

## REVIEWS

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).

**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.**

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

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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.

compare Balfour's life and commercial dealings to the political and commercial miscreants of the contemporary era such as Jeffery Archer or, more exactly, as he does himself in the book, to the bullying, manoeuvrings and greed of Robert Maxwell. Taking this approach does, however, highlight one of the problems at the heart of the story, and in the book's subtitle. The modern use of the word 'rogue' presents two particular difficulties.

Firstly, while it may be a cliché, we are used to seeing 'rogue' juxtaposed with the word 'lovable'. When asked to name or picture a rogue today, people are more likely to visualise someone like Phil Tufnell, or the ageing Den Watts from *East Enders*, than Robert Maxwell. Today on the deprecation scale a 'rogue' is closer to a buffoon than to someone who has done real and lasting damage to other people's lives.

Second, as McKie himself acknowledges in the book, how can we be sure that Jabez Spencer Balfour really was a rogue? Could he not have been a pioneering Victorian capitalist, pushing the boundaries of conducting his business, running close to the

edge, using innovative accounting and commercial techniques but on essentially the same basis as everyone else – except that he got caught out? Ironically, in view of Balfour's association with high-Victorian religious feeling and the temperance movement, the modern-day example that comes to mind is Ernest Saunders.

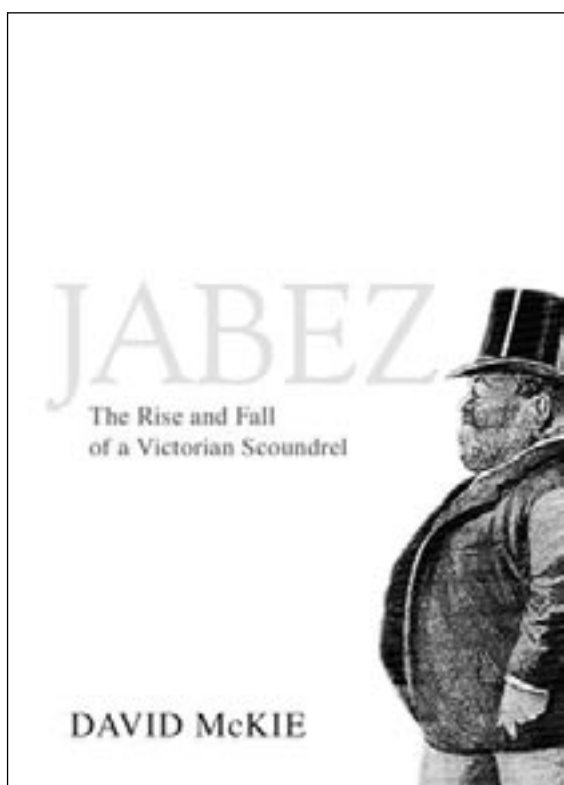
In August 1990, Saunders was found guilty with three co-defendants of conspiracy, theft and false accounting in the wake of a DTI investigation into share support dealings. In his political memoir, *Here Today, Gone Tomorrow*,<sup>1</sup> former Tory Defence Secretary John Nott, who was chairman of investment bankers Lazards and who provided Saunders and Guinness with financial advice, asks 'was Saunders really guilty? Certainly he behaved foolishly, certainly he didn't always tell the truth and certainly he allowed manoeuvrings to go on which he shouldn't ... it is arguable that the other side in the battle, Argyll, was bending the rules as much as the Guinness camp.' In Nott's opinion Saunders committed 'a series of misdemeanours' but it is clear that, in his view, what Saunders and Guinness got up to was still within the – albeit elastically stretched – bounds of acceptable business practice. It is a constant worry, reading about Jabez Balfour, to know whether he was just keeping one step ahead of the auditors in his commercial dealings like so many others, until the financial pressures got too oppressive, or whether he deliberately misappropriated monies, cynically engaged in false accounting and wilfully risked and lost the savings of many small investors, knowing they could end up in the poorhouse, simply to enable him to live in a luxury he believed he was entitled to, whatever the cost to others.

But there are other perspectives to this story too. Balfour's businesses provided him the income and independence he needed to fund a political career and the tale of his rise and fall tells us a lot about Liberal poli-

tics in the Victorian age. Balfour was from an early age interested in politics. His father had been a messenger at the Houses of Parliament. He was associated with local government in Croydon, championing its claims to become a borough, won in 1883, and for the separate status as a Parliamentary seat which this would bring. He started his political career by getting elected to the Croydon schools board in 1873. Eventually he was twice elected Mayor of the town but was unsuccessful as Parliamentary candidate in 1885.

