

# VOTE LIBERAL FOR SOUND FINANCE & LOW TAXES

‘I am a nineteenth-century Liberal. So is Mrs Thatcher. That is what this government is all about.’

*Sir John Nott, Conservative Minister in the 1980s<sup>1</sup>*

‘The picture generally given of the relative position of the three parties does more to obscure than to elucidate their true relations. They are usually represented as different positions on a line, with the socialists on the left, the conservatives on the right, and the liberals somewhere in the middle. Nothing could be more misleading.’

*F.A. Hayek, Why I Am Not a Conservative (1960)*

‘Liberalism has always been about enterprise, competition and markets ...’

*Charles Kennedy (2004)<sup>2</sup>*

**Jaime Reynolds** asks whether it is meaningful to apply the terms left and right to the British Liberal Democrat tradition. And what do we mean by the ‘Liberal Right’ in this special edition of the *Journal of Liberal History* –

# LIBERALS OF THE RIGHT?

For much of the past century, the question of where Liberals stand – on the right, centre or left – has come up again and again, posed by pundits, the media, the voters, and not least by many Liberals themselves.

For some the answer is straightforward: the Liberals are on the left and always have been, even if over their long history the meanings attached to the term have altered. As Elliott Dodds put it: ‘by any strict use of language Liberals are the true Left, the real progressives’. According to this view, the dominant ideology of the party has evolved over time in response to changing conditions but, viewed in a historical context, Liberalism has always stood on the left. The so-called ‘right’ in the party are simply those who got left behind as the dominant Liberal ideology adapted to changing conditions. They were sidelined and mostly absorbed into the Conservative camp.

Others would reject the whole idea of applying the concept of left and right to the Liberal Party and its history. They argue that Liberalism is a distinct political philosophy that cannot be located meaningfully on a linear left–right spectrum. The terms are too simplistic and one-dimensional to explain the Liberal outlook. The Liberals’ mission has always been rejection of the left–right straitjacket and the class-based notions that underlie it. It follows that to speak of the ‘Liberal right’ is meaningless.

A third view is that there is indeed a Liberal ‘right’ in the sense of those who adhered to economic liberal ideas and can be seen as representing a tradition from nineteenth-century classical and Cobdenite Liberalism down to the *Orange Book* today. This wing of the party emphasised the importance of open markets, free competition, sound money, control of public expenditure, and economic efficiency. Whether it is accurately described as being on the right is a question that we will come to in a moment.

(Left): Liberal election slogan, 1929

**‘They run to the right of Labour in Tory constituencies, to the left of Labour in Labour constituencies and in this Parliament we are going to make them choose.’  
Tony Blair, speaking of the Liberal Democrats (House of Commons, 17 May 2005)**

The articles in this special issue look at various aspects of this ‘right-wing’, predominantly economic liberal, tradition in Liberal Democrat history.

All the authors have approached this task with some trepidation, aware of the various definitional pitfalls and political sensitivities involved. Readers should take special note of the question mark after ‘Liberals of the Right?’ in the title of this issue: we are not saying that these currents are necessarily ‘right-wing’, just that they are sometimes regarded as such. We hope that the articles shed some light on this issue, with its complexities and inconsistencies, even if not every reader agrees with the labelling of particular personalities or ideas.

Each author has had an entirely free hand to look at the question and there has been no attempt to lay down any common definitions of left and right to be followed, or to come to any shared overall conclusion.

#### **Liberals of the right?**

How far is it justified to describe the classical economic liberal tradition as being on the right?

It is notoriously difficult to define precisely what ‘left’ and ‘right’ mean. The terms originally arose some two hundred years ago to describe the seating of factions in the French national assembly with the upholders of the status quo and authority on the right and more radical and libertarian elements on the left. Thus the quintessential *laissez-faire* liberal Bastiat sat together with the socialist/anarchist Proudhon on the extreme left of the Assembly.

