

Faced with reform, why liberals must reclaim their battle cry

It is an honour to be invited to give the John G Gray memorial lecture and I am indebted to John Lawrie for giving me a flavour of the man.

And, as my middle name is Gray, I am happy to reflect his glory.

Of course, I knew him by name and reputation but not personally. Nevertheless, I am grateful to him and people like him for carrying the banner of Liberalism when the party's light was flickering and dim.

As a conscientious objector, staunch Christian and Teetotaller he sounds austere but John's note suggests otherwise, whispering to John on entering a crowded funeral "if you want a good funeral die young". On another occasion he complained, although a teetotaller, that the whisky being served to a fellow guest was ridiculously small and less than he took "for medicinal purposes"

He was clearly a doughty campaigner and undeterred by being at one time the only Liberal on the council – clearly he was an inspiration to Nigel Lindsay.

It is thanks to people like John Gray that Liberals are still a force to be reckoned with.

In the Nineteenth Century the recurring Liberal slogan was Peace, Retrenchment and Reform. Am I suggesting that we resurrect that? No, of course not. But...

My own journey to becoming a Liberal began in my teens. Although I joined the party or more precisely the Liberal Club at Queen's College in Dundee in October 1962 my first week as a student at what was then a part of St Andrews University, I had been happy enough at boarding school in Shropshire to be pleased that the Harold Macmillan's Conservatives won the 1959 election – with the slogan "You've never had it so good".

So what happened? Well, I studied nineteenth century European and British history. I was fascinated by Continental Europe as the cradle of the Renaissance and the Reformation but unimpressed by the propensity to revolution and extreme nationalism,

By contrast the UK during that period took a different path. Karl Marx was researching and writing *Das Kapital* in the newly opened British Museum Reading Room. He was convinced that England had exactly the mix to kick off his anticipated revolution and secure the dictatorship of the proletariat. But it didn't happen.

Society across Britain was unequal and poverty was rife but it was not unremarked, Writers like Dickens, Mrs Gaskell and Disraeli wrote vigorously about it, social movements grew and politicians started to campaign for social improvements and political reform.

The Great Reform Act in 1832 set off a succession of changes. Some may have seen the destruction of Parliament by fire two years later as poetic but it wasn't the mob "wot done it" but a chimney fire caused by the over enthusiastic burning of tally sticks.

The Irish potato famine only a few years later ushered in momentous political change. Public outcry at the spread of the famine aggravated by protectionist Corn Laws led to a split in the Conservative party and the abolition of the laws (albeit too late for hundreds of thousands of starving Irish citizens).

This became a totem for the benefits of free trade generally opposed by Conservative vested interests.

This background of reform ushered in the successful campaign to abolish slavery, Factory Acts to improve the working condition in mills and factories and the emergence of the Liberal Party and the transition of Gladstone from a high Tory to become the "People's William".

My great uncle who, I later discovered, was an archetypal non-conformist Liberal, often said Liberalism isn't just a political philosophy; it is a way of life.

(He spent a lifetime in the family soap business and early in his life, although younger, he worked alongside, William Lever but decided against going into the retail soap business so missed out on a career in Lever Brothers. Lever became Liberal MP for Wirral).

In many ways I regard myself as an unreconstructed 19th Century Liberal although, I hope, adapted to changing times.

I was attracted to the commitment to improve the life of working people through education, health care and employment.

But, born as I was in Birkenhead, with an incontrovertibly Scottish name (including the middle name Gray) and three Scottish born grandparents I awoke to my heritage at an early age.

It incensed me that too often when I was growing up England was used to represent Great Britain. The differences between Scots law and education were unacknowledged. Once the Stuarts, descended directly from Robert the Bruce through his daughter Marjorie, secured the throne of England and Wales alongside Scotland, Scots history stopped with romantic diversions to the Jacobites.

It was, therefore, a deep disappointment to me that, in spite of the achievements of the great days of Liberalism the term and its political manifestation fell into desuetude and near irrelevance.

