Liberal thought

John Ayshford examines E. D. Simon's role in developing a Liberal solution to Britain's economic crisis of the 1920s and 1930s, and in revitalising Liberalism.

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Marchers on the 'Jarrow crusade', an organised protest against the unemployment and poverty, October 1936 (Science and Media Museum)

In his book *In Place of Fear* (1952), the socialist firebrand Aneurin Bevan recalled a story told to him by Robert Smillie, the trade union leader of the Miners Federation of Great Britain, of when he and the other leaders of the Triple Alliance met Lloyd George in 1919. The Triple Alliance was a pact between the miners, the railwaymen and the transport workers in which they agreed to strike sympathetically if one of them went on strike. The alliance formed a formidable force and, according to Smillie, the prime minister informed them that they were in a position whereby they could overthrow the government. As Lloyd George said, 'if a force arises in the state which is stronger than the state itself, then it must be ready to take on the functions of the state, or withdraw and accept the authority of the state'.[1] This anecdote, as told by Bevan, far from being an exaggeration was reflective of the condition of post-war British industrial relations. Following the armistice, relations between capital and labour nearly broke down completely – to the extent that the spectre of class conflict seemed to loom on the horizon. This was exemplified most notably by the episode of mass industrial

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vitalising Liberalism

Ernest Emil Darwin Simon, 1st Baron Simon of Wythenshawe, 26 November 1926. (Lafayette; © National Portrait Gallery, London)

unrest on Clydeside in 1919. In January, an unofficial strike led by shop stewards in the shipbuilding industry demanding a shorter week in order to provide employment for demobilised veterans grew exponentially, bringing Glasgow to a complete standstill within a few days. On 31 January, or 'Bloody Friday', a fracas between police and strikers on George Square erupted into widespread violence in the city centre. The government viewed this (incorrectly) as a precursor to a communist revolt similar to recent ones across Europe and deployed soldiers and tanks to the city to quell the strikers.[2]

The abysmal state of industrial relations, worsened by increased labour militancy, stemmed from a decline in Britain's economic fortunes. Britain's staple industries were losing out to foreign competition and trade union membership doubled to eight million between 1914 and 1920. Inevitable industrial disputes arose when industry returned to competitive conditions with the termination of wartime controls on the economy, which was followed by wage reductions and a large rise in unemployment. Tens of millions of working days were lost due to strike action in the years

immediately following the First World War with unrest peaking at over 85 million days lost in 1921.[3]

Like Britain's industrial relations and economy, the Liberal Party too was facing its own infamous post-war crisis. The party following the war was divided and a shadow of its former self. On the one hand, Lloyd George was turning away from the party, experimenting with fusion. On the other, Asquith, who could have arguably campaigned for a bold post-war programme, was 'lethargic'. He moved away from New Liberalism and reverted back to 'the classic doctrines of Gladstonian individualism' which were unfit for the post-war world.[4] Thus, in contrast to the pre-war years where it achieved great social and political reforms, Liberalism was not only split but also, in the words of Dutton, a 'backward-looking movement' which had 'failed to develop relevant social and economic policies to confront the problems of industrial Britain'.[5]

The paucity of any ideas and the inability of the leadership to address these pertinent industrial issues spurred Ernest Simon, a radical Liberal from Manchester, commonly referred to as E. D. Simon, to launch a campaign to get the party to adopt new policies to face the challenges of the present age. In the final year of the First World War, Simon had hoped for a Liberal manifesto which would tackle Britain's industrial issues and rival Labour's bold 1918 programme drawn up by Sidney Webb. Simon's hopes, however, were in vain. He wrote the day after the general election in 1918 how there was an 'utter lack on the part of the Liberal Party … of any knowledge of or interest in industrial problems and the great question of equality between the two nations of England'.[6] Simon thus embarked, along with his fellow Manchester radicals such as Ramsay Muir and Thomas Tweed, upon creating a new industrial programme in order to reinvigorate Liberalism. In 1921, this grouping not only managed to get the party to outline a position on industrial issues, but also founded the Liberal Summer School which set out to resolve:

> the great question of industrial relations, the application of the Liberal principles of freedom and equality of opportunity to the life of the working man and the slum-dweller today, and the whole problem of working-class discontent with the present economic system.

