New liberalism, new language? The use of collectivist concepts in the budget speeches of 1893–95 and 1906–14

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Abstract: The article considers the Budget Speeches of Asquith and Lloyd George during the period of the Liberal social reforms of 1906–14. It examines how these Budget speeches conceptualised the debate surrounding these reforms and discusses the extent to which this conceptualisation can be seen as reflecting the discursive character of a New Liberalism. The focus is on key collectivist concepts—“the state”, “the community”, “the people” and “the nation”. These were concepts which were very far from being the preserve of the Liberals but it is argued they were unpacked and used in ways that constituted a different conceptual terrain from that which had characterised previous Liberal budget speeches. The article considers the frequency of their usage but, more importantly, their collocation and rhetorical context and argues that these do indeed suggest that in important respects these budgets displayed a rhetorical character reflective of the ideology of New Liberalism.

Subjects: Budgetary & Economic Policy; Discourse Analysis; Intellectual History; Political Philosophy

Keywords: new liberalism; old liberalism; political economy; budget speeches; historical discourse analysis; Lloyd George; Herbert Asquith; William Harcourt

The Budget judgment was truly a judgment. The Chancellor came down to the House of Commons to announce his Budget judgment as though his last consultation had been on Mount Sinai rather than the Treasury. (Dell, 1996)

ABOUT THE AUTHOR
I am a Professor of History in Swansea University. To date my research interests and publications have been mainly in the history of socialist political economy with publications such as The People’s Science, The Popular Political Economy of Exploitation and Crisis, 1816–14, 1984, Political Economy and the Labour Party, 1884–2005, 2006 and Left in The Wilderness, The Political Economy of British Democratic Socialism, 2002. However, my present research is focusing on a linguistic analysis of budget speeches to unpack the way in which such texts constructed their audience and discursively shaped the political and policy agenda. The present article is the first foray into this field but the aim is that other article-length pieces will build to the completion of a larger project.

PUBLIC INTEREST STATEMENT
The article represents a study of how politicians use language. Specifically it looks at the budget speeches of three Liberal Chancellors of the Exchequer: William Harcourt, Herbert Asquith and David Lloyd George. The objective is to see whether the language used in the budget speeches of the first of these, who is normally associated with an Old Liberalism, characterised by limited state intervention is different from that of the other two Chancellors who pursued a more interventionist programme of social reform: in short whether the language of an Old Liberalism gave place to the language of a New Liberalism. Its wider significance therefore relates to how politicians use language to change the political agendas and aspirations of their parties.
To a very considerable extent ... British politics in the Edwardian era were about public finance. (Murray, 1980)

1. Introduction

The budget speech is, in essence, a linguistic and rhetorical exposition of the logic and rationale for the particular means and objectives underpinning the annual business of getting and spending. Along with the Queen’s Speech it is, with its own protocols and traditions, one of the monumental set pieces of the parliamentary year. It is also one with a long history that allows comparative study over an extended period; a study that provides multiple insights into the economic thinking, financial principles, social mores, policy objectives, political visions and socio-psychological assumptions concerning human behaviour which informed and shaped the speeches which Chancellors of all political persuasions delivered. So, for one commentator, writing of the late-nineteenth/early twentieth century period, “the Budget became no mere statement of accounts, but was presented with a wealth of judgement, reflection and imagination” (MacGregor, 1939, p. 12).

As Fairclough has stated “much of the action of government is language” and budget speeches are certainly one of the most telling examples of this (Fairclough, 2000, p. 157). At one level they are, of course, a means of communicating with what have been termed particular “discourse communities”: for example, the members of the House of Commons to whom they are most immediately addressed but also those beyond the Palace of Westminster—ad urbe et orbe—to the City and the global financial community, which have their “own particular [discursive] genres, [their]own set of specialised terminology and vocabulary, and a high level of expertise in [their] particular area” (Paltridge, 2006, p. 12). But, as a discursive and communicative exercise, these speeches are more than this. For when the Chancellor speaks it is to communicate with a constituency that transcends these specialist and particular discourse communities, namely the British public. And, in the period under consideration, as James Thompson has made clear, with the power of public opinion recognised by contemporaries as “growing in both scope and intensity”, politicians, and Chancellors, would have been both more cognisant, and more sensitive than ever before, to the role which key speeches, such as that of that of the Budget could have in shaping and educating it in their political interests. For budget rhetoric, as well as measures, both at a micro and a macro level, have a critical impact on the public’s political perceptions and sympathies and thence the possible outcome of General Elections. In this regard what Mathews has stated with respect to nineteenth-century budgets is true of those at the turn of the century, namely that while they “could not affect aggregate demand on any significant scale”, they could be “of central importance in establishing a national ‘psychological expectation’ of balance, social equity and political stability” (Matthew, 1979, p. 615). In short they carried with them a connotative baggage fuller than the specific measures they articulated; one that ideally resonated with the interests and aspirations of the faithful, and not so faithful. A constituency had to be constructed, fortified and informed; one that would pass favourable political judgement on the budget speech and its perceived consequences. And here the traditional objectives of political rhetoric applied; for its theorists insist that it should enlighten, stir the imagination and induce a positive emotional/rational response in this wider audience (Charteris-Black, 2005, p. xi).

