



John Meadowcroft
and **Jaime Reynolds**
examine the role
of Arthur Seldon
(1916–) and the Liberal
antecedents of the
Institute of Economic
Affairs.

LIBERALS AND THE NEW RIGHT

‘I was persuaded into economic liberalism by intellectual conviction and the evidence of events and into Liberal Party sympathies because the Conservatives were too socialist and the socialists too conservative.’

‘I graduated by national insurance and state education to the LSE. There I read voraciously Lenin, Laski, Strachey, Dalton but was more influenced by Robbins, Plant and Hayek. The war and post-war siege economy, several years as editor of a trade journal, the years as an economist in industry and five years working in fruitful partnership with Ralph Harris at the IEA have reinforced the view I had acquired from a teacher that the nineteenth century was the great age of emancipation and that the classical economists were basically right.’

Arthur Seldon, Capitalism (1990)

‘I say and I shall continue to say that the worst thing you can do with your money is to hand it over to be spent by the State ... Far better keep it in a money-box and sleep with it under your pillow at night. But, better still, invest it in your business or someone else’s business. Anywhere else is better than letting it pass through the slippery fingers of the State.’

Oliver Smedley, Vice-President of the Liberal Party (1955)

‘We lost people from the Liberal Party who described themselves as neo-liberals of the sort of Thatcherite school. I was reading the other day that Arthur Seldon was involved in the Liberal Party in Orpington at the time of the by-election. He was typical of a certain school of Liberal who abounded in the party at that time ...’

David Steel, interview in Marxism Today, October 1986

The young Arthur Seldon

Though few Liberal Democrats would recognise him as such, Arthur Seldon was probably one of the most influential Liberal thinkers and publicists in Britain in the period from the 1950s to the 1970s. Seldon was founder Editorial Director of the Institute of Economic Affairs, the free-market think tank,¹ which played an important role in the revival of economic liberalism that led to the global implementation of policies such as the privatisation of previously nationalised industries, the control of inflation via sound monetary policy and the application of market-oriented service regimes where public goods were provided by the state.

In the UK these policies were implemented by the Conservative government of Margaret Thatcher and its successors. This association with Thatcherism has

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led many Liberal Democrats to reject the notion that the ideas Seldon advocated had any connection with Liberalism. Conrad Russell, in the opening of his *An Intelligent Person's Guide to Liberalism*, contrasts the 'moral' liberalism of Roy Jenkins (of which he clearly approves) with the economic liberalism of the IEA (of which he clearly disapproves). Yet while it is true to say that Seldon's tireless advocacy of economic liberalism had its greatest impact on the Conservative Party, rather than the Liberal Party, it is nevertheless the case that many Liberals recognised the continued relevance of economic liberalism to the Liberal cause.

Jo Grimond was a regular IEA author, contributing papers to six different IEA publications, and he wrote that 'Liberals must at all times stress the virtues of the market, not only for efficiency but to enable the widest possible choice ... Much of what Mrs Thatcher and Sir Keith Joseph say and do is in the mainstream of liberal philosophy.'² Certainly, Seldon, who is now eighty-eight years old and living in retirement in Kent, always saw himself as more of a liberal, or 'conservative radical' than a Tory. For over three decades he was an active member of the Liberal Party and only severed his connection with it in the 1970s.

Arthur Seldon, the Liberal Party and the IEA³

Seldon was born on 29 May 1916. He later described his tragic and poverty-stricken childhood, upbringing and education in the East End of London, as an 'indoc-trination against capitalism'. He recalled that at the age of eight in the 1924 general election, he cheered the Labour candidate for Stepney, and booed the Conservative and Liberal cars.