Whilst the radicalism of this new Manchester School was not fully embraced immediately by the mainstream of the party, by the following year the Liberal Summer Schools had become a staple fixture in the party's calendar.[7] The work of the Liberal Summer Schools which Simon pioneered led to a renaissance of ideas within the party which culminated in the publication of *Britain's Industrial Future* (1928), more commonly known as *The Yellow Book*, which presented a Liberal solution to Britain's demanding economic problems. Accompanying other chapters written by figures such as Lloyd George and Keynes, in *The Yellow Book* Simon, alongside Muir, formulated a joint chapter on a Liberal industrial programme. Here they rejected socialist ideas of class struggle, nationalisation and worker control of industry, and instead espoused a fairer capitalism which would address the grievances of workers and prevent labour militancy in order to solve Britain's industrial misfortune and divided society.[8] The chapter was farsighted, foreshadowing later developments to the British economy following the Second World War. Examining how Simon came to envisage a Liberal solution to address Britain's economic crisis in order to revitalise Liberalism shines a light on a pivotal decade in the party's history and also the progress towards the post-war consensus.

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Ernest Simon of Manchester

Ernest Simon (9 October 1879 – 3 October 1960) was born in Manchester to German émigrés who had come to live in Manchester and join its German community. Simon inherited his father's firms, who himself had been an innovative industrialist, and continued their successful expansion. Despite being very wealthy, Simon was a benevolent figure. His obituary in the liberal *Guardian* reflected his altruism. As the article stated: 'if the ghosts of just men are allowed to walk the earth it is here that the ghost of Ernest Simon will walk'. He saw it as his duty to make the world a better place for others and could not understand how some could draw happiness from being selfish.[9] As such, Simon had a strong sense of civic virtue and served on Manchester City Council from 1912 to 1925. In 1912 he also married Shena Potter who was a leading feminist and who too became a city councillor in 1924. They had three children, Roger, Brian, and a daughter, Antonia or 'Tony', who tragically died at a young age. Simon was a radical Liberal and served as the MP for Withington in Manchester between 1923–24 and 1929–31. There are some physical monuments which testify his legacy,

notably the Lovell Telescope at Jodrell Bank in Cheshire which Ernest and Shena Simon helped to finance. The Wythenshawe area of Manchester also owes its existence in part to the Simons. They fervently championed the idea of a garden city for Manchester and bought Wythenshawe Hall and Park, endowing their purchase to the City Council to help bring about its creation.[10] Whilst Simon is discussed in histories of the Liberal Party by Michael Freeden and David Dutton, in older accounts he remained a relatively obscure figure.[11] For example, in works written in the 1960s and 1970s by Michael Bentley and Trevor Wilson, notable scholars of the history of the Liberal Party, there is barely any mention of him at all.[12] As Dutton has shown in his recent article in this journal, however, Simon is an important figure in twentieth century British Liberalism and merits plenty of attention.[13]

Socialism and public ownership

Despite initiating the drive to reinvigorate Liberalism in the 1920s, Simon came rather close to never founding the Liberal Summer Schools or pioneering the publication of *The Yellow Book*. As Dutton has illustrated, Simon nearly quit the Liberal Party in favour of joining Labour.[14] An examination of the reasons why he did not leave the Liberals, however, provides the context behind Simon's envisagement of an industrial programme to afford Liberalism the tools to address Britain's economic crisis and its terrible inequality.