From the Liberal landslide of 1906, through the People's Budget of 1909/10 then the Great War – which led to the split between Asquith and Lloyd George – the coupon election of 1918 and the continuing division through to 1922 which facilitated the breakthrough of the Labour Party (142 seats to the combined Liberals 115) the party declined.

This marked the end of the Liberals as a party of Government which has shaped British politics – in my view for the worse – to the present day. Self-inflicted wounds led to the demise of the Liberals as a major force.

This was a gift that kept on giving to the Conservatives. The once great party of Government had lost its way and was shattered and irrelevant and (especially in the wake of the Russian revolution) Labour could be caricatured as unsound and under the influence of communism (Reds under the bed). It worked, more often than not, for almost 100 years.

This was a tragedy for the Liberal reformers who under Lloyd George laid the foundations of the welfare state, (unemployment benefit and pensions) under Keynes laid out how governments could intervene to tackle unemployment and counter the business cycle and under Beveridge completed the architecture of a modern benefit system and health service.

What that shows is the Liberal legacy of ideas proved stronger than the party.

When I joined the party we had six MPs and only Jo in Scotland – although there were signs of some resurgence especially in the Highlands.

My father, who kept his political allegiances to himself, suggested that I should choose between Labour and Conservative because “they run the country”. When I said “badly” - and they didn’t represent my ideas he said “What’s that got to do with it?”

Well, I stood my ground and here I am.

So to return to the slogan: First, peace.

We have had two world wars and with the end of the Cold War all hoped we could celebrate a “Peace dividend”. Perhaps we forget the advice of the Roman General Vegetius who said, “Si vis pacem, para bellum” – “If you want peace, prepare for war”.

Although there has always been a strong strand of pacifism and Quakerism among Liberals, Gladstone famously declared “We look forward to the time when the power of love will replace the love of power. Then will our world know the blessings of peace.”

There has always been a clear understanding that bullies and tyrants need to be resisted. While I deplore the savage cuts in our official development assistance (more of that later) I recognise the need to restore our depleted defence capacity and provide strong and practical support to those in the front line who are having to innovate new forms of defence and defensive offence.

I stand with the Nineteenth Century Whigs and Liberals in not seeking or promoting conflict but our Liberal values, unfortunately, need robust defence.

After the collapse of the Soviet Union the UK was one of the four signatories of the Budapest memorandum along with Ukraine, Russia and the United States. Others endorsed them including Belarus and China (as well as France). In exchange for renouncing their nuclear weapons Ukraine’s security and independence was guaranteed.

So, I believe strongly supporting Ukraine and the spirit and practical effect of the Budapest memorandum is a properly Liberal action. We are being severely tested by Trump acting like an agent of the Kremlin to craft Ukraine's surrender

I was privileged to spend more than 5 years as a member of the Parliamentary Assembly of the Council of Europe. During that time we exposed America's "extraordinary rendition" and the UK's complicity in it. I was Rapporteur on the release of political prisoners in Azerbaijan and co rapporteur in support of Mikhai Khodorkovsky whom I had the privilege to meet a couple of weeks ago.

I was a member of the subcommittee that approved the nomination of judges in the European Court of Human Rights who were then elected by the members of the assembly. Not satisfied with taking us out of the European Union, parties of the right now want us to join Russia and Belarus outside the Council of Europe which developed and underpins the European Convention on Human Rights.

Ending conflict and securing peace is a tough gig.

So what about retrenchment? Does that mean we support low taxes, spending cuts and austerity? No but it is the crosshairs of debate between the role of the individual and the state.

The party was punished for the coalition but the scale of the debt required difficult decisions. We made mistakes but we achieved things and stopped some excesses and reduced the deficit – a legacy which was then squandered by the Tories who Russel Johnston described as "a collection of prejudices modified by remorse".

One of my teachers argued that being a Liberal was about allowing people to "go to hell in their own sweet way". He did modify it by saying as long as they didn't harm others.

Freedom to live your life as you please is meaningless if you don't have access to the essentials, shelter, health, education, and a livelihood. For a Liberal the state is not there to do it for you but to give you the means to do it for yourself.