Seldon's family name was Margolis, but both his parents died in the Spanish flu epidemic of 1918 and he was brought up by foster-parents (two of his elder siblings

went to live with uncles, and two were sent to an orphanage). Seldon's foster parents were Jewish refugees from Ukraine, whose family name Schaberdain was adopted by Arthur. His foster-father died in 1927. His foster-mother set up 'shop' in the front room of their East End home selling lisle stockings in order to pay the rent. The family were kept afloat by a £100 payment from a Friendly Society, paid for by his late foster-father's weekly contributions of two shillings. For Seldon such enterprise and mutual insurance was a model of voluntary working-class responsibility and welfare that was to be replaced by state benefits and the 'dependency culture'.

The family fortunes improved in 1931 when his foster-mother remarried (a tailor) and they moved to the relatively middle-class suburb of Stroud Green. In 1928 Seldon won a free place to Sir Henry Raine's (Grammar) School, off the Commercial Road, where he was taught history in the sixth form by E. J. Hayward, a Liberal of the old school 'whose teachings on the guild system and its replacement by industrial capitalism, with its advantages for living standards and liberties, intrigued me more than the Fabian influence of the persuasive economics master'. Nevertheless, when he arrived at the LSE in 1934, having won a state scholarship, he seems initially to have shared the prevailing far-left attitudes of the majority of students, before joining the tiny Liberal Society. He supported the anti-Fascist protests against Sir Oswald Mosley's march through the East End in 1936.

Seldon studied and researched at the LSE from 1934 to 1941, graduating with first-class honours in economics in 1937, and then becoming a research assistant to Arnold Plant.⁴ He also studied under other liberal and Liberal academics including Hayek, Lionel Robbins, Frank Paish⁵ and George Schwartz,⁶ who kept alive free-market economics in what

Seldon described as 'the hostile anti-capitalist environment of the 1930s'. It was during his time at the LSE that Seldon Anglicised his surname, apparently following advice from Arnold Plant who thought such a change wise in the light of the rise of anti-Semitism in Europe.

In 1937 the Liberal Party established a committee of inquiry into the distribution of property inspired and chaired by Elliott Dodds. It included Harcourt Johnstone, the leader Sir Archibald Sinclair's right-hand man and expert on economic issues in the party leadership. Plant and Robbins were approached for their advice and they asked Seldon to write a paper on the effect of an inheritance tax. This led Dodds to ask him to draft the committee's report, *Ownership for All*, which was adopted by the party conference in 1938. In Seldon's view, 'the proposals for the diffusion of private property rather than its replacement by public (socialised) property raised the flag of classical liberalism for the last time in the Liberal Party'.⁷ Its questioning of public ownership and proposals for selective privatisation were denounced by the Labour Party as a violent shift in the Liberal position back to laissez-faire and individualism, at odds with both Labour and Conservative thinking on the 'socialised sector'.⁸

Yet despite its unfashionable and 'right-wing' reputation, *Ownership for All* has stood the test of time better than many of the so-called radical tracts of the 1930s, and many of its arguments would be regarded as mainstream, if not left-wing, today. It was a radical attack on the maldistribution of wealth and property in inter-war Britain – inequalities which it described as 'gross and shocking'. The uneven spread of property prevented equality of opportunity, wasted social resources, reduced consumer choice and menaced democracy by providing a recruiting ground for Fascism. The report rejected outright any absolute right of property and insisted

Ownership for All was a radical attack on the maldistribution of wealth and property in inter-war Britain – inequalities which it described as 'gross and shocking'.

on society's right to modify laws of inheritance to reduce inequality and spread wealth. The causes of the maldistribution of property were traced to faulty laws and policies, particularly inheritance law, lack of educational opportunity for the poor, encouragement of monopolistic industrial concentration, divorce of ownership from control of companies, and indirect taxation on wage-earners in the form of tariffs, quotas and subsidies. However, *Ownership for All* was unusual for the times in rejecting statist solutions such as planning and public ownership; it argued unashamedly for market solutions, greater competition and the extension and permeation of property ownership throughout society. It combined a positive view of freedom and economic liberal ideas in a distinctive platform for the party:

The policy we have advocated is not one of 'laissez-faire'. Quite the reverse. It would involve determined, and even drastic, State action at numerous points. Such action, however, would not take the form of Government control or management ... Its main objects would be to create the legal structure in which a free economy can best function; to see that the market is efficient and honest; to outlaw restraint of trade; to break down unjust and artificial privileges; to preserve the national resources ...; to maintain and expand the social services; and to place before all the opportunities of a full life hitherto open only to the rich. In a word, the Liberal view is that it is the function of the State 'to create the conditions of liberty' ...⁹

While it is unclear how far Seldon's drafts shaped the final document, it is striking that many of the arguments and much of the

style of argument anticipated his later critique of state ownership and provision and his championing of markets and competition, which essentially built on the framework laid down in *Ownership for All*. The Liberal Party continued to use the 'Ownership for All' slogan into the late 1940s.

In July 1941 the Liberal Party Organisation published Seldon's pamphlet, *The Drift to the Corporate State*, which analysed the likely effects of wartime economy measures, especially those encouraging monopoly, on the post-war economy. He was scathing about what he described as 'the tendency in the 1930s to the formation in many basic industries of joint monopolies of employers and workers for the exploitation of consumers'. While conceding the need for some industrial concentration and planning in time of national emergency, Seldon was blunt about the potential dangers it posed: 'it is the corporative system of industrial organisation, which is incompatible with parliamentary democracy; it is the British variant of what in Italy is called Fascism'. Where monopoly was unavoidable ('natural monopolies') he argued – anticipating ideas that were novel in the 1930s but have become commonplace in recent decades – that 'public regulation may ... be more suitable ... than public ownership ... [and] there would appear to be no good reason for exclusive public ownership in the public utility field, where a mixed regime of private, public, and semi-public monopolies, all equally subject to regulation by Parliament or a delegated authority would be superior'. He called for 'State action to "cleanse" industry of its avoidable monopoly; and this will involve a more active State, a State more conscious of the conditions and consequences of monopoly ...'¹⁰

Between 1941 and 1945 Seldon served in the army in North Africa and Italy. He married Marjorie Willett in 1948. Her father Wilfred was a formerly devout Christian who became a communist and

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nature writer for the *Daily Worker*. Up to his death in 1961, he and Seldon would debate the issues of communism versus capitalism. Marjorie was to become in her own right an active Liberal, free trader and campaigner for education vouchers.

On his return to Britain after discharge from the army in 1946, he was drawn back into Liberal Party activity after attending a meeting chaired by Clement Davies at which Roy Harrod, the Keynesian economist, was a speaker. In 1947 Seldon was asked by Philip Fothergill to chair a committee on the aged.¹¹ He consulted Beveridge, whom he knew from LSE days, and who was, by the late 1940s, concerned that the expansion of the welfare state was jeopardising the voluntary welfare movement and Friendly Societies.¹² The committee's report was unanimously endorsed by the Liberal Assembly in 1948.

Arthur and Marjorie Seldon were very active in the Orpington Liberal Association in the 1950s as it began the local success that culminated in Eric Lubbock's famous by-election victory in 1962. Each of them served as president. Marjorie organised local anti-Eden demonstrations over Suez in 1956. They had three sons, Michael, Peter and Anthony, Anthony becoming the well-known political writer and biographer of John Major and Tony Blair.

For some ten years after the war, Seldon worked in industry as editor of a retailing magazine, *Store*, from 1946 to 1949, and then as an economic adviser in the brewing industry in an office headed by Lord Tedder, former Air Chief Marshal of the RAF, where his connections with the Liberal Party, still associated with Methodism, the nonconformist conscience and temperance, aroused some unease.