Before that, however, as the general election of 1880 approached, Balfour was selected as Liberal candidate in Tamworth, having carefully cultivated Liberal society there with the help of his brother John. Tamworth was Sir Robert Peel's seat but Peel was standing down and Balfour's more radical approach was in fashion. The Tamworth election is an interesting case study of Victorian politics. It was a two-member seat and even after two Reform Acts, the total electorate was only 2,300. There were three candidates: Hamar Bass (a brewer) was the senior Liberal, maintaining a distance between himself and his pro-temperance colleague Balfour; the other candidate was another brewer (this was beer and brewery country) W. H. Worthington, Mayor of Burton-on-Trent. Worthington initially decided to stand as a Liberal-Conservative but in the end dropped the Liberal description while still claiming liberal principles. It was not enough, nor was his topsy-turvy appeal to the working men of the town that the election of Balfour would see teetotalism forced down their throats. Bass and Balfour topped the poll.

The Tamworth constituency disappeared before the next election in a boundary reorganisation, and having failed to get back at Croydon, Balfour also fought unsuccessfully at Walworth and Doncaster before securing the nomination for Burnley at a bye-election in 1889. The Conservatives and Liberal Unionists were



# JOSEPH CHAMBERLAIN AND THE UNAUTHORISED PROGRAMME

Radical Joe Chamberlain's programme for the 1885 general election has been summed up as 'the intervention of the state on behalf of the weak against the strong, in the interests of labour against capital, of want and suffering against luxury and ease.' It was denounced by his Whig colleagues as 'an unauthorised programme' but it influenced the Liberal manifesto and can be seen as paving the way for the New Liberalism of the twentieth century. It was a major factor in the loss of the Whigs to the Liberal Party and so had a profound effect both on the future direction of the party and its developing ideology.

Speakers: **Peter Marsh** (Emeritus Professor of History and Professor of International Relations at Syracuse University, New York; author of *Joseph Chamberlain, Entrepreneur in Politics*) and **Terry Jenkins**, Senior Research Officer at the History of Parliament; author of *Gladstone, Whiggery and the Liberal Party, 1874–1886* and *The Liberal Ascendancy, 1830–1886*. Chair: **Lord Wallace**.

## 7.00pm Monday 25 July

Lady Violet Room, National Liberal Club, 1 Whitehall Place, London SW1

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poorly organised and unprepared, and in the end they could not find candidates. Balfour was returned unopposed. He easily held the seat against Tory challenge in 1892 and established himself as a popular local member, becoming chairman of Burnley Football Club. But by this time the financial troubles which brought him down were building and, as close business associates were being arrested, he resigned his seat, disappeared from his Oxfordshire estate and fled to Buenos Aires in December 1893.

Jabez' story now takes another twist and we are almost reading a 'boy's own' adventure. At this point in McKie's narrative, Balfour the fugitive rogue becomes

something of a hero. His clever efforts to avoid detection, arrest and extradition, his ingenious legal defences and the civilised way he engages with the Argentinian people and authorities, serve to rehabilitate him in the author's estimation. McKie follows the minutes on Balfour's Foreign Office file, which become increasingly gloomy and desperate, at one point considering abduction. Balfour's eventual arrest was almost thwarted and seems due mostly to the determination of the detective inspector sent out to Argentina by Scotland Yard. In the end, Balfour was brought back to England, closely guarded all the way across the Atlantic, to stand trial at the Old Bailey

in October 1895, in the same court in which the trial of Oscar Wilde had been heard only a few months earlier. He was sentenced to fourteen years' imprisonment with hard labour, a term imposed as much as an example as a punishment. He served ten years and was released in 1906. He spent his years following his release writing a little for the papers and composing his memoirs, *My Prison Life*. He died in February 1916.

While its prose and style make this a highly readable and entertaining book, it does suffer as history by not adopting a chronological approach. It is difficult to follow the detail of Balfour's political career, for instance, except by referring over and again to

the index and jumping about the text. Some of the accounts of Balfour's business history also suffer from this approach. On the other hand, there are excerpts which follow a compelling narrative, such as Jabez's exile in Argentina, and what we discover from this book is something of what it meant to live and thrive and be ruined, socially, financially and politically, in Victorian England at both the top of pile, like Balfour, and a little further down the scale, like his constituents and his investors.

*Graham Lippiatt is Secretary of the Liberal Democrat History Group.*

<sup>1</sup> *Here Today, Gone Tomorrow, Recollections of an Errant Politician* (London, Politico's, 2002).