(Chamberlain – "Everybody's business is nobody's business".)

This approach led to factory acts, universal free education, public health and eventually the NHS. But the essence of the balance between the role of the state and individual responsibility was set out by Beveridge:

"The State in organising security should not stifle incentive, opportunity, responsibility, in establishing a national minimum it should leave room and encouragement for voluntary action by each individual to provide more than the minimum for himself and his family."

So the loudest cry was and is for Reform. For Liberals that means empowerment: equipping people for life not living it for them. And it means extending the franchise – though too slowly in the delivery of votes for women for which a heavy price was paid – especially when the First World War sent a million men to their deaths leaving women and

orphans and enlisting the support of women in key roles for the war effort and then pushing them back in the box when peace was secured.

Our reforms seek an inclusive, community based, tolerant and fair society. That may easily be said but hard to achieve against a background of identity politics rather than informed and considered debate.

John Stuart Mill flagged this up in *On Liberty*:

“Like other tyrannies, the tyranny of the majority was at first, and is still vulgarly, held in dread, chiefly as operating through the acts of the public authorities. But... when society is itself the tyrant—society collectively, over the separate individuals who compose it—its means of tyrannizing are not restricted to the acts which it may do by the hands of its political functionaries. Society can and does execute its own mandates: and if it issues wrong mandates instead of right, it practises a social tyranny more formidable than many kinds of political oppression. ”

Too often now, political discourse does not focus on discussion of where you may stand on the issues of the day but requires you to take a predetermined issue such as on independence, Brexit, immigration or gender issues.

There is room for debate on all these issues and we should be able to disagree agreeably and not resort to cancel culture

Ironically, identity politics has led to a fragmentation of the hegemony of the two-party system which would be welcome if we were not trapped in a system that is ill equipped to cope.

So having explained my personal journey and the influences of my Liberalism I will share with you how this shapes my approach to the current state of the nation.

I will take it in steps from the local, through Scotland's place, the tensions of the UK, relations with Europe and the world.

It seems to me that local government has been the whipping boy of pretty well every government in my lifetime. There have been at least three major reorganisations and some smaller ones. None have delivered better governance.

Councils have no entrenched powers. They can be changed, added to or taken away at the will of the centre. Nor do they have an income base that meets their responsibilities. Powers can be loaded down or sucked up without connection to income requirements.

Faced with this, Russell Johnston expressed his frustration at the opaque and irrational nature of the obscurely termed “rates support grant allocation” as the “ACHTHINE” formula standing for “Ach to hell, it's near enough”.

We stand for community politics and localism and I believe we should be radical and give local councils entrenched powers and a secure and reasonably predictable financial base.

In Scotland, as far as local government is concerned the worst fears of the critics of devolution have been realised with powers sucked up and finances squeezed

The state of the United kingdom

Reforming the electoral system has long been a Liberal cause but it is now more urgent. It needs to focus not on how the system represents political parties but how it represents (or fails) the voter.

IN 2024, 58 per cent of those who voted cast their votes for candidates who were not elected. No wonder people shrug and say, "not my MP, not my Parliament, not my Government, not in my name". This is a travesty of any system pretending to be democratic.

Currently, polls are showing Reform averaging 29 per cent. Electoral Calculus project that as a potential Reform landslide – although their lower estimate is reform just short of a majority.

By any measure, that is not a ringing endorsement to govern. But for a party with a rag bag of prejudices, irresponsible uncoded and undeliverable priorities it is a recipe for the breakdown of functional and consensual governance.

The doctrine of the sovereignty of parliament and the lack of a written constitution enables a cabal – varyingly large or small - to secure power with limited challenge available. Indeed. When the courts do rule that powers have been exceeded, the establishment cries foul and moves to change the law by use of its artificial majority.

When I was elected to Westminster in 1983 debate about Home Rule or Devolution was in the doldrums. Labour had been bruised by the mismanagement of the first attempt to establish a Scottish Parliament. Margaret Thatcher had torn up Ted Heath's Declaration of Perth.

