



Liberal Democrat History Group

Newsletter Number Five

December 1994

A Liberal Democrat History Group
Conference Fringe Meeting

Old Heroes for a New Party

Friday 10 March, Scarborough

Following the success of last spring Conference's fringe meeting of the same title, we are repeating the theme with three new speakers. Each will choose and defend the philosopher and thinker of the past they think has most contributed to the principles and policies of the Liberal Democrats. Last year's panel chose Voltaire, Burke and Acton - come to Scarborough for further enlightened choices! (Full details will be available in the next edition of the Newsletter.)

The Liberal Democrat History Group aims to promote the discussion of historical topics, particularly those relating to the histories of the Liberal Party and the SDP.

We aim to fulfil this objective by organising discussion meetings, by spreading knowledge of historical reference sources, by assisting in the publication of studies of the Liberal Democrats and its predecessor parties, and by publishing this Newsletter. The Newsletter is free to all members, and includes up to date news of our activities.

Membership of the History Group costs £5.00 (£3.00 unwaged rate); cheques should be made payable to 'Liberal Democrat History Group' and sent to Patrick Mitchell, 6 Palfrey Place, London SW8 1PA.

Contributions to the Newsletter - letters, articles, and, especially, book reviews - are invited. If they are intended for publication, please type them and, if at all possible, send them on disc (any programme, but only 3.5" discs, please). The deadline for the next issue is 2 February 1995; contributions should be sent to Duncan Brack, Flat 9, 6 Hopton Road, Streatham, London SW16 2EQ.

The History Group is run by an informal committee, which meets once every three months. Any member of the Group is very welcome to attend a committee meeting and contribute thoughts and suggestions. The next two take place at 6.30pm on Thursday 2 February, and then at 6.30pm on Thursday 11 May, in the Meetings Room in Party HQ (4 Cowley Street, London SW1).

R.W. Dale Centenary Celebration

Born in 1829, R. W. Dale was a prominent Liberal politician, with a close acquaintanceship with Gladstone. One of the leading preachers and theologians of his day, he worked closely with Joseph Chamberlain in applying Christian values to the improvement and development of Birmingham. On the centenary of his death in 1895, Carrs Lane Church Centre is organising a series of lectures (22 February, 1 March, 8 March) and a seminar (13 March). For further information, contact the Revd Murdoch MacKenzie, Carrs Lane Church Centre, Carrs Lane, Birmingham B4 7SX (021 643 6151).

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The Importance of History

We Can Conquer Unemployment

Lessons for Today from the Liberal Approach to Unemployment in the 1920s and 1930s

Report back from the History Group's September Conference fringe meeting.

Speaker: Lord Skidelsky.

Lord Skidelsky, the biographer of Keynes, reminded a packed meeting at the Brighton Conference of the era when the function of a declining Liberal Party seemed to be to provide the Labour Party with ideas and the Conservative Party with Cabinets. The quality of Liberal thought rose as the Party itself declined - and although Keynes provided much of the dynamic behind Lloyd George's bid for power in 1929, Liberals were by then too firmly established as a third party for success to follow.

The Keynesian legacy thus passed to the other two parties, primarily to Labour; but, as they were not Liberals, his policy instruments were implemented in a non-Liberal way. Keynes, Lord Skidelsky argued, was and remained a classical economist; his *General Theory* aimed to fill gaps in classical theory not to replace it. Therefore his policy proposal of government action to raise aggregate demand and thereby reduce unemployment would have worked in the 1920s and 1930s, where it was the private sector which had collapsed - but it did not work in the 1980s, when it was *government* action which had caused the new shocks to demand.

In his speculation as to *why* this might be so, our speaker most clearly revealed his own views as a Conservative, believing that the public sector, whether because of high welfare spending or union militancy, had simply grown too big. The prescription, Skidelsky argued, should be that the state must retreat to its defining characteristics - ie only those actions which individual cannot achieve by themselves - or risk collapse.

An additional factor, which Keynes did not foresee, was the substantial increase in capital mobility, resulting in a rise in interest rates from any unilateral attempt to expand the public sector. The main function of government, Skidelsky therefore claimed, becomes to maintain conditions of maximum business profitability in order to attract international capital. He did accept, however, Keynes' own argument for greater regional and global coordination of economies.