Later the left became associated with a belief in political action to tackle poverty and social disadvantage and to enhance economic prosperity and security, generally through collective and state intervention. As one Liberal put it, a key ‘difference between Left and Right, Liberal and Tory, Radical and Conservative ... is this: the Left tries consciously

to shape its own environment; the Right makes terms with the environment that surrounds it. The Left tries to impose a pattern upon nature: the Right accepts it as it is.’<sup>3</sup>

But these meanings do not help much in characterising the economic liberals in the Liberal Party. For much of the nineteenth century, advocacy of *laissez-faire* and small government was a cause of the left rather than the right. The left was the standard bearer of libertarian ideas and economic individualism. As Tony Little brings out in his article on Victorian Liberalism, parties were concerned more with the distribution of power than of income, of privilege rather than class. The left – the Liberals and Radicals – fought aristocratic privilege, religious inequality and economic discrimination by curbing the power and expenditure of the (aristocratic) state. They sought to liberate markets distorted in favour of powerful traditional interests through free trade. The ‘right’ of the party was the Whigs, but they differed from the Radicals over the pace of change and the preservation of aristocratic property rights, not on economic philosophy or the role of the state *vis-à-vis* the individual.

Victorian *laissez-faire* Liberalism was anything but a conservative force, and similarly in the twenty-first century market liberalism is a dynamic ideology challenging the status quo across the globe.

It was in the half-century after 1914 that economic liberalism came to seem outdated and reactionary, as class-based politics and collectivism became dominant. Figures who would previously have been regarded as being on the radical left of the party, such as John Morley, were, as Ian Packer describes, increasingly seen as ‘right-wing’ in clinging to unfashionable individualism. Francis Hirst typified those Liberals who would have liked nothing better than to turn the clock back to Victorian times. However, they saw themselves as upholding

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the achievements of progress and enlightenment against the regressive forces of autocracy and mercantilism. As Robert Ingham comments on the debates in the 1940s and 50s, 'it seems simple to brand the individualists as right-wing and the radicals as left-wing; but this would have been bitterly contested by the 1950s free traders who regarded themselves as radicals and the other side as essentially conservative'.

Nor is it straightforward to categorise economic liberalism as 'right-wing' on the grounds that it favours a negative (removing impediments to freedom) rather than positive (actively creating the conditions to achieve potentiality) view of liberty. Many on the economic right of the Liberal Party have accepted much of the positive view of liberty and specifically rejected *laissez-faire*. The debate has been about means rather than ends – how to achieve the conditions for liberty: through state control and management, redistributive taxation and public provision; or through market instruments, diffusion of ownership, and mutual and voluntary means? Certainly economic liberals tend to be more sceptical about state and collective action and more confident in market solutions than social liberals, but in Liberal thinking the divide between the two has been less fundamental than is sometimes suggested. Recent scholarship has questioned the sharp distinction conventionally made between early Victorian 'negative' concepts of liberty and late Victorian 'positive' liberty, and in particular the association of state intervention with the latter. *Laissez-faire* liberalism incorporated the idea of ethical development through 'character'. Positive libertarianism did not necessarily imply support for extensive state intervention.<sup>4</sup> Economic liberal concerns also permeated the thinking of many on the Liberal 'left' from the New Liberals through Keynes and Beveridge to Grimond.

It would also be inaccurate to classify the economic liberals as

**'We must continue to reclaim economic liberalism; and marry economic liberalism to our social liberalism, in order to deliver more opportunity and freedom to all our citizens ...'**

**David Laws MP (Orange Book, p.40)**

'right-wing' on the grounds of association with the Conservative Party. There is no correlation between economic philosophy and the secessions of Liberals to the Conservatives. Joseph Chamberlain was the most prominent radical interventionist in Victorian Liberalism, and after siding with the Tories became the leading protagonist of protectionism and Empire. Similarly in the 1916 Liberal split described by Martin Farr, it was certainly not the traditional economic right that ended up in coalition with the Conservatives. In 1931, the Liberal Nationals abandoned free trade and acquiesced in Tory protectionism and corporatism, while in the 1950s, as Robert Ingham shows, for many Liberals free trade remained central in asserting their distinctiveness from the Conservatives. Finally, in the 1980s, David Owen's 'social market', analysed by Duncan Brack, was an attempt to harness market economics to social justice as a centre-left (at least to begin with) alternative to Thatcherism.

### **Reclaiming economic liberalism**

When *The Orange Book* declared that Liberals should reclaim their economic liberal heritage, many Liberals were uncomfortable with what they saw as an attempt to shift the party to the right, back on to ground that had long ago been relinquished to the Conservatives.