The SNP which at that time included home rulers as well as separatists were weakened. Roy Jenkins had ensured the Alliance, as we were, kept the flame alive as did the Campaign for a Scottish Assembly.

The Liberal Party's commitment to Scottish Home Rule grew out of the Irish campaign and Gladstone's endorsement. However, the creation of the Irish Free State and demise of the Liberal Party put the campaign into abeyance for several decades.

Faced with the intransigence of the Conservative Government, the opposition parties and civic society decided to establish the Scottish Convention comprising elected representatives including MPs, MEPs and council representatives plus business, trades unions, women's groups, churches and political parties to explore the basis for a Parliament within the UK.

The SNP who had previously taken a gradualist approach to unite devolutionists, federalists and separatists, left nailing their colours to the "independence nothing less" option. I had private meetings to try and persuade them to stay in to help secure

maximum powers, which they could reasonably argue as a step toward independence if that is where people wanted to end up.

With their departure it was left to the Liberal Democrats to push for the strongest devolution settlement. Left to their own devices Labour would have had an assembly with no more power than the Scottish Office and elected by first past the post.

Supported by trades unions, other civic society agents and small business, we demanded a Parliament with more substantive powers, fairly elected and with access to finance. Fairly early on we had to stand up to Labour on the voting system as they wanted to discuss powers first and decide the method of election at the end.

I resisted that as I believed it would enable them to label us as wreckers at the end if we stood out. We got the agreement in principle to a proportional system as a result of the pressure.

I did not much like the voting system chosen but felt having secured the principle we couldn't really insist on our preferred system. I did object to Donald Dewar's insistence that there should be separate votes for the constituencies and the list members believing that the additional members should be elected to achieve proportional balance to the first past the post system.

I didn't realise until later that the second vote led to significant distortions. Firstly, it meant parties could campaign on the list without having to fight constituency elections. In the first round the Socialists and pensioners won through and the Greens have worked it throughout.

The system also undermined proportionality which gave the SNP their majority on a minority of votes on both counts.

It also led to a suggestion that there were two classes of MSP – constituency and list.

All of which reinforces my belief that we should campaign for STV.

Has the Scottish Parliament been a success? Mixed.

It was needed and has done some good things – but better when cross party working was required and the politics had it less at odds with the UK Government.

Latterly, the independence debate has dragged it further and further away from informed, evidence-led debate and legislation. It has also been subject to typically British piecemeal review.

Panicked into believing the 2014 referendum might be lost the establishment (led by Gordon Brown) panicked and promised further powers. So, taxes were devolved and then significant parts of the welfare bill were devolved.

The Parliament should have had a tax bases at the outset. We proposed allocating VAT, custom and excise and a share of income tax. It was agreed by the Convention but, ironically, blocked by Gordon Brown.

The Social Security transfer has, I believe, muddied the waters. Without an adequate finance base the money is transferred from the Treasury. The Scottish Government has then added sweeteners claiming credit without acknowledging the transfer. What is worse, the funds for the sweeteners are not there and a massive overspend has been built up.

So what next? We, of course, support federalism but run up against the argument that England is too big and English regions don't want autonomy and are not nations anyway.

While that could be overcome and there is some stronger regionalism emerging in England, we need to find a way of entrenching the powers including the fiscal levers and the mechanism for transfer from the UK. That requires ensuring that changes can only be made by clear process and with a legal dispute resolution.

What about independence? In constitutional terms I do not believe we should break up a 300 year union by simple majority. Any referendum should only take place by clear mechanism and once in a generation if the trigger is passed.

Almost certainly it should be a two stage process – one to determine the principle and two to agree the terms. Personally, I would prefer the question, if it happens again, to be “Should Scotland remain in the UK or leave?”

The politics of independence have proved debilitating and divisive. Faced with the challenge of the economic case the rhetoric has become increasingly negative. “Scotland is a colony. Scotland is oppressed. Scotland is rich and our wealth is being stolen. Nothing good comes out of being in the UK” etc. etc.

In reality, of course, if the people of Scotland really and overwhelmingly want to set out as an independent state they should be able to do so – but on an honest agenda.