No-one knows, of course, what would have happened had Keynes' policies been implemented by Liberal governments. It is difficult not to share, however, our speaker's conclusion that the range of options available to modern governments has shrunk dramatically, and in reality no-one really knows what the future will hold.

One Prayer Above All: Ireland, Ireland, Ireland

Book Review
by Andrew Adonis

H. C. G. Matthew:

The Gladstone Diaries Vols 12, 13 & 14
(Clarendon Press, 1994)

William Ewart Gladstone, the greatest of Liberal leaders, spanned Victorian Britain like one of Isambard Kingdom Brunel's massive constructions. First elected to Parliament in 1832, the Grand Old Man formed his fourth government in 1892 at the age of 82, fighting a last, awe-inspiring but ultimately pathetic campaign to right the wrongs of British rule in Ireland.

All the while, Gladstone kept a daily diary. The historian Colin Matthew has spent the last 20 years editing this invaluable commentary on the man and his age, and draws his labours to a close with these three superbly edited volumes. Volumes 12 and 13 cover the final decade from 1887 to 1896 - Gladstone wrote the last entry 16 months before his death. Volume 14 is an index to the entire diary - all 25,000 entries - starting in 1825. At £65 each they will not become best sellers, but Matthew promises a biography based on his introductory essays - he has already published a life up to 1874 - which will be a formidable contribution to modern British political history.

Gladstone's diary has little in common with Alan Clark's melange of titillating gossip. Indeed, Gladstone himself was wont to call it a 'ledger' - an account kept for the purpose of justifying his acts and use of time to himself and the Almighty he so fervently prayed to. On one level it is a dry record of letters, engagements and reading, with the occasional reflective sentence or two. Yet the very record renders Gladstone as superhuman to posterity as he was to contemporaries. Here, for instance, is the entry for 21 April 1893. To get a sense of perspective, imagine Harold Wilson to be still four years away from a final stint in Downing Street, or Paddy Ashdown as prime minister in 2024:

Wrote to the Queen - Crawthorn & Hutt [booksellers] - and minutes. Worked on [Irish] Home Rule papers and notes. Saw Sir A. West [private secretary] - S. E. G. [son] - Mr Marjoribanks [chief whip] - J. Morley [Irish Secretary]. Read Julius Caesar. House of Commons 3.45 - 6.30 & 9.45 - 1.30am. Spoke [on Home Rule Bill] from 11.05 to 1am. Majority 43. What a poor creature I felt. Eight to dinner: and backgammon with Mr Armitstead [Liberal MP].

There you have it all: the tireless energy, the Liberal cause, the consummate parliamentarian, the cramming of books into the interstices of the busiest day - the general index lists 17,500 books and pamphlets read - and the affectations of inadequacy so infuriating to friends and foes alike.

None of that, alas, can disguise the fact that Gladstone's career ended in failure.

Had Gladstone's first 'retirement' in 1875 been final, he would be hailed as the Liberal genius who launched Britain on its peaceful transition to democracy, kept dangerous imperialist tendencies in check, and secured the foundations of a flourishing free market economy. Instead, he died with his Irish Home Rule ambitions scuppered, his Liberal Party in tatters, imperialism at its zenith, and relative industrial decline already evident.

Ireland is the pre-eminent charge on the sheet. "Now one prayer absorbs all others: Ireland, Ireland, Ireland," runs the diary entry for Easter Day 1887. With that guilty plea to obsession, it is easy to side with majority English opinion of the day, from Chamberlain on the left to Salisbury on the right, and dismiss Irish Home Rule as the supreme hubris of an old man in a hurry.

Easy but mistaken. For in conception and timing, Gladstone's Irish policy was profoundly enlightened, as the desperate tale of 20th century Ireland signifies. His land and church reforms had defused bitter social tensions in the 1860s and the early 1880s. The proposal to devolve government to Dublin in 1886 flowed naturally from the earlier reforms, and from the rise of a nationalist but secular and responsible - Irish parliamentary elite under Parnell.