It also raised a variety of questions. What was the heritage? When and how was it lost? Was it right-wing? Had it been taken over by the Tories intact, or distorted by them into something else?

The articles in this special issue suggest some answers to these questions, but they can only scratch the surface of what remains a fundamental and still largely unexplored area of Liberal history.

The customary view of what happened – that hardnosed Manchester-school *laissez-faire* was

supplanted by the new social Liberalism from the late nineteenth century, rapidly withered and died before 1914, but was reborn in Conservative ideology under Mrs Thatcher – is hardly adequate.

The transition from nineteenth to twentieth-century Liberalism may well have been not so much a shift as a synthesis of economic and social liberal concerns, which continued to influence the mainstream of Liberal thought up to the present, though at times one or the other has been dominant. Eugenio Biagini notes the 'remarkable degree of consistency and continuity' in Liberal thinking on these issues, and the considerable extent to which 'new Liberal' ideas were rooted in the older free trade economics of global interdependence. In other words Liberals have continued to be preoccupied with all aspects of what Keynes called 'the political problem of mankind ... to combine three things; Economic Efficiency, Social Justice, and Individual Liberty ...'<sup>5</sup> As John Meadowcroft and I describe, even economic liberals such as Arthur Seldon, who were later closely associated with the Thatcher 'revolution', continued to look to the Liberal and not the Conservative Party as their natural home down to the 1970s.

Liberals have tended to see economics in this way: as integrated with wider Liberal objectives. Thus free trade meant not only open markets and competition, but was linked to concepts of international order and peace, human rights, and removing social privilege. It is a very different focus from the free-enterprise economics of the Conservative tradition, which historically has had an anti-socialist and corporatist (pro-business) thrust, or more recently under Thatcherism, was propelled by an agenda of raising national competitiveness and rolling back trade union power. With its authoritarian and nationalistic overtones, it has been aptly summed up as 'the free economy and the strong state', a far cry

from the traditional Liberal perspective.<sup>6</sup>

What does seem clear is that reading back into Liberal history the preconceptions, positioning and labels of current political debates is likely to confuse rather than clarify understanding of the issues.

I hope that this special issue will contribute to a reassessment of the party's rich and distinctive economic liberal heritage that will be uncluttered with concerns about whether it sits on the right, the left or the centre.

*Dr Jaime Reynolds is guest-editor of this special issue. He studied at LSE and has written extensively on British and East European political history.*

- 1 *Guardian*, 13 September 1982.
- 2 *An Agenda for a Liberal Society for the 21st Century*, July 2004.
- 3 M. Bonham Carter, *Radical Alternative* (London, 1962), p. 16.
- 4 H. S. Jones, *Victorian Political Thought* (London, 2000), pp. 30–35.
- 5 J. M. Keynes, *Essays in Persuasion* (1931), London 1947.
- 6 A. Gamble, *The Free Economy and the Strong State – the Politics of Thatcherism* (Macmillan, 1988)

‘The [Liberal] Party cannot be entirely identified with liberalism in the sense of personal freedom. The Liberals have paid a little too much regard to the left–right categorisation of the commentator. In the economic field this has at times made them excessively shy of proclaiming a belief in an intelligently managed free market lest it damage their claim to a left–wing label.’

*Samuel Brittan Left or Right – the Bogus Dilemma (London 1968), p. 143*

## RESEARCH IN PROGRESS

If you can help any of the individuals listed below with sources, contacts, or any other information — or if you know anyone who can — please pass on details to them. Details of other research projects in progress should be sent to the Editor (see page 3) for inclusion here.

**Aneurin Williams and Liberal internationalism and pacificism, 1900–22.** A study of this radical and pacifist MP (Plymouth 1910; North West Durham/Consett 1914–22) who was actively involved in League of Nations Movement, Armenian nationalism, international co-operation, pro-Boer etc. Any information relating to him and location of any papers/correspondence welcome. *Barry Dackombe*. 32 Ashburnham Road, Ampthill, Beds, MK45 2RH; [dackombe@tesco.net](mailto:dackombe@tesco.net).