If the terms of devolution and the rules for independence were as I have outlined, any Scottish Government would have no justification to keep driving it and would be forced to deliver on the agreed settlement.

As of the state of the world right now I cannot think of a worse moment in history to break up the UK. Of course, we face challenges – but so does every democratic state – some more so than us.

We face real and present threats from a hostile and aggressive Russia. Our exposure is aggravated by a vacillating and belligerent United States. Having left the European Union our economic and political exposure is only too clear to see. There would be no appetite to take on a Scotland seceding from the UK. I will turn to our relations with the EU later.

Meanwhile I will turn to the future direction of our United Kingdom.

Let us not forget that the Liberal Democrats performed strongly around the turn of the century (peaking at 62 MPs). The financial crash of 2008, not caused by Labour but aggravated by light regulation of the banks and financial sector, ended Labour's success and led to the coalition.

While we made mistakes in coalition I do not believe we had a choice and, I also argue, that, compared with what has happened since, we helped deliver stable government and improving public finances.

The left have successfully pinned the idea that austerity was a choice. I will argue that is not true. We had an 11 per cent current account deficit (higher than Greece) and the market hawks were circling.

Reducing the deficit was essential. There is legitimate debate about priorities and measures pushed by the Tories, including benefit cuts, the bedroom tax, a continued squeeze on local councils and, of course, raising tuition fees. (That mainly because of the pledge we signed).

This drowned out our success in raising the tax threshold, the pensions triple lock, the Green Investment Bank, the pupil premium, free school meals, the expansion of apprenticeships – not to mention constructive engagement within the EU.

The lesson learned might be in any future coalition to have Lib Dem Ministries to have a much more assertive communications operation, to air some of our differences in public.

I don't think it particularly helpful for current MPs to avoid the issue by saying they weren't there. What it has shown is the Liberal Democrats are capable of taking responsibility, acting competently and in the national interest and can cope with the pressures of government.

In the fraught uncertainties of the next election that might count for something.

Labour's vicious attack on the Liberal Democrats and our near wipe out in 2015 delivered a Conservative majority government for the first time for more than 20 years.

The block on an EU referendum was removed and an arrogant David Cameron, having won the Scottish referendum assumed he could call and win one on the EU.

History will prove that this was a watershed moment and one of the most disruptive events in UK history (comparable to the repeal of the Corn Laws). Our exit from the EU weakened to UK politically and economically but it also damaged Europe.

This ushered a xenophobic and racist element into British politics which has become more shrill and strident.

This cataclysm has split the Conservative party and compromised the Labour Party leading to the fragmentation of British politics like no time in our history.

The case for electoral reform has never been stronger or more urgent.

It is astonishing that with Reform leading in the polls, the media is predicting (maybe 3 and half years out) that they will win outright and Farage will be Prime Minister. On present form that could be in an election when more than 2/3 of votes did not support the Government and indeed barely 20 per cent of the electorate will have voted for them.

For them to then launch into a slash and burn programme, ripping up public services, ending the NHS, deporting settled immigrants leaving the ECHR would make a mockery of our democracy.

Against this background we need to try and promote an honest debate about immigration and inject a positive and optimistic note.

That means acknowledging that post Brexit, levels of immigration were too high and changed in character from predominantly from Europe to mostly African and Asian.

We need to control our borders and we need to manage asylum seekers and refugees speedily, fairly and humanely.

More than anything we need to call out the attacks on first and second generation British citizens and those with settled status as valued members of our communities and essential to our way of life in both public and private sectors.

Liberal Democrats are better placed than any to make this case. We will support the ECHR as the Tories go further down their anti Europe obsession and Labour is contradictory.

We need to bring the UK back to the centre of international politics working closely with democratic allies and standing up to authoritarian bullies and dictators.

It is widely accepted by all but the most virulent euro sceptics that Brexit was a monumental mistake. Determined by a narrow margin and mishandled thereafter the suggestion that the referendum is irreversible is nonsense. To quote Keynes, "When my information changes, I alter my conclusions. What do you do?"

