and that genocide is right-wing. In fact, socialist leaders, fearful of preserving capitalism, opposed the welfare state, which in Britain was the creation of Asquith. Between the wars, Labour had no national health plans, and it was the last of the British parties to accept the Beveridge report. Repetition and suppression have entrenched the myth, which is widely accepted, that welfare equals socialism. The first history of socialism, by a French radical, Alfred Sudre, was opposed to socialism as a conservative idea; Marx and Engels, Ruskin and Morris were openly conservative and the Bolsheviks proudly elitist.

The most surprising fact about the 20th century, a historian remarked the other day, is the unexpected triumph of liberalism.

But then liberalism was never a theory of history, and that made it durable. It cannot be disproved by history, as socialism was. It can falter, as it did between the wars, and then come back, and that is what has happened. Liberalism has come back.

The collapse of the Soviet empire, by contrast, left socialists without a story to tell, and they know it, since socialism was supposed to be inevitable as well as just. A theory of history was disproved by history. Capitalism was supposed inevitably to give way to socialism, and the reverse happened. Socialism gave way. The free market is back, competition is back. Even conservatives and communists seem to want them, which would have astounded our grandparents. So the 20th century is the only century you can think of to trace a full circle and end where it began. Its emblem might be a serpent with its tail in its mouth.

So why aren't liberals feeling triumphant, and why aren't socialists wiping egg off their faces? Somehow the world is not like that. In the European Union, socialist parties are in office in most of its 15 states: they lost the war and went on winning

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battles. Liberals won the war — the war of ideas — but (in Europe at least) almost none of the battles. There is only one liberal government, in Belgium, and only one or two conservative ones. Nor are socialists much embarrassed at having got it wrong. Tony Blair will tell you that politics is not about policies but principles, if you ask why he gave up Clause Four; Denis Healey wastes no time in apologising for having joined the Communist Party, or Peter Mandelson the Socialist Workers Party. Mid-century Europe tried out a lot of dud ideas such as Tory protectionism and socialist public ownership, and found out the hard way that they do not work. The liberal solution of free institutions sustained by a free market and welfare provision is widely in place, back by default.

Socialists still control the past, however, and remember it as they want it to be remembered, and there were spin-doctors long before New Labour. Some of them are called historians. Nationalization may have been a mistake, but it is still taken for granted that the modern world owes state welfare to socialism, although socialist leaders opposed it, from the time of Bismarck to Beveridge. Thatcherites and Reaganites took over the free market in the 1970s and were called neo-liberals, as if liberals had ceased to exist, and it is now common to hear the market called right-wing. Liberals are notably unboastful. In fact, the free market was a liberal idea opposed by protectionist conservatives for a century and more, and globalization is a fancy name for free trade. The welfare state, too, is a liberal idea, at least in Britain, and socialist leaders (as Beveridge has borne witness) were against it. Blair and Jospin, Schröder and others would like us to believe that social reform began with socialism, and they do not deserve to succeed. They may not be lying, but they are mistaken. Up to the Second World War socialists were commonly against humanizing capitalism through welfare. They wanted to abolish capitalism, not reform it, and welfare was a natural enemy.

There are no proposals for a national health service in the writings of Marx and Engels, Ruskin or William Morris. State welfare began in 1883 with Count Bismarck, a conservative monarchist, some weeks after Marx died. Prussia was the first welfare state. August Bebel, the German socialist leader, consulted Engels about the dilemma. If the German socialists opposed Bismarck's reforms they might offend their own followers; if they supported them, they would give Bismarck a moral victory. So they compromised by voting against and putting up rival proposals, and their honour (in some fashion) was redeemed. That was in the summer of 1883. Marx had died in March, and Engels wrote to Bebel insisting that his Reichstag members should vote against Bismarck, which in May and June, with some reluctance, they all did. Three years later, in 1886, Bebel argued that his party, if it had supported Bismarck, would have abandoned one of its fundamental principles and ceased to be socialist, since the workers should seek a new order of society and nothing less:

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> He who wants reforms should not expect more from bourgeois society than what it can give without committing suicide.[1]

So the first welfare state owes nothing to socialism, and Hitler, expanding it in the 1930s, was building proudly on a national tradition half a century old. Welfare meant Bismarck, and Bismarck had made Germany.

