

# REVIEWS

## Is the future orange?

Paul Marshall and David Laws (eds.), *The Orange Book: Reclaiming Liberalism* (Profile Books, 2004)

Reviewed by **Eugenio Biagini** and **Duncan Brack**

Over the past seventy years the ideological outlook of both the Conservative and the Labour Parties has undergone radical reformations and counter-reformations, with 'New Labours' and more or less new Conservatisms emerging at regular intervals, each of them effectively refuting the legacy of their predecessors.

By contrast, the Liberals and the Liberal Democrats have generally displayed a remarkable degree of consistency and continuity. Important changes have indeed taken place, sometimes amounting to real paradigm shifts, but always as part of some sort of organic evolution. Thus Keynes built upon the traditions established by Alfred Marshall and J.A. Hobson in the context of the post-1918 crisis, and was deeply rooted in the older free-trade economics of global interdependence. Again, after the Second World War, when the party adopted the agenda of European integration, their new policy was closely linked to the traditional Liberal commitments to the 'Concert of Europe', the League of Nations and, generally speaking, multilateralism in foreign affairs.

Not surprisingly, the editors and contributors to the *Orange Book* are eager to stress that they, too, work within the tradition. Charles Kennedy, in his 'Foreword', further underscores this point. Littered with the names of old masters – including J. Bentham, J.S. Mill, W.E. Gladstone, L.T. Hobhouse, J.A. Hobson and W. Beveridge – this book consists of ten chapters focusing

on topics such as localism, the EU, global governance, economics and social justice, the health service, crime, the family and pension reform. The authors comprise a number of MPs, MEPs, and Parliamentary candidates. The central 'orange' theme is the need to rethink party policy in ways more consistent with the post-Thatcherite consensus about market values, national power and citizenship. The last one is a concept in great need of being further re-evaluated and restored, in contrast to both the Tory notion of the 'British *national*' as a consumer of government products, and the (hopefully now defunct) socialist idea of overriding class identities as the organising principle of political life.

Obviously there is much here with which most Liberal Democrats will readily agree. What is controversial is the deliberately provocative, and sometimes misleadingly provocative, way in which these ideas have been presented. In particular, the dismissive references to 'nanny-state liberalism' (p.24) suggest that the party was responsible for the mistakes which led, as a reaction, to Thatcherism. In reality, while Beveridge and Keynes redefined the intellectual boundaries of social justice and 'positive' liberty, they were not in control of the way in which their ideas were implemented (or hijacked) by successive Labour and Conservative governments. Had the Liberals been in office, would they have been able to do better? This is a counterfactual which we cannot reasonably explore, but before condemning the 'socialist' sins

of past generations, or praising the new free-market vitality of the twenty-first century Liberal Democrats, it would be important to pay attention to historical context. Regrettably, this is something which the contributors to this volume are not always prepared to do. For example, it is fair to say that Beveridge supported a degree of collectivism ('bulk production', p.31) which would not normally be associated with liberalism, but this was in 1944 – that is, in the midst of the unprecedented social and economic crisis caused by the Second World War. Likewise, when discussing the post-Thatcherite rejection of state socialism, let us remember that Grimond's important 1980 National Liberal Club lecture was the culmination, not the starting point, of his criticism of the notion that the state could take care of all our problems (p.29).

Arguably, proportional representation – had it been implemented at some stage before 1979 – would have created a less Manichean political system, one within which economic and class ideologies would have been moderated and their excesses corrected by coalition governments. However, the 'orange' authors have little to say about the continuing relevance of proportional representation. In view of its adoption for both Scottish and EU elections it is surprising that it should deserve only a cursory mention in the chapters on local government (E. Davey, pp.43–68) and the EU (Nick Clegg).

Devolution – another old Liberal cause – has been implemented by Mr Blair along lines reminiscent of Mr Gladstone's 1893 Home Rule Bill, including the latter's potential pitfalls in terms of the confused relationship between Westminster and the new coordinated/subordinated parliaments and assemblies. How does this affect the two questions of local government and the constitutional relationship between the UK and the EU? Are the Liberal Democrats going to help Mr Blair to emerge

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from the constitutional fogs of the late nineteenth century? From the start (i.e. in 1886–93) some critics of Gladstonian home rule pointed out that a federal arrangement would require a written constitution. Yet, while the *Orange Book* provides a convincing defence of the EU constitution, it neglects the question of whether a written constitution would help to rationalise not only the messy European institutions which have organically grown over the past fifty years, but also the equally messy British institutions which have evolved in a similar way during the same period. In particular, addressing the reciprocally interdependent questions of local government and EU reform, should we not first decide what to do with the quasi-but-not-really federal structure of the UK?