Following the disastrous election results for the Liberals in 1918 and in 1924, Simon seriously considered joining the Labour Party as late as 1925 despite having recently founded the Liberal Summer School and having served as a Liberal MP the previous year. Simon's deliberation was not too surprising given that he had been close both politically and amicably to leading socialists such as the Fabians Beatrice and Sidney Webb since before the outbreak of the war. Indeed, foreshadowing his later political endeavours, Simon, invited by Beatrice Webb, spoke at the Fabian summer school in 1910 'on competitive industry'.[15] He also shared a healthy friendship with another Fabian, R. H. Tawney; not only did he admire Tawney's political beliefs, but, for Simon, when he was a shy young man, Tawney was amongst the select group of people that he could talk to freely.[16] Simon's decision to remain in the Liberal Party was a difficult one as he was seemingly stuck in two minds. For instance, having publicly rejected any form of pact with Labour, calling for 'a strong and independent Liberal Party', during an unsuccessful by-election campaign in Dundee in November 1924, several months later Simon confided in his diary that despite this he had much in common with Labour.[17] As he wrote:

> My political aim is to give the best chance to every child, and to remove the excessive inequalities of today. That is practically the aim of Labour. At Dundee I agreed with my extreme Labour audiences as regards political aims far more than with my Liberal chairman.[18]

Simon agreed with the contention of Labourites 'that the present social order was grossly unjust, [with] some people being born with silver spoons in their mouths, others in slums'.[19] Indeed, having already as a councillor recorded his excitement at the prospect of cooperating with the Labour Party on Manchester City Council in his diary in 1919, Simon had previously hoped in 1920 to join a party composed of a mix of radical liberals and socialists.[20] Even after reaffirming his faith in the Liberal Party in 1925, following much deliberation with himself, Simon still considered the split in radicalism into Labour and Liberal factions as a 'tragedy' as it had allowed the Conservatives to govern, whose views were in the minority compared to the progressive 'sentiment of the nation'. Indeed, Simon believed that the working class ultimately 'would have been a great deal better off' had such a rupture not occurred.[21]

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One of the reasons that lay behind his final decision was Labour's commitment to sweeping nationalisation as outlined in its 1918 constitution.[22] On a private level Simon was concerned that this would place him in an awkward position as, in conjunction with becoming a director of a colliery in 1924, one of his companies, Simon Carves Ltd, 'had dealings with colliery companies to whom the idea of nationalisation was anathema'. Fundamentally, however, he was concerned that Labour was too confident in its belief that the socialisation of the economy would bring prosperity.[23] Simon claimed that if the collective ownership of the means of production could eradicate destitution he was 'ready to become socialist or communist', but ultimately, he could not become a convert as for him it did not hold the key to addressing poverty.[24] Indeed, as a self-proclaimed radical Liberal, Simon believed like socialists that drastic action was needed to redress inequality in Britain. As he wrote, for a radical Liberal:

> Liberalism stands for economic freedom just as much as for political or religious freedom, and he knows that economic freedom and equality of opportunity can never be achieved so long as the present excessive inequalities of wealth continue. He recognises that it is necessary not only to make the poor richer, but to make the rich—especially the very rich—poorer. He is prepared to support any steps, however drastic, that are needed to fight inequality.

Unlike socialists, however, Simon did not contend that the simple idea of extensive nationalisation would resolve economic ills. Simon felt that far more consideration was required to resolve Britain's economic predicament and rampant inequality than the socialist doctrinaire commitment to public ownership of the means of production.[25] Simon held this belief very firmly as he on several occasions directly challenged socialists on their attachment to nationalisation. For example, during an address at the Independent Labour Party Summer School in 1929, Simon boldly stated that Liberals were 'less intellectually arrogant' in accepting, unlike socialists, that the human mind did not have the capacity to replace a well-established capitalist economic system with a new socialist one 'which would at once produce better conditions'. As Simon bluntly put it to his leftist audience: 'we [Liberals] think you would make a mess of it'.[26] Additionally, in another instance, in 1927 in a debate in Manchester with Labour MP Rhys Davies, a junior Home Office minister in the previous Labour administration, Simon contended that there was a paucity of evidence to prove that nationalisation worked. Moreover, given the failure of nationalisation elsewhere, socialists, argued Simon in the debate, 'had dropped socialism like a hot brick, had accepted the hated capitalist system, and had adopted liberal or radical methods'.[27] Ultimately for Simon, as he made clear in his partisan speeches and debates, 'any attempt to alter suddenly the whole constitution of industry… [would] only end in disastrous and early failure'.[28] Simon believed that capitalism was 'on the whole extraordinarily efficient' and therefore it was far better not to change the system but to build 'on the experience of the past and to modify it according to experience'.[29]

In sum, Simon could not subscribe to Labour's advocation of mass nationalisation. Instead he believed that the Liberal Party was the best vehicle through which an alternative economic strategy, based on extensive formulation, could be realised. A Liberal industrial policy, as Simon would come to outline in length in *The Yellow Book*, would aim to fashion an economy which was socially just but at the same time harnessed capitalism's productivity.