The British welfare state began in 1908, when Asquith introduced old-age pensions. A small Labour parliamentary party showed no interest whatever in the idea, only in amending trade-union law. So with Beveridge and national health. There was nothing socialist about it. The concept of a national health scheme, as Henry Pelling admitted in *Popular Politics & Society in Late Victorian England*, is not to be found in any of Labour's inter-war election programmes, since 'the distant goal of socialism absorbed much of the thinking and even more of the talking' of British socialists[2]. Socialism delayed social reform. When the Beveridge Report appeared, George Orwell remarked in a New York socialist journal that it was well received even on the Left, so the Left was well known to be hostile to state welfare:

> Except for a tiny interested minority, everyone is pro-Beveridge, including left-wing papers which, a few years ago, would have denounced such a scheme as semi-fascist.[3]

So the Left knew that the Fascist dictators had introduced welfare provision. Similarly, a few months earlier, in a letter of December 1942, Beatrice Webb felt the Left could relax, as the new plan was very unlikely to be carried out. If it were, she warned, it might 'increase the catastrophic mass unemployment which will happen here as in the USA'. She went on: 'The better you treat the unemployed in the way of income, without service, the worse the evil becomes, because it is pleasanter to do nothing than to work on low wages and in bad conditions.'[4]

So socialists were known to fear the welfare state, and events suggest they were right to fear it. Socialist hostility to Beveridge contrasts sharply with the reactions of other parties. Winston Churchill, who had helped Asquith to found the welfare state after 1908 — travelling to Prussia, as Lloyd George did, to see how it worked — backed it at considerable length in the Tory 1945 manifesto, which devoted over a hundred words to the NHS (National Health Service). Alone among the three parties, the Liberals supported Beveridge when his report first appeared, and laid their chief emphasis on the freedom of patients to choose their hospitals. The Labour manifesto of 1945, by contrast, paid almost no attention to the NHS; it assumed it would happen whoever won, which was realistic, and gave it less than a single sentence — a mere 20-odd words. Here they are:

> In the new NHS there should be health centres where the people may get the best that modern science can offer, more and better hospitals.

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That was the cool response of a divided party and, in the event, the Attlee government in six years built no new hospitals. So socialism was stingy from the start and known to be so, and socialist welfare-to-work and cost-cutting are not new. Ruskin and the Webbs believed in all that, and the Soviet empire practised it. Socialism was draconian, and when the two Germanys united in 1990, the welfare provision of the East was found to be less than half that of the West.

How did socialists get away with it?

Voltaire called history a trick the present plays on the past, and by the 1960s the trick was well and truly done and most people believed welfare was socialist.

In 1961, in an article for *Encounter* called 'Against dryness', Iris Murdoch, a good philosopher but no historian, declared that 'the welfare state had come about as a result, largely, of socialist thinking and socialist endeavours'[5]. So how about Count Bismarck? How about Asquith, Lloyd George and Churchill? How about Neville Chamberlain, a reforming health minister and Chancellor between the wars? By the 1960s almost everyone had fallen for the Labour myth that cradle-to-grave welfare was a socialist idea. In the 1980s Thatcherites and Reaganites warned against 'the ratchet-effect of socialism', or the remorseless upward climb of welfare spending. In other words, they simply assumed that welfare was socialist, and when socialist governments nowadays prune welfare spending, as they do, or try to prune it, the Left always protests it is forgetting its socialist traditions.

What traditions? In *Power and Influence* Beveridge has left an angry account of how Labour leaders tried to block his health plans during the war.[6] But political literature is largely unread, socialist history has been rewritten by spin-doctors known as historians, and the present has played its clever trick on the past.

How was the trick done? I suggest by the double device of repetition and suppression. If you repeat often enough that socialism is about welfare, you will eventually be believed. It is an old advertising technique. There is a slogan I am more than familiar with, especially in the United States: 'Winston tastes good …' I have no idea what it tastes like and don't want to know. But I can't help knowing how the slogan goes on: 'like a cigarette should', it ends, not very grammatically — inculcating bad grammar as well as bad habits.

Smoking is not my affair, but at least we can deny, and go on denying, that the welfare state in Britain was created by the Attlee government after 1945. Let the record be put straight. By a historical accident Britain — already a welfare state — was the only large country in the Western world with a socialist government after 1945, when welfare was widely in vogue. It was in vogue among Canadian liberals, among American Democrats with Truman's New Deal, among religious coalitions on the Continent and (most embarrassing of all) with General Franco in Spain, who followed the welfare path of Mussolini and Hitler. In fact Franco's welfare reforms after 1945 were so extensive that when the Spanish

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socialists came to office in the 1980s the new prime minister, Felipe Gonzalez, took the advice of his economic experts and dismantled a lot of it, provoking bitter rioting from the unions that had put him in office. No doubt they thought welfare was part of the socialist tradition. If so, they discovered their mistake the hard way.