The Institute of Economic Affairs (IEA), founded in 1955, was the brainchild of Antony Fisher and future Nobel laureate

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F.A. Hayek.¹³ Fisher, like its first Director, Ralph Harris, was a Conservative – the two first met at a Conservative Party meeting – though the IEA was always non-partisan, such that when Harris was raised to the peerage by the newly elected Margaret Thatcher in June 1979 he sat as a crossbencher in the Lords. However Liberals played a major part in its early days. Oliver Smedley,¹⁴ a free-market zealot, a vice-president of the Liberal Party and its most vocal free-trade campaigner at assemblies in the 1950s, whom Fisher knew through the Society of Individualists, played an important role in the early formation of the IEA, providing the organisation's first offices at his business premises (and campaigning headquarters) at 24 Austin Friars in the City of London. Other Liberals – Lord Grantchester (Sir Alfred Suenson-Taylor)¹⁵ and Sir Oscar Hobson¹⁶ – were on its advisory board, while academics associated with the Liberal Party, such as Alan Peacock and Jack Wiseman, were to become active in the IEA. The IEA's first pamphlet, *The Free Convertibility of Sterling*, published in 1955, was written by another Liberal, George Winder.

In 1956 Arnold Plant recommended Seldon to Lord Grantchester who was trying to give the newly formed IEA 'a liberal intellectual thrust'. Seldon was appointed Editorial Director of the IEA in 1957, a function he held until his retirement in 1981, and then again between 1986 and his second and final retirement in 1988. From 1959 he was also Executive Director of the IEA.

Seldon's direct involvement with the Liberal Party seems to have wound down from 1957 as the IEA, seen by some potential sponsors as a Liberal 'front', worked to establish its non-party credentials. Nevertheless he continued to sympathise with and vote for the Liberals for another two decades. He took part as 'an independent economist' in a fierce debate on health and education vouchers in the party in

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1966–67, speaking at a 'Liberalism is about Liberty' fringe meeting at the Liberal Assembly in 1966 on 'The Welfare State and the Economy in the 1970s'.¹⁷ He also wrote articles in support of vouchers in the Liberal magazine *New Outlook* at this time. Other proponents of vouchers, or a more pluralist approach to welfare, included Professors Alan Peacock and Michael Fogarty, and John Pardoe MP.¹⁸

The prominence in the IEA of the Liberal founders diminished in the late 1950s. Fisher and Harris found Smedley's outspokenness a handicap in securing business funding, and with Grantchester he was gradually pushed out, although Smedley remained one of the seven 'subscribers' when the IEA became incorporated in 1963. Graham Hutton, an ex-Fabian economist and journalist linked to the Liberals, was brought in as a replacement.¹⁹

Smedley, Grantchester and S.W. Alexander increasingly focused their efforts on the Free Trade Union (FTU), which they took control of following a funding crisis in 1959 (and renamed it the Free Trade League). The FTU had strong connections with the Liberal Party into the 1940s and 1950s (Sinclair and Samuel were vice-presidents). It also provided a link between post-war economic liberals like Seldon, who sat on the FTU executive from 1946, and the pre-war Liberal free marketeers such as F.W. Hirst, Sir George Paish and Vivian Phillipps. Seldon, sometimes with Marjorie, was a contributor to the FTU journal *The Free Trader*.²⁰ After the Smedleyite takeover in 1959, its Liberal stalwarts Sir Andrew McFadyean and Deryck Abel²¹ withdrew. Smedley, Alexander and Grantchester carried on, with a rump of like-minded, mostly Liberal, free traders and anti-common-marketeters into the 1970s. Seldon was dropped from the executive in 1959, suggesting that his sympathies did not lie with the Smedley group.

In contrast to the Smedleyites' hostility to the Common Market, Seldon seems to have taken a pragmatic approach to Europe, though he was critical of the level of subsidies under the Common Agricultural Policy and the operation of monetary union. There is surprisingly little about Europe in his writings.