And as to dissemination and the shaping of opinion, papers such as The Times, which printed these speeches in full, as well as commenting on them at considerable length, ensured that their key messages, both implicit and explicit, were effectively communicated to the British public. Though with a Budget such as that of 1909, the subsequent heroic proselytising and speechifying efforts of Lloyd George were a critical element in communicating the Budget’s key messages and political implications to a wider audience (Du Parcq, 1912–1920, pp. 617–773).

As critical discourse analysts remind us, language connects with, mediates, expresses and constitutes social relations of power and domination (Fairclough, 2000, pp. 158–159). And critically here, from the perspective of this article, political language and political rhetoric are also integral not just to the articulation but also the formation of ideology. As Finlayson has put it; “ideological thought and expression are never simply a ‘working out’ of a series of concepts or propositions but a dynamic
interaction of predispositions with both opponents and events, mediated by political actors who must make choices about how to understand and persuasively present a case they must perform. The classical name for this activity is rhetoric” (Finlayson, 2012, p. 758, my emphasis). Budget speeches must therefore be seen in this light; not just as a means of transmitting a set of technical information about the nation’s finances but as a rhetorical formulation, expression and, in this instance, re-formation of a particular Party’s ideology, thereby establishing a new common sense in terms of which the conduct of the nation’s finances was conceived of and understood.

As another commentator has put it, “the doing of politics is predominantly constituted in language” (Chilton, 2004, p. 4). In effect it is instrumental in creating a reality for both speaker and, if effective, for an audience, thereby often defining what is seen as the politically possible, or its opposite. These realities have been classified differently by different theorists but following the distinctions made by Aristotle they can be seen as being of three kinds: deliberative (attempts to make the future), forensic (attempts to reinterpret the past) and epidetic, “attempts to alter our views of the present” (Booth, 2004, p. 17). Politics can therefore be seen as in part a struggle to manipulate and dominate language in such a way as to shape an audience’s understanding of history, its perception of its present predicament and opportunities, while inspiring a vision of the future. Or, as Edelman has phrased it, in a more conceptually elevated manner, it can be seen as characterised by “the symbolic manipulation of reality” by language “for the achievement of particular goals” (Quoted in Wilson, 2003, p. 400).

And here, as we shall see, it was indeed the case with the Liberal budget speeches of 1906–14 that they were of both a “deliberative” and “epidetic” character; seeking as they did to alter perceptions of what was possible in the here and now and what could be achieved over a longer period of time. As to the first, these speeches redefined the principles of free trade finance and, as to the second, they mapped out that programme of radical social reform which such a redefinition made possible.

As to the purchase of rhetoric in this regard: “all effective rhetors alter their rhetoric … in order to ‘hit’ the audience they think is there’. And the effective rhetorician often needs to alter the focus and emotional purchase points of their speech to maximise its impact.” So, for Booth, “no rhetorical effort can succeed if it fails to join in the beliefs and passions of the audience addressed, and that almost always requires some ‘accommodation’, ‘adjustment’ or ‘adaptation’ to the audience’s needs and expectations” (Booth, 2004, p. 51). Thus the rhetorician needs to pay “attention to the biases and beliefs, hopes and fears, emotional habits, and levels of comprehension” (Ibid.). And as we shall see, in relation to the budget speeches of Lloyd George in particular, there is little doubt that this game was played with considerable aplomb.