**Cornish Methodism and Cornish political identity, 1918–1960s.** Researching the relationship through oral history. *Kayleigh Mildren*, Institute of Cornish Studies, Hayne Corfe Centre, Sunningdale, Truro TR1 3ND; [KMSMilden@aol.com](mailto:KMSMilden@aol.com).

**Letters of Richard Cobden (1804–65).** Knowledge of the whereabouts of any letters written by Cobden in private hands, autograph collections, and obscure locations in the UK and abroad for a complete edition of his letters. *Dr A. Howe*, Department of International History, London School of Economics, Houghton Street, London WC2A 2AE; [a.howe@lse.ac.uk](mailto:a.howe@lse.ac.uk). (For further details of the Cobden Letters Project, see [www.lse.ac.uk/collections/cobdenLetters/](http://www.lse.ac.uk/collections/cobdenLetters/)).

**Liberal foreign policy in the 1930s.** Focussing particularly on Liberal anti-appeasers. *Michael Kelly*, 12 Collinbridge Road, Whitewell, Newtownabbey, Co. Antrim BT36 7SN; [mmjkelly@msn.com](mailto:mmjkelly@msn.com).

**Liberal Party and the wartime coalition 1940–45.** Sources, particularly on Sinclair as Air Minister, and on Harcourt Johnstone, Dingle Foot, Lord Sherwood and Sir Geoffrey Maunders (Sinclair's PPS) particularly welcome. *Ian Hunter*, 9 Defoe Avenue, Kew, Richmond TW9 4DL; [ian.hunter@curtishunter.co.uk](mailto:ian.hunter@curtishunter.co.uk).

**Liberal policy towards Austria-Hungary, 1905–16.** *Andrew Gardner*, 17 Upper Ramsey Walk, Canonbury, London N1 2RP; [agardner@ssees.ac.uk](mailto:agardner@ssees.ac.uk).

**Liberals and the local government of London 1919–39.** *Chris Fox*, 173 Worplesdon Road, Guildford GU2 6XD; [christopher.fox7@virgin.net](mailto:christopher.fox7@virgin.net).

**Political life and times of Josiah Wedgwood MP.** Study of the political life of this radical MP, hoping to shed light on the question of why the Labour Party replaced the Liberals as the primary popular representatives of radicalism in the 1920s. *Paul Mulvey*, 112 Richmond Avenue, London N1 0LS; [paulmulvey@yahoo.com](mailto:paulmulvey@yahoo.com).

**Recruitment of Liberals into the Conservative Party, 1906–1935.** Aims to suggest reasons for defections of individuals and develop an understanding of changes in electoral alignment. Sources include personal papers and newspapers; suggestions about how to get hold of the papers of more obscure Liberal defectors welcome. *Cllr Nick Cott*, 1a Henry Street, Gosforth, Newcastle-upon-Tyne, NE3 1DQ; [N.M.Cott@ncl.ac.uk](mailto:N.M.Cott@ncl.ac.uk).

**SDP in Central Essex.** Contact with anyone who had dealings with the area, and in particular as many former SDP members of the area as possible, with a view to asking them to take part in a short questionnaire. Official documents from merger onwards regarding the demise of the local SDP branches and integration with the Liberals would also be appreciated. *Elizabeth Wood*, The Seasons, Park Wood, Doddinghurst, Brentwood, Essex CM15 0SN; [Lizawsea@aol.com](mailto:Lizawsea@aol.com).

**Student radicalism at Warwick University.** Particularly the files affair in 1970. Interested in talking to anybody who has information about Liberal Students at Warwick in the period 1965–70 and their role in campus politics. *Ian Bradshaw*, History Department, University of Warwick, CV4 7AL; [I.Bradshaw@warwick.ac.uk](mailto:I.Bradshaw@warwick.ac.uk)

**Welsh Liberal Tradition – A History of the Liberal Party in Wales 1868–2003.** Research spans thirteen decades of Liberal history in Wales but concentrates on the post-1966 formation of the Welsh Federal Party. Any memories and information concerning the post-1966 era or even before welcomed. The research is to be published in book form by Welsh Academic Press. *Dr Russell Deacon*, Centre for Humanities, University of Wales Institute Cardiff, Cyncoed Campus, Cardiff CF23 6XD; [rdeacon@uwic.ac.uk](mailto:rdeacon@uwic.ac.uk).