The Conservative Party had little appeal for Seldon until the era of Margaret Thatcher. He wrote that 'in my lifetime the Tories have enlarged state authority by fits of absent-mindedness, and my political sympathies have been Liberal, but I prefer to think of myself as a conservative radical: conservative about preserving the principles of a good society but radical about reforming the institutions required to preserve them in a world of change'.²² He did not regard the Tories as a free-market party: 'the Conservatives in general have had an indifferent record. In the 1930s they sponsored producer protection when they abandoned free trade in 1932, introduced transport licensing, agricultural marketing boards and other "anti-capitalist" restrictionist policies'.²³

His final break with the Liberals seems to have occurred in the 1970s, though Seldon is somewhat unclear exactly when. He later recalled that he 'retained private hopes of a Liberal revival under Jo Grimond but abandoned it when he was followed in 1967 by David Steel, a party manager with little interest in policy and, it seemed, almost no understanding of economic liberalism, indicated by a remark in a *Marxism Today* interview about my outdated *laissez-faire*'.²⁴ However, it was Jeremy Thorpe, not Steel, who succeeded Grimond in 1967; Steel did not become leader until 1976 and the *Marxism Today* interview did not appear until 1986. Whenever Seldon finally broke with the Liberals, he continued to claim some of their leading figures for his ideas. When he dedicated his collected writings to the 'politicians who rolled back the State',

he included, alongside Thatcher, Joseph, Tebbit, Powell and other Tories, the Liberals Elliott Dodds, Jo Grimond and John Pardoe.²⁵

Arthur Seldon's liberal thought

Arthur Seldon's political philosophy was founded upon the consistent application of the principles of economic liberalism to economic, social and political problems. Seldon's training in classical economics at the LSE instilled in him the belief that it was only a market economy that could efficiently and fairly ration scarce resources, ensure that the benefits of economic action exceeded the costs, including the opportunity costs, and co-ordinate the actions of the many individuals and firms who constituted an advanced economy.

In Seldon's view a market economy was able to perform this function because it utilised the knowledge communicated by prices generated in the marketplace. The price mechanism worked spontaneously without the need for a single co-ordinating body. The failure of socialism relative to capitalism could be explained by the economic chaos caused by the attempt to abolish markets and prices: 'The use of the free-market pricing system explains the relative success of capitalism and the failure of socialism.'²⁶ The pricing system was the invisible hand of the market that led self-interested individuals to undertake actions that benefited others even if such altruistic outcomes were no part of their original intention.

He held that not only was a market economy superior in terms of efficiency, it was also morally superior to alternative economic models because it achieved economic co-ordination without the need for an over-arching political authority that directed particular individuals to undertake certain tasks or use resources in particular ways.

Seldon's principal contribution, in his role as commissioning editor of more than 350 IEA monographs and author of twenty-eight book and monographs and 230 articles, was to apply these principles as a critique of all forms of government intervention, ranging from Marxist-Leninist state socialism to the post-war social democratic consensus, and from the provision of public goods by local authorities to national land-use planning controls. Seldon wrote:

Micro-economic analysis of the prices and costs of individual goods or services and their adjustment at the margin by individual suppliers and demanders can be no less enlightening in the public than in the private sector of the economy.²⁷

While accepting that markets were not perfect, Seldon sought to show that markets were almost always a more effective means of providing goods and services than via government diktat, and, moreover, such outcomes could be achieved without the need for restrictions on individual liberty that so often accompanied attempts to achieve similar outcomes by central direction. For Seldon there did not exist a category of public goods and a category of private goods to which different principles should be applied; rather, there existed a whole range of goods and services that people wanted, but because resources were finite, some mechanism was needed to ensure the production of those goods for which demand was greatest at a cost that did not exceed the benefits. In *Charge*, Seldon set out his thesis that many public services would be delivered more efficiently and used more sparingly if users were required to pay for them at the point of delivery just as they did in the private sector.²⁸

Seldon's application of micro-economic principles to the

public sector led him to develop a critique of the pathologies of democratic government that anticipated the emergence of public-choice theory. In 1960, two years before the publication of Buchanan and Tullock's landmark work *The Calculus of Consent*, Seldon wrote:

Representative government ... at its worst ... impoverishes and enfeebles the community by capitulation to articulate and persistent sections at the expense of the long-term general interest. Much so-called 'economic policy' can be understood only in terms of pressure from organised producers – in trade associations, trade unions or other groups.²⁹