The book contains proposals which many Liberal Democrat readers may find disconcerting. For example, we may wonder whether Christopher Huhne's neo-Gladstonian prescriptions for global governance (p.127)

can provide a new excuse for unbridled liberal imperialism. The latter, besides being questionably 'liberal', would soon be constrained by the disastrous economic costs and military overstretch that a philosophy of universal intervention for the protection of civil rights would entail. Moreover, let us bear in mind that Gladstone's foreign policy was based on the firm belief in a hierarchy of civilisations and cultures – one which few Liberals would accept nowadays. Finally, insufficient consideration has been given to the question whether some of the problems of 'global governance' are so deeply rooted in local conditions and cultures and so complex that they cannot be quickly fixed by either the UN or any self-styled 'coalition of the willing'. If gunboats cannot export liberal democracy, we should perhaps reconsider the value of other Liberal traditions in foreign policy – especially non-intervention and the respect of other nations' rights to regulate their internal affairs.

Yet, there is much to be said for this book. The final chapter on the Beveridge tradition and the challenges of the pensions scheme is fascinating and thought-provoking. Davy's strategy for the renewal of local democracy reminds us of the consistency between what Quentin Skinner has recently described as 'neo-roman' liberty and the views which the party inherited from its Victorian founders. Both Gladstone and Joseph Chamberlain would have enthusiastically agreed with Davy's prescription for the reversal of the over-centralised state:

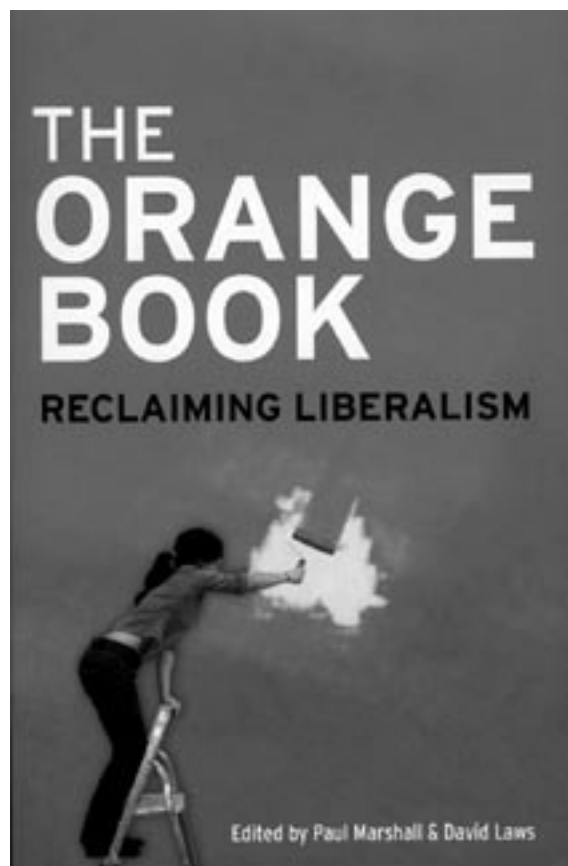
If political power shifts, people will shift with it. Many people have been put off local government in recent decades as local government's powers have been stripped away. Some areas have witnessed a vicious circle, whereby people of talent moved out of local politics, as it was no longer the vehicle for them to put something back into their

community. There is every reason to suspect that a significant and public reversal of this trend will have the opposite effect, creating a virtuous circle of responsibility and active, participatory citizenship. (p.60)

Whatever its contents, the way in which the *Orange Book* was promoted and launched hardly made the impression its authors could have wished. In August 2004, a month before its appearance, the *Guardian* led an article with the claim that 'The high-riding Liberal Democrats are set to be shaken by a controversial call from the party's young Turks to adopt new "tough liberal" policies which are pro-market and more Eurosceptic and place new responsibilities on persistent offenders'.<sup>1</sup> Similar stories appeared elsewhere in the media, indicating a coordinated attempt to set the agenda ahead of the Liberal Democrat conference in Bournemouth in September; they were planted, and the media operation coordinated, by David Laws' office.

The timing was spectacularly inept. The centrepiece of the conference, the last before the general election, was the presentation of the party's 'pre-manifesto' paper, an indication of the themes on which the Liberal Democrats planned to fight the election. Laws' proposal for a social insurance basis for health care – in reality almost the only major departure from existing party policy in the *Orange Book* – naturally did not feature. Furthermore, the idea had been explicitly rejected by a party policy working group on public services in 2002, and Laws did not choose to put it forward as an option in the separate debate on health policy at Bournemouth.