It should be noted, however, that Simon was not dogmatically opposed to public ownership; quite the opposite was true. Simon believed that collective ownership of an industry should be adopted if it *proved* to be more efficient.[30] Indeed, Simon was in favour of experiments in 'alternative methods of production' to capitalism if they seemed promising 'even if there … [was] a risk of some decrease in production'.[31] On several occasions, Simon was even active in promoting public ownership. Simon was instrumental, for instance, in the creation of Ramsay Muir's book *Liberalism and Industry* (1920) which advocated 'the experimental transfer of the railways and coal mines to public ownership'.[32] Another example at around the same time was Simon's campaign for the municipalisation of the distribution of milk in Manchester. Simon believed that milk distribution was 'peculiarly unsuited for handling by people whose motive is private profit' given how easily milk could become infected and because it was expensive to keep milk clean.[33] He was very much concerned at a personal level because his son Roger contracted tuberculosis from what was suspected to be infected milk in 1915. Indeed, after this incident Simon even bought a farm in Herefordshire, Leadon Court, home to the meeting in 1920 which would form the germ of the Liberal Summer Schools, in an attempt to produce clean milk himself. Following Roger's illness, he convinced Manchester City Council to investigate the city's milk supply. In 1920 the council published the report of its inquiry which presented a 'practicable' and 'profitable' scheme for the municipalisation of the distribution of milk. This scheme, however, was rejected in a vote by the city's councillors. Simon was dismayed by the result as he felt that it was more essential to wellbeing than gas, which was already municipalised. Simon was particularly aggrieved due to the contradictory attitude of Conservative councillors who happily accepted the successful municipal supply of gas yet rejected a worthier scheme because it was 'socialistic'.[34]

Class conflict

The main factor which lay behind Simon's continued loyalty to the Liberal Party and which was to feature as a core element in his envisagement of a Liberal industrial programme was his dislike of class division which had come to

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Simon's fears, which underpinned his attachment to the Liberal Party, were exacerbated by the General Strike in 1926. In November and December of that year Simon gave several lectures in Manchester entitled 'Liberalism or Class War?'. Here Simon outlined his belief that the General Strike demonstrated that the threat of class war in Britain was real. This was exemplified by the behaviour of trade unionists who had, during the General Strike, Simon asserted, placed their loyalty to the Trades Union Congress 'above their loyalty to their country'. For Simon this was 'an ominous sign' given that not that long ago many had fought for their country during the First World War.[35] Whilst he recognised the intransigence of the colliery owners as well, this was an issue which seriously concerned Simon.[36] Simon saw socialists as responsible for inciting this dangerous situation and he was more than willing to criticise them for this.[37] In Simon's mind the Labour Party had not only 'fostered a spirit of dissatisfaction and class hatred' through its anti-capitalist propaganda, but had during the General Strike seen itself engaged in a class war. Labour's pursuit of class conflict thus 'made it impossible for anyone of liberal instincts to join it'.[38]

Consequently, Simon believed that the revival of Liberalism was essential, for only Liberals could resolve the crisis afflicting industrial relations in a just, but non-partisan manner. As Mary Stocks, a friend and biographer of Simon explained: whilst Simon believed that progressive Liberalism's beliefs were 'part and parcel of the Labour faith', he believed that the Labour Party too narrowly and dangerously pursued the interests of the working-class instead of that of the nation. He was thus persuaded to remain a Liberal because 'the future of the country and the world', in his eyes, depended on the continued existence of Liberal opposition 'against selfishness and class interest'.[39] Simon felt that the survival of the Liberal Party was paramount in order to prevent a dangerous clash between labour and capital as, if the party disappeared, then there would only be the division between the rich and the poor.[40] Indeed, the liberal-leaning members of the Conservative and Labour parties could not be relied upon to prevent such a potential situation arising either as they were 'swamped' by those who dogmatically upheld the interest of their respective class.[41] As such, Simon stressed the need for a revitalised and 'strong militant Liberal Party in the House of Commons' to act as a 'bulwark' against the forces of reaction and socialism.[42] For Simon, a resilient and radical Liberal Party free from sectarian class interests would be able to address existing social evils 'in the interests of the whole community'.[43]