The Act of Union had been imposed eight years before Gladstone's birth for security reasons. Gladstone has long sensed its impermanence if Ireland was to be governed by Liberal principles: in the mid-1880s he seized the opportunity presented by Parnell's leadership, and a lull in nationalist agitation, for an orderly progression to Irish self-government within the British state. As he correctly forecast after the defeat of the first Home Rule Bill by the Commons in 1886: "There is but one end to that matter: if what we ask is refused, more will have to be given."

Gladstone failed in 1886 not because his policy was wrong but because his party management was lamentable - particularly his handling of Chamberlain, a wealthy entrepreneur from outside the aristocratic Whig coterie. Gladstone always placed too much faith in incompetents because they were aristocrats - today's Tories do the same with businessmen. What would otherwise have been a partial Whig secession from the Liberal Party became a full-scale rupture.

The defeat of Gladstone's second Home Rule Bill in 1893 was essentially Sod's Law: the spectacular collapse of Parnell in the O'Shea divorce case of 1890 fatally undermined Middle England's confidence in the Irish leadership, and left Gladstone with a hung parliament after the 1892 election with which he was incapable of coercing the Conservative-dominated House of Lords. Encouraged by the Tories, the ugly face of sectarian conflict was already rearing its head in Ulster: it has not dimmed since.

In typical Gladstonian fashion, it was not the Irish failure which most galled the former prime minister in final retirement, but his treatment by Queen Victoria. The attention Gladstone

devoted to the interests of the Royal Family is truly astonishing: with the fate of Ireland and Africa in the balance, he was writing endless futile letters to the elderly widow and slaving over a financial settlement for one of her dim-witted sons. In return he got unremitting hostility, and not even the courtesy of a decent 'thank you' on his final resignation.

The complexity of Gladstone's mind and life pour out from every page of the diaries. Yet we glimpse only. "I do not enter on inferior matters. It is so easy to write, but to write honestly nearly impossible," are among the last words.

This review first appeared in *Liberal Democrat News* (No. 331, 7 October 1994) and is reprinted here with the Editor's kind permission.

The High Summer of Victorian Liberalism

Book Review
by Duncan Brack

Ian Bradley:
The Optimists: Themes and Personalities in Victorian Liberalism
(Faber & Faber, London, 1980)

The Optimists provides a counterpoint to the essentially non-ideological approach to Victorian politics adopted by those such as Professor John Vincent (whose *The Foundation of the British Liberal Party 1857-1868* was reviewed in Newsletter No. 4). "It starts from the premise that ideas, emanating from conviction and conscience, were central to Victorian Liberalism ..." and "that it was no accident that Liberalism flowered during the half century between the first and third great Reform Acts when there had ceased to be a narrow franchise but was not yet a mass electorate, and when Britain came nearest in its history to banishing vested interest and class from determining its politics and establishing the rule of ideas and principle instead."

The single characteristic that most clearly united the different strands of Liberalism throughout these five decades was an all-pervasive optimism. For G. M. Trevelyan, Gladstone was "at once the most optimistic and the most Christian of statesmen"; even the Conservative Lord Salisbury confessed his admiration for Gladstone's "gorgeous reckless optimism". The political beliefs and actions which this optimism led to form the bulk of Bradley's book.

Liberals were above all optimistic about human nature, holding the belief that, once given political power, people would use it to promote high ideals rather than to further their own immediate material interests. Hence the Liberal support for the gradual extension of the franchise - not, it should be noted, through any attachment to mass democracy, but as a proper reward for those sections of the working class that displayed "self-command, self-control, respect for order, patience under suffering, confidence in the law and regard for superiors."

Belief in the principles of voluntaryism and self-improvement derived directly from the Liberal view of human nature. Voluntary spontaneous effort by individuals and groups was preferable to compulsory action by the state; and social improvement through individual advancement provided the best foundations for prosperity and happiness. State intervention - in employment, in health, in education - could only be injurious to individual self-reliance and encouraging of dependency.