For Seldon, the tyranny of the majority that had so concerned classical liberals such as John Stuart Mill and Alexis de Tocqueville had been realised in the ability of organised *minorities* to extract special privileges (rents) from government at the expense of the unorganised majority. The political muscle of French and German farmers, British coalminers and American steel producers meant that through a combination of subsidy and protection these groups were allocated privileges that far exceeded the market value of their economic contribution. The result of the ability of such groups to capture the political process for their own advantage was not only the unfair transfer of resources via political means (rent-seeking), but distortions of the price system that impoverished society as a whole because it led producers to misallocate capital in response to distorted price signals.³⁰

One of Seldon's most original contributions was his application of the principles of public-choice theory to an analysis of the role of producer interests in education in the defeat of the Thatcher government's attempt to introduce

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education vouchers, a subject close to his heart. In *The Riddle of the Voucher*, Seldon argued that the combined power of teacher unions and civil servants in the Department of Education had prevented the implementation of a policy that was supported by ministers and many politicians, academics and parents.³¹

Arthur Seldon and Liberal Party politics

One of the most intriguing questions of British political history is why the economic counter-revolution led by Seldon and the IEA had its greatest impact on the Conservative Party rather than on the Liberal Party. Economic liberalism had long been a cornerstone of the Liberal Party; the party had been formed from the coalition of Whigs, Radicals and Peelites united by Peel's repeal of the Corn Laws, and the *raison d'être* of many of those who had kept the party alive from the 1920s to the 1950s was to preserve the spirit and natural home of free trade.

Indeed, there seems good reason to believe that in the mid-1950s the great majority of economic liberals were to be found in the Liberal rather than the Conservative Party. The story of the adoption of economic liberalism by the Conservative Party is the story of how the economic liberals came into the ascendancy in that party as they were simultaneously marginalised in the Liberal Party.³²

While at certain elections, notably 1929 and 1945, the appeal of the Liberal Party had inclined to the centre-left, up until the 1960s it was still the party of economic liberalism, the open economy and free markets. It was under the leadership of Jo Grimond after 1957 that the party shifted to the centre-left, despite the fact that Grimond himself had strong economic liberal sympathies and for much of his early career was an outspoken critic of the post-war consensus

from the economic right;³³ Grimond's political strategy of replacing Labour as the principal anti-Conservative force in British politics led him to emphasise the more 'progressive' aspects of party policy. This, combined with community politics and growing local-government strength, attracted a new generation of party supporters and activists with little sympathy for the economic liberal traditions of the party.

Grimond was succeeded by Jeremy Thorpe, who had long been an opponent of the economic liberal wing of the party, but probably the crucial break with economic liberalism came with the election of David Steel as party leader in 1976. Steel, who described himself as a Keynesian Liberal, was intent on positioning the Liberal Party as the centre-left alternative to the extremes of left and right deemed to be presented by the Labour and Conservative Parties. As the Liberal Party went into alliance with the SDP in 1981 and reacted against economic liberalism à la Thatcher, with its apparent rejection of much of the Liberal/Keynes/Beveridge welfare heritage, any prospects of an economic liberal revival within the party quickly evaporated.

The conversion of the Conservative Party to economic liberalism can be dated to the 1975 election of Margaret Thatcher to the party leadership. Thatcher was the leader of a relatively small faction within the Conservative Party which had long advocated the adoption of monetarist policies and greater individual freedom in the economic sphere as the solution to Britain's relative economic decline. On election to the party leadership she set out her belief in 'a free society with power well distributed amongst the citizens and *not* concentrated in the hands of the state. And the power supported by a wide distribution of private property amongst citizens and subjects and not in the hands of the state.'³⁴

Many of the economic liberal policies pursued by the Thatcher and Major governments would have been recognised as within the mainstream of liberalism by previous generations of Liberals and by members of continental European Liberal parties.