Issuing a call for such a major revision of policy, accompanied by the broad criticism of the party's approach as 'nanny-state Liberalism', could well have been acceptable two or three years before an election, or immediately after one – but to do so just before a campaign struck many Lib Dems



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as unnecessarily divisive and likely only to give ammunition to the party's opponents (as it did, with Labour canvassers in the Hartlepool by-election the week after the conference claiming that the Lib Dems wished to privatise the NHS). Laws was subject to bitter criticism within the parliamentary party, the book's launch meeting at Bournemouth was cancelled, and speaker after speaker in conference debates took the opportunity to denounce the *Orange Book*, its authors and its contents. In the end the timing of the launch guaranteed a backlash against its authors' ideas, rendering them less rather than more likely to be taken up in the aftermath of the 2005 election.

In conclusion, there is a good case for publications which stimulate and provoke new thought on current issues of public policy. But the approach, as well as the timing, of such publications must be

carefully considered. In keeping with the editors' precepts, perhaps those interested in the future of liberal democracy need to make more use of another Liberal tradition – the Liberal Summer School<sup>2</sup> – or of a similar device to encourage dialogue and cross-fertilisation between party politicians and the many intellectuals and scholars who are actually 'Liberal', whether or not they are party members, in order to recreate that extraordinarily powerful unique synergy which enabled Liberal ideas – if not the Liberal Party – to dominate the past century.

*Eugenio Biagini is the Reviews Editor of the Journal, and Duncan Brack is its Editor.*

- 1 Patrick Wintour, 'Lib Dem radicals call for pro-market switch', *Guardian*, 4 August 2004.
- 2 For its current activities see [www.cfr.org.uk/Events/SummerSchool/MP.htm](http://www.cfr.org.uk/Events/SummerSchool/MP.htm).

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## Of rogues and ruin

David McKie, *Jabez – The Rise and Fall of a Victorian Rogue* (Atlantic Books, 2004)

Reviewed by **Graham Lippiatt**

In the 1953 film comedy *The Million Pound Note*, an adaptation of a short story by Mark Twain, Gregory Peck plays Henry Adams, a penniless American in Edwardian London. Adams becomes the subject of a bet between two rich brothers who want to find out if someone with a million-pound note could live for one month by the power of its possession alone without needing to break into it. Adams finds that just by showing the note, everyone extends him credit in anticipation of future business and in the knowledge that the very fact of their being patronised by a well-known millionaire will attract additional customers.

At one point in the plot, Adams lends his name to a fading gold-mining enterprise whose stock-market ratings soar overnight on the strength of his endorsement and he makes himself £20,000 without investing a penny. Unfortunately his million-pound note goes missing temporarily and he finds the value of his shares melt away. This episode provides an uncanny parallel with the career of Jabez Spencer Balfour, the subject of this highly readable biography by David McKie. Balfour was a Victorian Liberal politician and capitalist, convicted of fraud as a director of a public company and of obtaining money by false pretences.

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The sum charged in warrants against Balfour was £20,000 – the same amount as the paper profit amassed by Henry Adams in the film story.

Without the million-pound note as proof of Adams's wealth, people begin to believe he has lost his fortune or that he never had the note in the first place. They accuse him of dishonesty and fraud and they blame him for the failure of the gold-mine shares, shares that had been bought by many small shareholders on the basis of Adams' good name and reputation. The victims of the crash, including widows and their offspring, confront Adams with the possibility of their ruination just like those who lost the money they had invested in Balfour's enterprises, such as the Liberator Building Society. One poor schoolteacher, quoted by McKie, wrote 'I have worked as hard as any woman could since I was 17 ... I know not in the least what will become of me ... I have looked forward to my little home, with my books, so longingly, save me, oh save me from the work-house.'

*The Million Pound Note* being the movies, there was, of course, a happy ending. Adams gets through the month without cashing the note, keeps his fortune on the stock market and even gets the girl, marrying into the aristocracy. Jabez and his victims did not live happily ever after.

*Jabez – The Rise and Fall of a Victorian Rogue* can be read on a number of levels: as a Victorian morality tale, like Thomas Hardy's *Mayor of Casterbridge*, or perhaps Augustus Melmotte in Trollope's *The Way We Live Now* – where a man rises to the top of his chosen tree and is seemingly unassailable, until the truth of his position is revealed and his wealth and status unravel before his eyes. Another interpretation is to see the story of Balfour as a parallel to the great political, capitalist scoundrels of his own time such as George Hudson, the so-called Railway King, or Horatio Bottomley. McKie himself also suggests we