A new Liberal industrial programme

Despite any leanings he had towards socialism, for Simon the evils of the existing economic order could not be solved by 'sweeping formulae, or by violence or class-conflict … but only by hard-thinking' and 'careful examination'.[44] Simon ultimately believed that the Liberal Party, through the Liberal Summer Schools, was capable of forging radical yet well-considered ideas which would address the economic crisis afflicting Britain as well as the party's dismal fortunes. And, indeed, by 1928, two years after the beginning of the Liberal Industrial Inquiry, Simon's belief had come to fruition with the appearance of *The Yellow Book*, a comprehensive Liberal programme composed by prominent members of the party and leading liberal intellectuals to address Britain's economic problems.[45]

In *The Yellow Book*, Simon, alongside Ramsay Muir in their joint chapter on industrial relations, outlined a new Liberal industrial programme which reflected Simon's desire to address Britain's inequality, but also his rejection of doctrinaire nationalisation and his disdain for class division. This new programme to revive Britain's ailing industry lay in the creation of a fairer capitalism to end class struggle. It would represent a third way between 'the harsh individualism and the employer-autocracy of the nineteenth century' and 'the scheme of rigid state control or the scheme of trade union dictatorship'.[46] This new, more just economy would resolve the grievances of the workers and thus improve industrial relations, instilling a spirit of cooperation and minimising disruption which, over time, would reap far greater rewards for everyone.

In the chapter Simon and Muir expounded their belief that the existing economic system was unjust and that the industrial unrest which hampered economic growth would only end when the system was reconstituted in a fairer manner. 'Widespread discontent' amongst the working-class was a chief obstacle, in their eyes, to an economic revival.[47] It was a belief

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that Simon had held even before the First World War had ended:

> The problem of output is perhaps the great problem of industry … it certainly cannot be solved until the worker gains confidence in the whole system, and feels that he is fairly treated. Limitation of output is the natural reaction and defence of a man who feels any grievance as to the conditions of his work.[48]

Simon and Muir asserted that the workers had valid complaints against the present industrial order due to insufficient wages, a want of security given the threat of unemployment, and the lack of influence over working conditions.[49] The answer to these issues lay not in collective bargaining or public ownership, but in cooperation between labour and capital which would be fostered by addressing the workers' grievances. As Simon had argued at the Liberal Summer School in 1927, real wages had increased fourfold in the past one hundred years and through cooperation and technological development he believed that they could be doubled in the next thirty years. Simon espoused the view that there was 'ten times more to be hoped for from co-operation and increased production than from fighting and squabbling'.[50] Whilst Simon and Muir recognised the role trade unions had played in improving the position of the working man and the necessity of the strike tool, striking for them was wasteful and class struggle afflicted the community. The high level of labour militancy since the end of the nineteenth century had been detrimental to gains in real wages as it had limited production and had compounded Britain's present uncompetitive position. To Simon and Muir, organised labour arbitrarily believed that it could 'only improve its position at the expense of capital', as if it was involved in a game of tug-of-war with the capitalists. In actual fact, however, capital and labour had 'enormous' shared interests, so 'instead of pulling against one another', argued Simon and Muir, both sides should pull together to improve efficiency and thereby increase the wealth of all.[51]