In the 1950s, when I worked in Strasbourg, there was a proposal to harmonize welfare provision in member-states of the Council of Europe, and I remember pouring tea for two ashen-faced British Labour MPs who had emerged from a committee room. They had just discovered, to their shocked amazement, that our continental neighbours without socialist governments had more state welfare than post-Attlee Britain. It was a revelation that had left them weak. But then if you have spent your working life bathed in the Labour rhetoric of cradle-to-grave welfare, repeated again and again, you take it for granted that welfare is socialist, and it is a spirit that has lingered. When Churchill died in 1965, Harold Wilson came on the air as Prime Minister to pay a farewell tribute, solemnly announcing: 'and he lived to see the birth of the welfare state'. In fact Churchill was present at the birth of the welfare state in 1908, when the Liberals founded it, as an active and enthusiastic midwife. That was before Harold Wilson was born, and at a time when Labour was indifferent or hostile.

So much for repetition. How about suppression?

Socialist opposition to welfare was suppressed by silence and denial. When Michael Foot, as ex-leader, was asked by a radio interviewer whether his hero Aneurin Bevan had ever protested in public against the opposition of his Cabinet colleagues to the health service in 1947–8, he lowered his voice to reply: 'No, I just heard him talk about it'. So neither Bevan nor Michael Foot wanted to talk publicly about socialist hostility to welfare, and when I asked him what Bevan had specifically said, he did not reply to the question, nor does he reveal it in his extensive life of Bevan.

So these are dangerous truths, and Labour knows they are dangerous. I once asked Lord Longford about Labour's war-time opposition to Beveridge, quoting Beveridge's own account, and he replied briefly 'Crap'. But Beveridge himself, in his years of retirement, never ceased to be bitter about Labour's hostility to his plans, and would quote Ernest Bevin's dismissal of his report as a 'Social-Ambulance Scheme'. At an eve-of-poll meeting at Cheltenham in 1959, I recall his saying to a packed hall: 'I take the Liberal whip in the Lords partly because I am, and have always been, a Liberal, and partly because only the Liberals accepted my report.' He meant that, among the three coalition parties, only the Liberals accepted it at once. So the truth does not have to be suppressed. We can speak it loudly from public platforms.

Meanwhile, the business of historical mystification goes on, supported not only by socialists but by those who should know better. It is still widely accepted that

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socialism was a humane doctrine in intention, ruined (as woolly idealisms often are) by severe practical difficulties. In fact the sincerity of Hitler's socialism is well attested, by himself and others, and in its early days socialism was not necessarily seen as left-wing at all. Its first historian, Alfred Sudre, was a radical Parisian lawyer whose *Histoire du Communisme*[7] won a French Academy prize when it first appeared in 1849. It is the first history of socialism in any language, and its discovery was my Eureka moment in writing *The Lost Literature of Socialism*.

Sudre saw socialism as a conservative doctrine, an obstacle to progress, slowing its pace and harnessing itself backwards to the chariot of civilization. Humanity had advanced not because of socialism, he believed, but in spite of it. It had achieved none of the great reforms of mankind like ending slavery, or the Reformation, or the scientific revolution, or the abolition of feudal privilege. Political scientists seem not to have heard of Sudre's book, although it won a French Academy prize and went through several editions and translations. I remember telling a roomful of historians in Paris about it. There was a blank silence. Then one of them asked 'How did you find it?'

Socialism was seen as super-Tory in an age when conservative parties were compromising with the triumphant cause of liberalism and conceding vital principles such as suffrage, free trade and competitive entrance into the higher professions. Many Victorians such as Ruskin and Morris believed in it because of its conservatism, and a lot of Marx's *Communist Manifesto* of 1848 reads like Evelyn Waugh's *Brideshead Revisited* in its lament for ancient traditions brutally throttled by the New and Vulgar Rich. 'Ancient traditions' is an echoing phrase in Marx, who loved the past. The bourgeoisie was heartlessly radical, indifferent to race, to community and to family values, creating a rootless society of entrepreneurs where nothing is fixed. 'Everything melts into air …'. Ruskin, who advocated forced labour for the idle, believed in a Britain that was racially pure, 'still undegenerate in race, a race mingled with the best northern blood.' All very Aryan, but then socialists were often racialists before Hitler came, which is one of the reasons why Hitler called himself a socialist. The Nazis never called themselves Nazi. The word was an English newspaper abbreviation unknown in Germany, and Hitler's demand, and Goebbels's, was for a genuine socialism, what Goebbels called 'der echte Sozialismus'.