As C. S. Roundell, one of Gladstone's ministers, put it, *"legislation which encourages the people rather to rest upon state help than to rely upon themselves, however well-intentioned, will prove incalculably mischievous in the end, and to every measure which is brought forward with the object of improving the condition of the people, this simple test should be applied - will it tend to encourage them to rely upon self-help?"* Hence Liberal Governments' reluctance, during this period, to introduce social reform measures which relied upon state action; hence the initial opposition of many Liberals to state education; hence Cobden and Bright's dislike of any legislation in employment, which interfered with the free contract made between employer and worker.

The Liberal love of liberty must be seen in this light. Based on the long Whig tradition, Victorian Liberals' attachment to liberty was a belief in the removal of constraints, freedom from externally imposed restrictions, whether imposed by state, public opinion, religion or custom. The great achievements of Victorian Liberal administrations mostly fall into this category. Parliamentary reform, the abolition of church rates, disestablishment of the Irish Church, land reform in Ireland, the opening of the Civil Service to competitive examination, the abolition of the purchase of Army commissions and of religious tests for entry to Oxford and Cambridge, the act which allowed married women to hold property in their own name and so on.

This principle also underlay much of Liberal foreign policy, displayed in support for self-determination of nations and peoples struggling to be free of oppressors. The formation of the Liberal Party in 1859 was sparked by an agreement amongst Whigs, Radicals and Peelites to bring down Derby's Government over the Italian question, and the event which brought Gladstone out of retirement in 1879 to lead the Whigs to victory in the following year's election was the brutal Turkish suppression of a Christian uprising in Bulgaria. The long-standing commitment to Irish Home Rule fits into the same mould. and Liberal economic policy, with its attachment to free markets and free trade, also derives from the belief in liberty. The purpose of all these policies was the same: to set people free to make their own choices and to lead their own lives.

It was not surprising that Nonconformists came to form the backbone of Gladstone's Liberal Party. By the 1850s, Nonconformity had almost as many active adherents as the Church of England, yet in few other respects were the

denominations equal. Dissenters were obliged to pay church rates to support the Anglican Church and Anglican schools, barred from taking a degree at Oxford or Cambridge, and denied the use of their own burial service if their chapels lacked a graveyard. Shut out of established society, they followed precisely those principles of self-help and voluntaryism that Liberals admired, building their own schools and providing, as employers, for their own workers. They shared and admired Gladstone's deep religious convictions, despite his high Anglicanism.

The final chapter of *The Optimists* charts the decline of Victorian Liberalism. By the end of Gladstone's second administration, in 1885, the limitations of his approach were glaringly obvious. Liberty, in the negative sense, had been very largely achieved - but neither it nor the principle of self-help had succeeded in eradicating the appalling poverty of many of Britain's cities. The two million working class voters enfranchised in 1884 displayed a distressing tendency to *"socialism at home and jingoism abroad"* while the middle classes were losing their taste for great works and self-improvement and subsiding into self-satisfied suburbanism.

Many Liberals were unhappy about the response of Gladstone's Government, which seemed to them to be verging on the socialist. The principle of voluntaryism had already been abandoned in the field of education, where Forster's 1870 Education Act was a significant milestone in the recognition of the fact that only the state could effectively provide universal elementary education. The Employers' Liability Act and the Irish Land Act intervened directly in contracts drawn up between employers and workers, and landlords and tenants. Coupled with Gladstone's zeal for Irish Home Rule (which he adopted at least partly to forestall further interventionist demands from the Radicals), these developments split the Liberal Party and drove it out of power, with a brief three-year exception, for the next two decades - until the developing theories of the New Liberalism, of social as well as political, democracy, came to provide a new programme and a new dynamism for the Liberals of the 1900s.

Gladstone himself recognised the end of his era. As he resigned the Liberal leadership in 1894, he told friends that *"to emancipate is comparatively easy. It is simple to remove restrictions, to allow natural forces free play. We have to face the problem of constructive legislation I am thankful I have borne a great part in the emancipating labours of the last sixty years, but entirely uncertain how, had I now to begin my life, I could face the very different problems of the next sixty years. Of one thing I am, and always have been, convinced - it is not by the state that man can be regenerated and the terrible woes of the darkened world effectively dealt with."*

The Optimists is an easy, excellent, read, linking the bases of political philosophy and thought to the real actions of politicians. It is the best summary of Victorian Liberalism that I have read.