We cannot simply rejoin, of course. Given the damage and hurt we inflicted on leaving they wouldn't have us. Credit to the Government for resetting the mood and engagement but they need to be less timid. Get on with the youth mobility scheme and Erasmus and visa concessions for the creative sector.

Ruling out even exploring a bespoke customs union is timid and harmful. Growing trade and investment relations with the EU will be constrained for ever without such an agreement.

Brexit has also fundamentally redefined Britain's place in the world. I suspect if the war in Ukraine had been ongoing at the time of the referendum the outcome may have been different. As it is our friends have looked on in sadness and astonishment as we try to reposition ourselves.

From being a leading member of the EU with beneficial links to the Commonwealth and the United States we find ourselves transformed from being an influential insider to a weakened loner negotiating from outside. Threatening to leave the ECHR would be a further confirmation that Britain has lost its moral compass and sense of itself.

Nor is this the end of it. From being a world leader in international development assistance delivering untied aid focussed on poverty reduction we have more than halved our budget (two thirds when funding asylum seekers here is taken into account).

As you will know I had the privilege to chair the International Development Committee for 20 years during which time our development budget rose to 0.7 per cent of GNI and made the UK a world leader in both money and the quality of our aid – untied and pro poor.

I have been incensed by the destruction of the legacy by Boris Johnson, Rishi Sunak and, in spades, Keir Starmer – trashing an achievement of which Labour could have been proud.

What has been worse has been the rhetoric used to justify this vandalism. Johnson called it the “great cash machine in the sky”. But Labour has compounded that by claiming our aid was outdated charity and patronising to the recipients.

That is not true. Yes, many of the countries where we delivered assistance were corrupt and incompetent but we helped them tackle corruption and build capacity.

To complain that public support for aid, once strong, has evaporated is breathtaking. It is Tory and Labour between them who have systematically undermined it.

Our soft power reach has been further reduced by underfunding of the British Council taking it close to insolvency and leaving the BBC World Service struggling to maintain its coverage. On top of that the BBC itself is under attack not just from Trump but from venal interests wanting to divert public funds to their own private pockets.

The Government response has been to claim that it is not just about aid and cite the Premier League and our creative industries, trade and investment. Of course these are all good demonstration of the UK but they are outside direct government responsibility and distract from the wholesale dismantling of our once global aid delivery.

Into this vacuum have stepped the Chinese and the Russian Africa Corps – reincarnation of the criminal Wagner mercenary force under state direction.

With aid cut as the impact of conflict and climate change increases the pressures for mass migration will increase and the developing nations will increasingly be sucked into the China/Russia axis of malign influence.

Goodwill towards the UK still surprisingly exists but it is being dissipated by this negligence and the advance of rivals.

If under Farage’s self-serving big mouth rhetoric, the UK follows down Trump’s pathway our influence, already damaged by Brexit and the threat to the rule of international law will evaporate.

For Farage, Reform means diminishing our public services, sowing division in our communities, increasing inequality and diverting public funds to private profit and rising undisguised xenophobia. It means treating the word of liberal democracy with contempt.

To achieve this, it will promote alternative media outlets and seek to destroy those that are independent or aligned differently from their agenda.

Reform

Reform under the Liberal banner will defend individual freedoms and human rights at home and abroad, support communities, ensure fair and representative democracy and recognise the need to balance wealth creation with a fair and inclusive society.

The left will subordinate the individual to the state. The right will diminish the role of the state to provide financial enrichment to their backers.

Left and right are meaningless to Liberals. We favour freedom to be one's self, to be eccentric, to disagree agreeably. But we know the state has to hold the ring for fairness, to balance public and private interests, to intervene where necessary but not heavy handedly.

Liberal reform Trumps Reform

George Mackie said "The Liberal Party should be a party of the extreme centre." We need to be bold but we need to be positive, to be kind.

The country faces challenges, but it is not broken. We need to show people that the country can choose to go to the dogs under identity politics or can rebuild by respecting our differences and working together."

We can adopt D66's slogan for their recent successful election "Het kan wel" – "Yes, we can" or grow our slogan – How about "Let's do it together".