No other political movement in Europe, after all, proudly and publicly advocated genocide, as Marx and his followers did. 'The lesser breeds cannot endure,' wrote Jack London, the American socialist, in a letter of April 1899. 'I cannot but hail as unavoidable the Black and the Brown going down before the White.'[8] The Fabian leaders Sidney and Beatrice Webb feared that the higher race, as they unashamedly called the whites, might lose their world-hegemony by failing to breed, going down before 'the negro, the Kaffir or the Chinese', and

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proclaimed that self-government cannot come to our colonies 'for many generations to come — in some cases, conceivably never'[9]

Socialists could be proudly imperialistic. Democracy they thought sentimental; power goes to the fittest, with the new eugenics on hand as a guide, and in 1935 a Social Democratic government in Sweden began sterilizing gypsies as well as the backward and the unfit, and kept the programme going until the 1950s.

When Tony Blair tells the Women's Institute that Labour believes in traditional values such as family and community, he may not know that New Labour is echoing Old Socialism. But it is.

Always the doctrine of a ruling elite, or of an elite that sought to rule, socialists were openly elitist in their demands, and still are. Gordon Brown has recently condemned Oxford and Cambridge for failing to choose the best. If they did, it would strengthen Oxford elitism and leave only mediocre students or worse for Redbrick universities. Perhaps that would not embarrass Labour leaders much. It would certainly not have embarrassed Marx or Ruskin or Morris, all from famous universities; or Lenin, who in 1902 bluntly announced in *What is to Be Done?* that only an educated elite can rule a socialist state, since socialism is a theory of history, and only a trained elite can understand theory.[10] When Bertrand Russell visited him in the Kremlin some years later, in Lenin's years of power, the Bolsheviks reminded him of another trained elite, the Indian Civil Service, ruling in superior wisdom over a vast and ignorant populace.

So what liberals now need is the courage to boast a little. The war of ideas has been largely won. Now they need to reclaim their ancestry. The free market is not a conservative idea, and for most of its history the Conservative Party was openly against it. It was a radical idea. Try asking any Tory leader to point to a single social effect of the market that is conservative. Of course there are none, and in their hearts they know there are none. The market encourages new wealth; it threatens community and family; and free trade is not to be dismissed by renaming it globalization. Or try asking anyone in the Blair government what is socialist about a welfare state. Socialists opposed welfare. Their record is, at root, reactionary.

Or, if you are minded to press harder, try asking why the stock market from the mid 1960s down to the early 1990s, in the heyday of nationalizing and privatizing, advanced more than twice as fast under Labour: 31% a year up, on average, as against a mere 12% under the Conservatives. The reasons are plain. When you nationalize you push funds into the stock market in compensation: when you privatize you draw funds away into a new issue. So you would expect socialism to favour the rich investor, and it did. There must be many a millionaire who owes a fortune to Labour governments, and when socialists declaim against inequality they might consider their own contribution to it.

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When Attlee nationalized coal and rail after the war he saved the bacon of thousands of investors. Coal and rail were on the point of collapse, and if the government had waited it could have got them for next to nothing.

So liberals have a history to be proud of, just as socialists and conservatives have a lot to hide. In Britain, at least, liberals founded the welfare state, and socialists, in a story now carefully suppressed, opposed it. The liberal free market cheapened goods and services for the poor, nationalization made the rich richer. Colonialism was often a socialist idea, as with Sidney and Beatrice Webb, and so was racialism. In the European century that began in the 1840s, from Marx to Hitler, everyone who advocated genocide called himself a socialist, and no exceptions have been found; and the essential conservatism of the socialist idea was widely recognized in the age in which it was born.

'We can change the past', said Jorge Luis Borges, 'but the present is very stubborn'. Nowadays socialists, incompetent at changing the present, want to change the past. But why on earth should we let them?

Note

This article was written before the 2002 general elections in France and Germany.

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