It should be noted that while economic liberalism was extremely influential within the Conservative Party during the 1970s, 1980s and 1990s, it never achieved the level of orthodoxy that is sometimes portrayed. The early Thatcher cabinets contained a number of 'wets' in senior posts, while Michael Heseltine's famous declaration as President of the Board of Trade at the 1992 Conservative conference that he would intervene in the economy 'before breakfast, before lunch, before dinner and before tea' was indicative of the hostility to economic liberalism that endured amongst large swathes of the Conservative Party.

Conclusion

While today the economic liberalism espoused by Arthur Seldon and the IEA is most closely associated with Thatcherism and the Conservative Party, many of the economic liberal policies pursued by the Thatcher and Major governments would have been recognised as within the mainstream of liberalism by previous generations of Liberals and by members of continental European Liberal parties. It is open to question what would have happened to the Liberal Party and to UK public policy had the economic liberal counter-revolution occurred within Liberal rather than Conservative ranks. Certainly, it may have been possible that economic liberalism could have been combined with social liberalism to form the basis of a truly libertarian movement, rather than with the social conservatism of the Tory Party. What is clear is that the long-standing practical and intellectual links between Arthur Seldon and the IEA and the Liberal Party are indisputable.

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- 1 It should be noted that the IEA does not have, nor has it ever had, a corporate view on any matter, but rather its mission is to promote public understanding of the role of markets in solving economic and social problems.
- 2 Jo Grimond, 'Eighty Club' lecture to the Association of Liberal Lawyers, London, 28 October 1980.
- 3 Mostly based on Seldon, *Capitalism* (London, 1990), especially chapter 2. See also Seldon's interview with Christopher Muller in M. Kandiah and A. Seldon (eds.), *Ideas and Think Tanks in Contemporary Britain* vol 1 (London, 1996).
- 4 Plant, (Sir) Arnold (1898–1978): Professor of Commerce, LSE, 1930–1965; an economic liberal and Liberal Party supporter.
- 5 Paish, Frank Walter (1898–1988): LSE Professor of Economics. Son of Sir George Paish, also an academic economist and indefatigable Liberal and free trade campaigner. F. Paish was active in the Liberal Party from the 1940s to the 1960s and was an influential adviser to Jo Grimond as well as the government.

'A Little Laissez-Faire'

Amoroso

All parties have their fancies
In political romances,
And a Liberal his devotion must declare;
Though the object of my passion
Is at present out of fashion,
I love a little lassie fair.

In the total planning era
She's dismissed as a chimera,
Her regalia shows signs of wear and tear;
A Gladstonian survival,
She is not without a rival,
But I love a little lassie fair.

Though Stafford, Nye and Morgan
May prefer a planning Gorgon,
A stern inamorata doctrinaire,
The Liberal will egg on
Lady Vi and Lady Megan,
For he loves a little lassie fair.

The rulers and the masses
Love other little lasses,
And my love is the economist's despair;
But the Liberal loves for ever,
And continues to endeavour
To make the others love his lassie fair.

Up the Poll by **Sagittarius and Vicky** (general election 1950)