Consequently, Simon and Muir contended that the way to overcome working-class discontent and foment conditions favourable for cooperation between capital and labour was not only to consult the workers regularly via work councils in every factory, but also to inform them how much the company's investors were receiving. In this way workers would know that their wages, which had to be high as possible according to Simon and Muir, were proportional to the firm's profits and not detrimental to unemployment or prices. These measures would simultaneously improve the standard of living for the worker and convince them that they were no longer being exploited but getting a 'square deal'.[52] These ideas, which echoed the aims of the Whitley Councils of the previous decade, would form the basis for a new Liberal industrial programme. Simon and Muir hoped that by settling these grievances the worker would no longer feel like 'a mere tool' but a free member of a 'cooperative society' who was party to determining the conditions of their work. As they wrote, the old 'relation of master and servant' in industry had simply 'become untenable in a democratic era'.[53]

Simon and Muir stressed that high wages and even profit-sharing would not be detrimental to capitalists as, beyond endowing workers with higher purchasing power which would increase domestic demand, these measures would end industrial unrest and drastically improve the efficiency of labour as workers would feel that they had a stake in the prosperity of the firm.[54] Simon and Muir believed that they would engage in a very serious spirit of cooperation to the extent that they would perform Stakhanovite-like feats, improving productivity beyond what the employer saw as possible in order to claim higher wages.[55] Simon and Muir also envisaged that these measures to cultivate cooperation would be complemented by a Ministry of Industry, which would expand the existing Ministry of Labour, to facilitate much larger government involvement in industrial relations. The Minister of Industry would work with a Council of Industry, a body composed of government-appointed figures and representatives of capital and labour, to improve the machinery designed to resolve industrial disputes, determine wages and bring unions and employers together to cooperate.[56]

Additionally, Simon and Muir also recognised that the worker felt aggrieved due to the ownership of the means of production by the rich. They felt that society was divided in two between a small minority who owned property and enjoyed a life of luxury, and themselves whose wellbeing was dependent on how much they could force this minority to pay them.[57] As such, Simon and Muir asserted that giving workers a stake in the ownership of industry would also provide a strong impetus towards fostering cooperation and addressing inequality. Whilst Simon and Muir agreed with socialists that the present level of disparity in property ownership was intolerable, instead of

collectivising property, they envisaged distributing it to individual workers. This would promote freedom and teach responsibility, and also provide individuals with capital with which they could invest in the economy.[58] The diffusion of ownership would be 'a real advance', Simon and Muir stated, 'towards that goal of Liberalism in which everybody will be a capitalist, and everybody a worker'.[59]

Whilst Simon and Muir's industrial programme envisaged sweeping changes, they only intended to tame capitalism, rather than radically alter the constitution of the economy. Consultation, for instance, did not entail industrial democracy or worker control of production. This did not mean that Simon could not understand and empathise with workers' demands for democratic control over industry. Speaking in 1921 at the University of Oxford, Simon recognised workers' frustration at wartime profiteering and state bureaucracy, and complimented the Guild Socialists on their 'democratic ideals of liberty and responsibility'. Simon, however, as a self-described 'autocratic employer', doubted the ability, rather condescendingly, of workers to manage industry. As he stated in his lecture: 'there seems to be an extraordinary delusion among Guild Socialists that the wish and power to take responsibility successfully are common to most men'.[60] In *The Yellow Book*, he and Muir therefore precluded any sort of worker-control over management. Even if workers shared some control with existing managers they would do no more than 'sit dumb and dubious, only half understanding what was going on' in meetings.[61] Simon and Muir also called for trade unionists in essential industries to be stripped of holiday pay and have their immunities provided in the 1906 Trade Disputes Act waived if they struck before there had been negotiations on resolving the dispute.[62] This anti-union segment of the chapter was likely influenced in part not only by Simon's aforementioned dislike of labour militancy, but also by the anti-trade union reaction following the General Strike which culminated in the Trade Disputes Act 1927 during which the Liberal Industrial Inquiry was underway.[63] Indeed, as discussed above, Simon had himself in his 1926 lectures on class war reproached those who had participated in what he called 'a very dangerous and illegitimate kind of strike'.[64]