However, if the successful rhetorician “exploits [the] existing beliefs, attitudes and values” of their natural constituency, (Charteris-Black, 2005, p. 10), they must also seek, through the shaping of identities and definition of interests, to extend it. And through their use of the conceptual collectivities considered in this article, the Liberal budget speeches of 1906–14 not only managed to resonate with the sensibilities, emotions, beliefs and aspirations of a significant section of the Liberals' traditional constituency, but also bid fair to do so with a wider one whose political home might have been expected to be the newly established Labour Party. For these, speeches used language to both sculpt and engender fresh aspirations for the Liberal Party. Their effectiveness lay not simply in an obligatory engagement with what their constituency already embraced, though that was also critical, but in giving it a conceptual vocabulary that confirmed, while also extending, its and the Party's political ambitions.

Further, in so doing, these speeches also redefined what it was politically legitimate and feasible for fiscal policy to seek to achieve; something that ultimately provoked that combative response from the House of Lords which precipitated an ensuing constitutional crisis. And as to this process of legitimation, “the People”, “the Nation”, “the State” and “the Community” proved pivotal concepts by reference to which both Lloyd George and Asquith asserted their authority and articulated their justification for using the fiscal expedients necessary to progress and finance their programme of radical social reform.
In addition to yielding insights into the use of language to set the political agenda, to establish a discursive hegemony and to shape the political imagination and expectations of their audience, a linguistic analysis of budget speeches also throws interesting light on how the populace was perceived, or more accurately perhaps, how it was constructed. For the business of getting and spending, and particularly the former, was grounded on assumptions as to responses to changes in direct and indirect taxation. And these assumptions, as they were articulated in budget speeches, often provide an insight into how the political elite viewed the economic and social behaviour, social mores and attitudes of the population, allowing Chancellors to pass comment on these and how they might be affected by the fiscal measures being proposed; comments that in turn illuminate some of the social and moral preconceptions which underpinned financial management.11

To tease out such insights from the budget speeches being considered, the article scrutinises the discursive use of certain key conceptual constructs that structured and informed the budget speeches of the Liberal governments of 1893–95 and 1906–14. Specifically it considers the conceptual collectivities of “the State”, “the Community”, “the Nation” and “the People” and their rhetorical usage in relation to how the fiscal programmes of these budgets, and the means by which they were to be implemented, were articulated, the ideological boundaries which these concepts were employed to configure and reconfigure, and the contrasting political visions that they were deployed to construct and evoke. And, specifically here, it will review this usage to highlight the manner in which the rhetorical and conceptual character of these Liberal budget speeches altered between the two periods under consideration. In that regard it attempts in some small way to address the deficiency, noted by Michael Freeden that, “the continental, German-led development of conceptual history, investigating, competing and changing vocabularies and linguistic and conceptual adaptability in crucial historical bridging periods has so far had little resonance in the study of liberalism” (Freeden, 2005, p. 9).

The article notes these concepts changing frequency of usage: evidenced in Tables 1–3. But while this is of interest, it is the collocation of these concepts which throws the greatest light on their ideological character, their political resonance, electoral purpose and the prescriptive priorities they embodied and it is that which it is the primary purpose of this article to consider; illustrating as it does both the disjuncture and similarities between the Old Liberal political economy of William Harcourt and that of the New Liberal social reformist budgets of the 1906–14 period. For with these budget speeches we have a profound and qualitative change in Liberal political rhetoric; one that exemplifies the political economy of New Liberalism but which also sets out a new set of principles and priorities with respect to the business of fiscal management.

Here, at the outset, it is useful to note some of the characteristics of the political economy of the New Liberalism and hazard some preliminary remarks on where, and how, the language used and the concepts deployed in the Liberal budgets of 1906–14 could be seen as grounded in, and played a part in shaping, New Liberal thinking. As to that thinking there is, of course, a considerable secondary literature identifying and explicating its ideological lineaments and conceptual character but here there is only sufficient space to notice those which touch upon the collectivist concepts being considered.