“A Dynamic Force Is a Terrible Thing” (Baldwin)

Book Review
by *Tony Little*

Martin Pugh:

(Longmans, 1988)

Lloyd George

Lloyd George entered Campbell Bannerman's Liberal Cabinet in 1905 and held office continuously until 1922, rising to Prime Minister in a complex coup in 1916. Ditched by the Tories in 1922, he never held office again but remained a *bête noire* of all three parties until well into the 1930s. He was even half heartedly considered for office in Churchill's wartime government.

By Edwardian standards, Lloyd George's origins were modest and his early reputation was built on the championship of Welsh causes. As Pugh demonstrates, he achieved prominence in British politics through his challenge to Joe Chamberlain during the Boer War and through representation of the non-conformist cause in the fight against the 1902 Education Act - mirroring Joe's own rise to fame.

Today, LG is probably best known for his part in the foundation of the welfare state. The People's Budget, which introduced old age pensions, funded from graduated income tax, and a now forgotten Land Tax, was as much a masterpiece of propaganda as of economics or social policy. It was followed by a national insurance bill in 1911.

The extreme Conservative reaction to the People's Budget led directly to the reform of the House of Lords, also in 1911. It is generally thought that LG's provocative speeches and the Land Tax proposals were the principal factors in the Lords' unprecedented rejection of the budget but Pugh argues cogently that the Liberal budget had cleverly undercut the Tory case for protectionism - LG shot their fox.

As a minister LG's methods were unorthodox, relying on his intuitive feel for a solution and absorbing a case though face to face argument rather than ploughing through the red boxes. His problem-solving approach made him a bad 'party' man but a high achiever and during the First World War he became the inevitable successor to Asquith.

LG's dynamic innovative approach to the premiership and his determination to succeed were instrumental in Britain's ability to win the war but cost much of his Liberal support. His liberal instincts inclined him to a more generous peace settlement than he had the courage or support to deliver. Increasingly the prisoner of the Tories and unable to achieve a 'fit country for heroes to live in', he was forced from office.

The quarrel between LG and Asquith was never really healed and, by the time LG achieved full leadership of the Liberal Party in 1926, Labour had already experienced its first spell in

government. Yet LG had one last major contribution to make. He funded the inquiry into Britain's Industrial Future (the Yellow Book) which popularised Keynesian solutions for British economic problems, though other parties were eventually to reap the benefits.

Lloyd George's was a controversial career. Despite, or perhaps because of, immense charm and oratorical power, he was never trusted. His private life encompassed mistresses, failed mining projects and unwise stock exchange dealings. He formalised the sale of honours in a manner which outraged the establishment. His coup against Asquith, his wartime methods and his settlement of the Irish question in 1922 are still heatedly discussed.

Pugh's short profile sets out the background and career with sympathy and vision. In the space available he cannot offer the full range of evidence on the major disputes but the judgements he reaches are a sound introduction to the last Liberal PM. For those wishing to pursue the subject further he gives an annotated bibliography.

I have only one bone to pick. In his conclusion, Pugh suggests that LG is part of a centrist tradition in British politics combining a nationalistic foreign policy with a radical domestic agenda, which has not suited the normal two party structure but has popular appeal. Standard bearers include Joe Chamberlain, Lloyd George and ... *David Owen* (which dates the book). While none of these were good party men, it requires more than a few such mavericks to establish a tradition and more space than Pugh had available to demonstrate the case - but read the book anyway.

What is Liberal Democracy? The Importance of History

by James Lund

What has impeded the Liberal Democrats in their search for an effective identity in politics at the national level?

The search involves a fundamental difficulty, which was touched upon by the Campaigns & Communications Committee in its report to the Party Conference at Cardiff in March. The Committee observed that, whereas the Conservative and Labour parties were identified by the electorate with rich and poor, respectively, the Liberal Democrats were represented as a party of 'the centre', 'of compromise', of 'neither one thing nor the other'.

What went unrecognised in this simply and crudely stated contrast was the fact that the Liberal Democrats have inescapably, as the name suggests, an identity that is grounded in the fact that society is a political and not an economic entity. The electorate, however, and, for the most part, the other two parties, believe, or profess to believe, otherwise.

