The economic policies and initiatives of the Liberal Party


Review by Dr J. Graham Jones

Following a positively brilliant career as an undergraduate and postgraduate student at Oxford University, Dr Peter Sloman is currently Herbert Nicholas Junior Research Fellow in Modern British History at New College, Oxford where he teaches British history since 1815 and supervises numerous undergraduate dissertations in this field of study. He also contributes extensively to the teaching of the first-year ‘Approaches to History’ and second- and third-year ‘Disciplines of History’ papers. His other main research interests include electoral sociology and the politics of the welfare state.

His journal publications include ‘Rethinking a progressive moment: the Liberal and Labour parties in the 1945 general election’, Historical Research, 84 (2011), pp. 722–44.

But, somehow, the over-arching key question – why the Liberal Party so dramatically lost ground in Wales, as elsewhere, after the First World War – is not really tackled head-on, and the various contributing factors have, in consequence, to be teased out of a largely factual and descriptive account.

The book contains a large number of well-chosen photographs which complement admirably the main text, and the volume has, as ever, been produced to the highest standards by the Welsh Academic Press (although, unfortunately, there are rather too many printing errors). But it is undoubtedly a major contribution to the history of the Liberal Party during the modern period and will complement several other recent works in the same field of study. It is also highly likely to encourage and stimulate further academic research in this area for which it will serve as a solid and durable foundation. This book will surely stand the test of time for a long while. One can but, however, quibble, as so often, at the substantial cover price of £60. Is a more reasonable paperback edition in prospect? I do hope so, and soon.

Dr J. Graham Jones was formerly Senior Archivist and Head of the Welsh Political Archive at the National Library of Wales, Aberystwyth.
Liberals were the third party in the British state, Liberal politicians – from Lloyd George (and his emphases on practical Keynesianism) in 1920 until Jo Grimond after 1956 – could still be highly influential.

Moreover, many prominent economists – Keynes, Sir William Beveridge, Walter Layton, Sir Roy Harrod and Alan Peacock and many others – were keen Liberals. Sloman’s pioneering work casts valuable light on the history of the Liberal Party more generally during this period, especially on the crucial question of its relationship to the British state. A concise introductory survey focuses on the role of the Liberal Party in the British political system from 1929 onwards, with an emphasis on the party’s political and economic ideas – their formulation and their transmission, notably Keynesianism and Neoliberalism. Due regard is paid to the capacity of Liberal politicians to tackle economic theory and what the author describes as ‘the intermittent nature of economists’ involvement in the Liberal Party’ (p. 15).

The first, introductory chapter surveys the primary economic traditions within the Liberal Party of the early twentieth century and traces their progress up until 1929. These include classical economics, the influential ideas of Henry George, the dramatic ‘new Liberalism’ of the twentieth century, and the so-called ‘constructive’, interventionist Liberalism which came to fruition in the interventionist policies of the pre-war Asquith government, driven by a concern for efficiency and a heartfelt wish to reduce unemployment and poverty and reflected, for example, in the setting up of labour exchanges and trade boards. The 1920s saw continued support for the cardinal tenet of free trade and a marked departure from laissez faire. A startling departure was the setting up of esteemed committees of enquiry whose lengthy deliberations led to the publication of Coal and Power (1924) and The Land and the Nation (1926) and, above all, Britain’s Industrial Future (1928), the vaunted ‘Yellow Book’, whose endorsement by the National Liberal Federation in March 1928 marked a high point of a much more interventionist approach to economic policy by the party.

The contents of chapters 2 to 7 are arranged strictly in chronological order. During the second minority Labour government of 1929–31 (which Liberals generally supported with some conviction), party mandarins tended to back away from loan-financed public works and embraced a much more traditional approach to the formidable economic problems faced by the country. Liberals now tended to back down from advocacy of a major programme of public works largely because of the deteriorating economic situation. Moreover, the economic experts who had advised Lloyd George were no longer a unified group acting in unison. While generally in Britain the ongoing severe economic dislocation of the 1920s saw continued advocacy of increased state intervention and planning, the fragmented segments of the British Liberal Party departed from the constructive, interventionist Liberal thinking of the late 1920s, while more generally, ‘the Liberals’ problems lay in a lack of definition, unity and purpose’, enhanced still further by ‘the tripartite division within Liberalism’ from August 1931 onwards (p. 107). Generally, Sloman argues, the mainstream Samuelite Liberal grouping was perceived as too close to Baldwin’s Conservative Party, even during the 1935 general election campaign. These trends continued largely during the run-up to the outbreak of the Second World War, years marked by a new libertarian approach, free-market industrial policies and advocacy of ‘ownership for all’.

The 1939–45 war saw a marked change: senior Liberal politicians, now led by Sir Archibald Sinclair (whose devotion to party leadership duties was consequently much reduced), served in the new coalition government under Chamberlain and Churchill, the war effort dominated everything, and there was a mega swing to the left in the Liberal Party in parliament and in the country. Policy formulation within the Liberal Party became much more ‘formal and committee based’ (p. 135), there was a general emphasis on planning and egalitarian ideas, while there was a newfound, energetic debate on the nature of Liberalism – ‘a moment of ideological radicalism, when the party shed its reservations about state intervention’ (p. 163). The heady days of 1945 proved especially alluring to left-wing Liberals, some of whom came close to advocating advanced socialist initiatives.