Simon's significance

After his second spell in Parliament, Simon decided to step down as an MP in 1931. During his time in the House of Commons Simon had lost faith in the leadership of Lloyd George and was scornful of the behaviour of politicians. His decision also followed the sharp criticism he faced from many leading liberals, including Ramsay Muir, as a result of his proposal in 1930 to introduce tariffs to help reduce unemployment.[65] In the course of the decade between 1918 and 1928, however, Simon had rejuvenated Liberalism, helping to stimulate the forging of new ideas to resolve Britain's economic strife. Reviewing the decade, Simon thought it was:

> a great success … I learnt from Webb and Tawney the necessity of an industrial policy – the Liberal leaders ignored it. Through the Summer School we both [Simon and Ramsay Muir] worked out the policy and in just under 10 years effectively imposed it on the party. Biggest achievement the Yellow Book … I think it is a model of what political parties ought to do in an ideal democracy'.[66]

In the years which immediately followed the publication of *The Yellow Book*, however, Simon's accomplishment seemed somewhat hollow. Firstly, he was concerned that *The Yellow Book* did not go far enough in addressing the issue of poverty and improving economic opportunity; Simon claimed that they were 'dealt with rather superficially'.[67] Moreover, the 1929 Liberal manifesto, *We Can Conquer Unemployment*, which was derived from *The Yellow Book*, did not include plans for Simon and Muir's Ministry of Industry.[68] In addition, Simon incorrectly predicted that *The Yellow Book* offered a means through which the Liberal Party could cooperate with Labour, who he felt were lacking in ideas, and prevent a repeat 'of the kind of friction and misunderstanding that existed in 1924'.[69] Whilst the general election in 1929 saw Simon elected along with a majority of 'progressive' MPs, there was to be no cooperation between Labour and the Liberals along the lines of *The Yellow Book*. Robert Skidelsky, a renowned economist and scholar of the 1929–31 minority Labour government, writes how the Labour leadership, embarrassed by how radical the Liberal programme was, decided against cooperation and blamed Liberal hostility (largely without justification) to deflect criticism from their own failings to tackle unemployment and to implement a socialist programme.[70] Moreover, from late 1930 John Simon, and Liberal MPs aligned to him, opposed Lloyd George's attempts at cooperating with Labour and instead aimed to bring the government down and negotiate a deal with the Conservatives.[71]

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Despite these shortcomings, in the years following the publication of *The Yellow Book* the long-term significance of Simon's work was far greater. *The Yellow Book* – as the realisation of the work of the Liberal Summer Schools and the Liberal Industrial Inquiry which Simon was pivotal in creating – played a substantial role in influencing political and economic thought for years to come. The Summer Schools and Liberal Industrial Inquiry galvanised the intellect of Keynes, whose ideas concerning the role of the state in the economy in *The Yellow Book* formed the backbone to his ground-breaking ideas formulated later on in his influential work *The General Theory* (1936). Similarly, other proponents for a mixed economy in the 1930s, such as The Next Five Years Group, which future post-war Prime Minister Harold Macmillan was part of, all owed a debt to *The Yellow Book*.[72] Most importantly of all, in specific regard to Simon, his and Muir's formulation of a Liberal industrial programme anticipated the liberal welfare capitalism of the post-war period which afforded an unprecedented standard of living for working-people. Indeed, the post-war era witnessed the creation of a Ministry of Industry which Simon and Muir had envisaged years beforehand in *The Yellow Book*.[73]

To conclude, then, whilst the Liberal Party was not to be restored to its previous great heights, through his efforts to revitalise Liberalism in a period of turmoil in Britain, Simon not only spurred developments in economic thought but also helped to form the groundwork for the post-war settlement. In short, Simon demonstrated vision in a time of crisis. Today, we find ourselves in a not too dissimilar situation to the one facing Simon and his contemporaries a century ago. The economic slump caused by the Covid-19 pandemic and the impending threat of disastrous climate change requires bold and urgent thinking and the history of Simon's efforts should act as an inspiration, not only to the Liberal Democrats, but to all across the political spectrum in addressing the challenges posed by these contemporary crises.

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John Ayshford recently completed a Master's degree in History at the University of Manchester and is currently planning an exhibition on the lives of Ernest and Shena Simon and their role in the development of Wythenshawe in Manchester.

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