But if this is so, why does the Party not seek to turn an inescapable fact to political advantage?

Before this question can be answered, we need to understand why society is a political and not an economic entity, why the electorate is disposed to think otherwise, and why the Liberal Democrats fail to recognise their inescapable identity in a positive way. We are concerned with the importance of history in political life, and what follows in answer to these questions is, broadly speaking, historical - over-simple, perhaps, but aiming to illuminate the difficulty involved.

'Societas', as Hannah Arendt makes clear in *The Human Condition*, is a human conception. It denoted a group with a common purpose in political life, which its members actively pursued together. Although they might differ in ability, standing or means, the members thus engaged enjoyed a fundamental equality with one another; they were fellows, actively engaged together in the same enterprise.

Society in precisely this sense came to be of fundamental importance in British political life in the period that extends roughly from the Glorious Revolution to the First World War. This was society in the sense of Court and London society, county and borough society: the society of those who ruled as distinct from those who were ruled, the 'guv'nors' as distinct from the governed. R. G. Collingwood in *The New Leviathan* thought that "*the simplest analysis of a body politic rests on the fact that any body politic consists in part of rulers, in part of ruled*". The form of government in that period was nominally that of monarchy, the King in Parliament. In fact, it was ultimately an oligarchy, the rule of the landed class and its allies, initially, which in the course of the nineteenth century became that of a shifting alliance of the landed and upper middle classes, all conducted in the name of monarchy.

Prior to 1832, the representation of the people of Great Britain in the House of Commons was a representation, not of individuals, but of communities and property. Between 1832 and 1928, the franchise was gradually transformed, until adult suffrage, both men and women, became the rule, and constituencies became aggregates of individual voters in particular areas. In consequence, an oligarchic system of government in the name of the Crown came to be based on a democratic system of parliamentary representation. What was ultimately involved socially was suggested ironically by Robert Lowe as early as the immediate aftermath of the Second Reform Act, when he observed that "*it is time to educate our masters*". This was both an illuminating and a deeply misleading remark.

In a real, if occasional sense, the consequence was that the distinction of rulers and ruled gradually collapsed, and everyone became a member of society. yet the old order of society continued and still continues within the new.

The society of rulers as distinct from the society of voters was and is a society distinguished by the consciousness which its members had and have of themselves as engaged together in the ultimately political enterprise of ruling. This was a practical and not a theoretical consciousness, learned by growing up in or being initiated into that sort of society.

Fundamental to it was the importance of keeping in touch with one another through social occasions, meeting for pleasure, which were also informal meetings for sounding opinion, exchanging information, and learning what line to pursue in the discharge of particular responsibilities. A society of free men (and women) but not a democratic society.

The much larger society of voters, the society of those who were habituated to being governed, had, in general, little sustained sense of political identity. This was true of the middle as well as the working classes for what had become an industrial society - society in the economic sense, which in the course of this century has become the predominant sense of the word. The creation of national and international in place of local markets as predominant involved the creation of a complex of structures of economic relations, both vertical and horizontal, in which most people, directly or indirectly, were involved. Those so involved identified themselves predominantly in terms of what they possessed (or did not possess), the work they did, and the labour they performed. If they thought at all systematically, they were habituated to thinking of themselves as bodies and minds rather than as agents or persons, as the instruments of other people's purposes.

It is this sense of society that the Liberal Democrats are up against in their relation to the electorate, the predominantly economic sense. The Party is not altogether helped in turning its inescapable political identity to positive account in its relation to such an electorate by the Liberal inheritance. But of this, another time.

Membership Services

The History Group (with thanks to Richard Grayson for the work) is pleased to make the following listings available to its members.

Mediawatch: a bibliography of major articles on the Liberal Democrats appearing in the broadsheet papers and some magazines and journals (all those listed in the British Humanities Index, published by Bowker-Saur). Starting in 1988, this now extends to August 1993.

Thesiswatch: all higher degree theses listed in the Bulletin of the Institute of Historical Research under the titles 'Liberal Party' or 'liberalism' (none yet under SDP or Liberal Democrats!)

Any History Group member is entitled to receive a copy of either of these free of charge; send an A4 SSAE to Duncan Brack.

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