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## The New Tasks of the Liberal State

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### I

THE CLOSE of the recent war can hardly change the fact that the ideological revolutions in Europe during the 'twenties and 'thirties bludgeoned liberals into a reeling retreat. Looking back on this period, one feels that the key to the victories of the ideological extremists in Europe lay not so much in the weakness of the liberal philosophy as in the failure of liberals to adapt the technics of the democratic State to the requirements of modern living. Liberals, concerned with the improvement of democracy as a political structure, overlooked the need for its modernization as an economic and administrative structure. They pinned too much faith in the traditional technics of democratic government: the ballot, the representative assembly, party politics, constitutional safeguards, and the like.<sup>1</sup> Of course, these governmental technics are historic prizes from older fights for a free way of life. But their fundamental purposes belong to a period when the removal

<sup>1</sup> Cf. A. M. Bingham, "The Techniques of Democracy," New York, 1942. This criticism, of course, is the one which, in England, the constitutional radicals traditionally made against their fellow-liberals from William Cobbett's day to Francis Neilson's. Cf. Cobbett's journal, especially for Nov. 7, 1821, and Jan. 9, 1822, in "Rural Rides," London, n. d.; Neilson, "The Decay of Liberalism," AM. JOUR. ECON. SOCIO., 4 (April, 1945), pp. 281 ff.

of restraints was more imperative than the provision of opportunities.

An epoch of technological and geographic expansion would be able, so the early liberals thought, to provide opportunity if only the restraints were removed. But the elimination of the arbitrary restrictions of a tyrannous national State or the obsolete traditions of a feudal society produced not a positive but a negative State, a do-nothing State. The philosophy of that political organization was that it should function as an honest broker of conflicting interests. But that philosophy came in time to be an imposing barrier itself, a barrier to an expansive democratic State responsive to and responsible in a dynamic industrialism. The ideological revolutions of Europe, set off by the first World War, created the total State, which "rushed," as A. M. Bingham strikingly describes the situation, "into the vacuum" produced by archaic liberal government. A new government structure was developed which through co-ordination reestablished the failing economic systems of Europe and molded nations into fanatical mass societies. The ideological impact upon liberalism was thus made even more telling by political, economic, and cultural innovations.

Liberals have been much more quick to resent and repudiate the anti-liberalism and anti-democracy of the fascist and communist revolutions than they have been to adapt the liberal spirit and methods to the conditions which challenged these European ideologies. This failure has been a tragic mistake. It is a time for a new liberal action, and the greatness of liberalism's possible victories in the future can unquestionably outshine those of the past. Indeed, the great liberals of the past were masters of the contemporaneous, and they pursued the old goals of free men with the new methods made available by the critical intelligence of their day. Modern

liberals can do no less. They cannot, of course, add anything to the *bases* of government, for they are now what they have always been among free men, "of the people," nor can they add to the *purposes* of government, for they remain "for the people."<sup>2</sup> Indeed, neither fascist nor communist industrialism has done anything to change these premises of government. Liberalism's unique opportunity is the perfection of a State essentially and supremely "*by* the people." The totalitarian ideologies of Europe have notoriously failed in this enterprise. There was no mistaking their incapacity to bring to maturity a State which reposes complete faith in the skill of the common man to administer it, a State with which the common man can identify himself without misgivings and without human loss.

## II

THE STATE PROBLEM of liberal industrialism in this new post-war period, then, is the invention of political methods which will be expressive of the spirit and power of liberal bases and purposes and which will lie well within the scope and province of democratic government. With these aims the ideological extremists of Europe have shown no sympathy, no understanding, and no skill. The discovery and exploitation of such a methodology can be the next great contribution of Anglo-American liberalism to industrial culture.

Such political conquests must begin with a recognition of and acceptance of a *new* liberal State system as the imperative need of modern industrialism. Liberals have never been whole-heartedly persuaded of this necessity. Their social legislations have been for the most part cautious improvisations—hopes against the hope, as it were—that something bold must be undertaken. That day is dead. Democracy is—it has been for a generation—in crisis, in a mortal storm.<sup>3</sup>

<sup>2</sup> Cf. H. F. Simon, "Revolution, Whither Bound?" New York, 1935.

<sup>3</sup> Cf. H. J. Laski, "Democracy in Crisis," Chapel Hill, N. C., 1933.

The policy of patchwork reform, successful during the epoch of industrial expansion which closed with the first World War, can never save liberal industrialism. Europe in the past two or three decades has proved that. Social politics has served, as Harold Laski has observed, to surrender the outworks of liberalism without solving the crucial issue of the inner citadel's stability.<sup>4</sup> Political democracy disintegrated at a time when its earnest revival was most desperately needed in the reconstruction of the failing industrial system. The stubborn hold of the leftist ideology of Russia on a great part of the industrial West suggests that liberals may never again have the luxury of this mistake. Early liberalism's "ideal of masterly inactivity," to use Lippmann's phrase,<sup>5</sup> is not only an antique in the new industrial age; it is suicide.