- 6 Schwartz, George Leopold (1891–1983): academic and financial journalist. Wrote Liberal Party publications: 'To all who live on the land', 'To practical men in mining', 'To all who live in towns and cities'. Involved in Free Trade Union.
- 7 *Capitalism*, p. 35.
- 8 A. Seldon, *The State is Rolling Back: Essays in Persuasion* (London, 1994) includes extracts. R. Fraser *What's What in Politics* (Labour Book Service, 1939), pp. 23–24, 48.
- 9 *Ownership for All. The Liberal Enquiry into the Distribution of Property* (LPO/LPD, March 1938)
- 10 A. Seldon, *The Drift to the Corporate State: A Preliminary Enquiry into the Impact of War Economy* (Liberal Publication Dept, 1941) The pamphlet is headed 'printed for private circulation' and was presumably intended for a limited readership among the party leadership.
- 11 The other members were Lord Amulree, Mrs B. Lewis (later Dame Barbara Shenfield), Dr J.A. Gorsky and Leonard M. Harris. 11th Report to the Assembly Meeting at Hastings, March 1949.
- 12 *Capitalism*, p. 274.
- 13 For a full account of the formation of the IEA, see John Blundell, *Waging the War of Ideas, Second Edition* (IEA, 2003); Ralph Harris and Arthur Seldon, *A Conversation with Harris and Seldon* (IEA, 2001); Ralph Harris chapter in Philip Booth (ed.), *Towards a Liberal Utopia* (IEA, 2005); R. Crockett, *Thinking the Unthinkable* (London, 1994).
- 14 Smedley, W. Oliver (1911–89): Paratrooper during the Second World War, won the Military Cross at Arnhem. In 1952 resigned from accounting partnership and set up various free trade campaigns from office at 24 Austin Friars: Cheap Food League, Farmer's and Smallholder's Association, Council for the Reduction of Taxation, etc. Vice-President of Liberal Party. Liberal candidate five times 1950–70. Resigned as Liberal candidate in protest at resolution supporting entry to Common Market at 1962 Assembly. Founded the Keep Britain Out Campaign, later Get Britain Out and stood as anti-common market candidate on various occasions. Finally resigned from Liberal Party 1972. Founded the Free Trade Liberal Party, 1979. In 1964 founded Radio Caroline. In 1966 acquitted for manslaughter of a business colleague.
- 15 Suenson-Taylor, Alfred Jesse, 1st Baron Grantchester of Knightsbridge (1953) (1893–1976): prominent City banker. Wealthy from mother's side (she was a Littlewood). Liberal candidate 1922 and 1929. Liberal National after 1931. President of the London Liberal Party. Liberal Party Treasurer 1953–62. President of the Society for Individual Freedom and the Free Trade Union/League. Established the International Liberal Exchange before 1945 and edited the *Journal of International Liberal Exchange*, later *The Owl*. Helped fund Hayek's activities and Mont Pelerin Society, 1947–, and participated in meetings. In 1955–59 on Advisory Council of IEA.
- 16 Hobson, Sir Oscar (Rudolf) (1887–1961): a leading financial journalist of his day.
- 17 *New Outlook*, September 1966.
- 18 A. and M. Seldon, 'How welfare vouchers work', *New Outlook* 55, June 1966; 'Welfare in the 1970s' (report on the *New Outlook* forum at the 1966 Brighton conference at which Seldon spoke); and A. Seldon, 'The Case for Vouchers' (his speech to the Forum), *New Outlook* 58, October 1966; A. Seldon, 'Liberal Controversy Simplified', *New Outlook* 63 April 1967.
- 19 Information provided by Lord Harris.
- 20 Free Trade and a Free Society, February 1959.
- 21 Abel, Deryck (1918–?): author, historian and journalist. Chairman of the Liberal Party 1957–59.
- 22 His chapter in *The Rebirth of Britain* (1964), p. 152.
- 23 *Capitalism*, p. 120.
- 24 *Capitalism* p. 35.
- 25 *The State is Rolling Back*, p. v.
- 26 *Capitalism*, p. 18.
- 27 *Making of the Institute*, p. 55.
- 28 A. Seldon, *Charge* (London, Temple Smith, 1977).
- 29 *Making of the Institute*, p. 19.
- 30 In retirement Seldon wrote a book-length treatment of these issues: *The Dilemma of Democracy: The Political Economics of Over-Government* (IEA, 1998).
- 31 A. Seldon, *The Riddle of the Voucher* (IEA, 1986).
- 32 On this point and for a discussion of the issues at stake and what might have happened had the Liberal Party adopted economic liberal policies, see James Parry, 'What if the Liberal Party had Broken through from the Right?' in D. Brack (ed.), *Prime Minister Portillo... and Other Things that Never Happened* (London, 2003).
- 33 M. MacManus, *Jo Grimond: Towards the Sound of Gunfire* (London, 2001).
- 34 Margaret Thatcher, press conference after winning Conservative Party leadership, 11 February 1975. Transcript available at <<http://www.margaretthatcher.com/Speeches/displaydocument.asp?docid=102487&doctype=1>>