During the period of Clement Davies’s leadership, 1945–56, the Liberal Party’s true nadir (with a drop to just six Liberal MPs by 1955), saw severe splits and disputes within the party, including over economic policies. Generally it was ‘a drift to the right’, but, as Dr Sloman demonstrates here, this took place within a broadly Keynesian policy framework, with a firm commitment to demand-management policies, with support for the growing welfare state and most of the nationalised industries. Then, under Jo Grimond as party leader from 1956 onwards, some marked revival was experienced. As far as economic policy was concerned, this embraced support for historic Liberal principles like internationalism and citizen participation, but with a much increased growth in the role of the state to nurture growth, provide public goods and services, and attempt to remedy the shortcomings of the market. At the core
of Grimond’s economic policies were support for Common Market membership, increased public investment, improved educational and training facilities, and a more competitive private sector.

A short conclusion gathering together the main themes and findings of the research is appended. Dr Sloman’s overarching conclusion is ‘that it was ideological and generational changes in the early 1960s that cut the party’s links with the New Right, opened up common ground with revisionist social democrats, and re-established its progressive credentials’ (back cover). A full, clearly set out bibliography of the sources used is most helpful and a pleasure to read. It will prove of great value for future research. The book is not always an easy read, but it is unflaggingly scholarly, contains a wealth of most valuable and informative material which will repay detailed study and stimulate the interested reader to research further. It is a most valuable contribution to this field of study.

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Tony Benn’s father

Alun Wyburn-Powell, Political Wings: William Wedgwood Benn, First Viscount Stansgate (Pen & Sword Aviation, 2015)

Review by David Dutton

It is a curious fact that two of the most prominent post-war figures on the Labour Left – Michael Foot and Tony Benn – had fathers who sat in parliament as Liberal MPs. The two fathers were almost exact contemporaries. Born three years apart, they both died in 1960. But whereas Isaac Foot served out his political career within the Liberal ranks, William Wedgwood Benn, the subject of this very readable biography by Alun Wyburn-Powell, was among the many prominent Liberals of his generation who defected to Labour. Wedgwood Benn, ennobled in 1941 as Viscount Stansgate in order to enhance Labour’s ranks in the House of Lords — though he privately likened the debates of the upper chamber to ‘old gentlemen’s political croquet’ — served as Liberal MP for Tower Hamlets, St George’s (1906–18) and for Leith (1918–27). Rather than represent his constituency under false political colours, he resigned his parliamentary seat upon his conversion to Labour, but then secured election for Aberdeen North (1928–31) and Manchester, Gorton (1937–41). As a Labour politician, Benn enjoyed two periods of cabinet office, as Secretary of State for India throughout Ramsay MacDonald’s second government (1929–31) and as Secretary of State for Air under Clement Attlee (1945–6).

Benefitting from the reminiscences of members of the Benn family, including the late Tony Benn, Wyburn-Powell draws a convincing picture of this, in some ways, rather eccentric individual. His life followed a repeated pattern of overwork resulting in spells of near-exhaustion. Benn did not marry until he was 43 and must have thrilled his bride by deciding their honeymoon should be spent attending the first session of the League of Nations in Geneva! His quest for an appropriate work/life balance was much influenced by Arnold Bennett’s book How to Live on 24 Hours a Day. Benn’s time was not to be wasted and, to chart his use of it, he divided his day into half-hour units. For almost half a century, he kept a record of how each day had been spent, drawing up a daily graph of his activities. Born into a family of Congregationalist radicals whose circumstances were comfortable rather than genuinely wealthy, he was constantly, if usually needlessly, worried about his personal finances. When he managed in the summer of 1933 to purchase the house at Stansgate which his father had bought, but soon sold, thirty years earlier, he installed a payphone in order not to waste money. That home, incidentally, once described by the political journalist Michael Crick as the family’s ‘ancestral home’, was in fact a prefabricated building, chosen from a catalogue and built largely of wood. Benn’s parsimony later cost him dear. In October 1940 his London home on Grosvenor Road, later the site of Labour’s Millbank Tower, caught fire during an air raid. The blaze seems to have resulted from an electrical fault, the consequence of employing the inadequate DIY skills of his son, Michael, in a further attempt at economy.

Wyburn-Powell is less convincing in his efforts to establish the intrinsic significance of his subject. In his foreword, Benn’s surviving son, David, concedes that his father was ‘never a key player’ (p. ix). Wyburn-Powell agrees. Benn was ‘a natural deputy managing director, an adjutant, the second in command’ (p. 14). Furthermore, ‘he never really developed the intermediate skill of detailed policy-making’, though ‘he thoroughly enjoyed debating and political intrigue’ (p. 33). Not much scope here then for a ‘Great Man’ approach to history. The conclusion that he was ‘a good administrator and a good party manager’