### III

THE INITIAL STEP in a renascent liberalism is the acceptance, by all "interests" and "groups," of the fact that the free man can live, so long as he lives in an industrial world, in an organized society. The precise political formula of that organization is still a matter of experimentation; but its basic elements are "freedom" and "authority." Somehow the chemistry of the liberal tradition must unite them into a working compound. Such a formula imposes upon the modern liberal State responsibility for the total national economy, but neither total nor unquestioned for final responsibility. The liberal's insistence upon freedom must temper the urge for authority, and the liberal genius for compromise must evolve a political pattern in which both State and people collaborate in the construction of a free collectivism.

Nobody has the right to expect this task to be painless, without conflict. Liberal industrialism is a coat of many

<sup>4</sup> Suggested by Laski, *op. cit.*

<sup>5</sup> Cf. "The New Imperative," New York, 1935.

colors. Nor should any one expect the opposed interests of industrial society unaided to settle their own differences and to work out their own arrangements. This work has been the historic rôle of the State. But in this task the liberal State can no longer be regarded simply as a broker of these interests. It must exercise the power which in point of fact it has always had in the Nation-State system, the power which it has, as the "Great Association," as the supreme system of legal imperatives, to organize industrial society in the interests of free men. That power, according to the liberal tradition, rests not upon coercion but upon consent: successfully to plan, it must be able successfully to persuade. Even Hitler had to bow before that exigency, and the Russian OGPU must be considered a monument to the terrible importance of having the people acquiescent if not co-operative. The business of the liberal State is the satisfaction of effective demand. But demand is not unitary; it is dispersive and competitive, occasionally collusive, often latent. To organize such a society is not easy, but it is not impossible. For liberal industrialism was once organized; that day belongs to its expansive past, when "the market" was the arbiter of all destinies, efficient, just, impersonal. But recurring world collapse and conflict, the increasingly complex social involvement of technology, the distributive injustices, the humanitarian urgency of a full and satisfying human equality have made that liberalism a part of history.

## IV

IT IS DIFFICULT for any person to describe, even in slight detail, the form of this new liberal State. It is emerging from the experiences of depression and war, from the planning of river valleys and cities, from the administrative law of social politics, from the social vision of technicians and administrators. Most notably of all it is coming from the crisis govern-

ments of the liberal democracies which have been able to weather the storm of totalitarianism. Many terms and phrases suggest the texture of its thought and the quality of its effort: executive leadership, planning, due process of administration, public participation, regionalism, decentralization, industrial jurisprudence, industrial democracy, conservation of human resources, administrative authority, the managed market, management, public administration, economic democracy. Nor is the pattern a crazy quilt, except to the myopic and the antiquarian. The pattern is genuinely liberal: public initiative in order to provide private power. The TVA is a case in point. The political formula here, according to its chairman, David Lilienthal, is a concentration of power and a decentralization of operations.<sup>6</sup> The release of human and physical resources through representative administrative action is the clue to this new constitutionalism to which the liberal creed is giving birth. Woodrow Wilson called it the new freedom, and before him Theodore Roosevelt thought of it as the square deal, while Franklin Roosevelt brought it up to date as the new deal. Wallace has termed it the government of the common man. The words, however accurate, simply point to a new prospect in the liberal man's world: the forging of instruments of public power ("the free society") through which the individual in a technological age can still be a free man, having the power to act.

## V

OF COURSE, LIBERALS are afraid of power, and they are mindful always that liberalism grew as a protest against power. But power, liberals forget, is not a static quantum; it is—to change the figure—a genus with many species. There is a State power which is centralized, arbitrary, anti-personal; this system of power liberals have repeatedly and rightly fought. But there is a State power which is a power-with, as Mary

<sup>6</sup> "TVA: Democracy on the March," New York, 1944.

Follett said,<sup>7</sup> rather than being a power-over others. Power-with is a concerted human action; it is simply the organization of consent. And this is precisely what is commonly meant by democracy: the progressive sharing of human experiences.

Industrial peoples know well what this conception of democracy means, for industrialism has involved us with one another: it has created a common ground of consequences which all must share because all are responsible. In this sense "the common man"—what industrial peoples have in common—is the most vital and hopeful fact of modern liberal industrialism. What industrial peoples have in common is more than blood or soil or class: this was the error of Europe! They have institutions, citizenship, communities, family patterns, traditions, regions, economic and non-economic motives. The organization of these common values, democratically arrived at and democratically controlled, stands in polar contrast to the kind of organization which Europe perpetrated upon a fearful industrialism: the coercive, unchecked organization of blood, soil, class, and creed.

What liberals fear in power is not power itself but its lack of democracy. That is why they have fought the economic monopolies of mass industrialism, and that is why they have fought the political monopolies of mass industrialism *a la* Europe. But to fear power is to surrender to it: "We have nothing to fear but fear." To use power is to prove again what liberals have always believed: that human beings, all of them, must be trusted with their own society, because they are human beings. Democracy has the right to make mistakes! Liberals, to complete successfully the new tasks of their State, must lastingly learn the lesson that power is what we make it.<sup>8</sup>

<sup>7</sup> "Creative Experience," New York, 1924.

<sup>8</sup> "Power Is What You Make It," *New Republic*, 98 (Nov. 23, 1938), pp. 69 ff.