To begin with there is what Freeden has conceptualised as the “recognition of the existence of a social property in capital”, which it was deemed “politic to secure for the public use”, and the associated distinction of social or collective from individual factors in the generation of wealth; ideas that can be found, in particular, in the work of JA Hobson and LT Hobhouse (Freeden, 1978; pp. 42, 115, 46) but also in the political economy of first generation Fabianism (On this see Thompson, 2006, pp. 23–24). As we shall see, as it was theorised, such a recognition and distinction underpinned much of the radical rhetorical and prescriptive thrust of the Liberal budget speeches, particularly that of 1909, and was informed by, and articulated through, the use of the collectivist concepts being considered in a manner that helped to construct and convey a new sense of communal, national and popular entitlement.
Along with this aspect of New Liberal thinking there went, again in the words of Freeden, “the crystallization of new attitudes towards social life, the infusion of a heightened awareness of communal ends, and the recognition of the changing role social institutions, in particular the state, would be called upon to play” (Freeden, 1978, p. 117). And here the article will look specifically at the linguistic usage of “the State” and also “the Community”15 to construct a justification for greater interventionism with regard to the attainment of such “ends”;16 in particular to justify the sequestration, and use for communal purposes, of the surplus which public activity created but which private interests had egregiously appropriated (Freeden, 1978, p. 137).

Indeed, the emergence of a concept of “the Community” in liberal thought has been seen as central to the political economy of New Liberalism. And, as we shall see, “the Community” was indeed a conceptual reference point around which the case for social welfare expenditure and investment in human capital was frequently constructed in the Liberal budget speeches of 1906–14.15 It was also deployed, as it was in New Liberalism’s theory of taxation, to justify the “taxation of one class for the immediate benefit of another, on the grounds that the ultimate beneficiary would be the community” (Murray, 1980, p. 33, my emphasis). More generally, New Liberalism’s displacement of “the quietism about economic and social problems that characterised so much of the mid-nineteenth-century, Liberal tradition with an extensive defence of collectivism … undertaken in terms deriving from Collectivist Liberalism” (Weiler, 1982, p. 4). can be seen to find particularly compelling expression in the budget speeches of 1906–14, again through the use of the collectivist concepts under consideration.

As to the social welfare dimension of that collectivism, the concept of “the people” proved particularly serviceable; used no fewer than sixteen times in the eponymous Budget of 1909; with welfare expenditure substantiated by reference to the mandate for social reform which “the people” had provided and seen also as critical to enhancing “the people’s” social, material and physical well-being, while actualising their mental and moral elevation. In this context too the article will consider how the concept of “the nation” was deployed; one which on the surface, given its more obvious resonance with Conservatism’s principles and aspirations, would seem less evidently to lend itself to the use of those intent on social reform; but which, as we shall see, saw service of that kind, particularly in the budgets of 1908–10, where, in the context of the constitutional crisis of those years, it inevitably became a highly contested conceptual construct.

As to the political economy and concomitant fiscal strategy of Old Liberalism this was neatly encapsulated by Gladstone in a diary entry of 1857: “To maintain a steady surplus of income over expenditure - to lower indirect taxes when excessive in amount for the relief of the people and bearing in mind the reproductive power inherent in such operations - to simplify our fiscal system by concentrating its pressure on a few well chosen articles of extended consumption - and to conciliate support to the Income Tax by marking its temporary character & by associating it with beneficial changes in the laws” (Quoted in Matthew, 1979, p. 636). In effect the objective was to balance the budget at a level of expenditure which minimised the fiscal burden on the populace. This is how the liberal principle of freedom was understood in contrast to the New Liberals who saw its realisation as involving a more positive and interventionist role for the state.

The essential purpose of the article will therefore be to consider whether the usage of these selected concepts in the budget speeches of William Harcourt, Herbert Asquith and Lloyd George gives distinctive and contrasting discursive expression to the political economies of Old and New Liberalism. In effect, to establish whether with the budget speeches of 1906–14 we have the fiscal-rooted language of a New Liberalism.

2. “The State”
In the period 1907–9, that immediately prior to and including the People’s Budget, the use of “the State” was particularly frequent in Liberal budget speeches (47 times). This compares with a comparable usage of fourteen times in speeches for the period 1893–95. As to frequency of use per number of words spoken 1:1280 for the later period compares with 1:2596 words for that of 1893–95. Taking
the whole period of Liberal governments 1906–14 the total usage is 76 and the frequency of usage is 1:1587 words. Clearly then the concept was deployed more frequently in the budget speeches of the later period and particularly when the programme of Liberal social reform was being most vigorously pursued.

It is of course the case that some of the references to “the State” in the later Liberal budget speeches are of a financial housekeeping kind. So mention is made of the “the indebtedness of the state”, “the capital indebtedness of the State”, “the gross capital liabilities of the State”, the “gross liabilities of the State”, “the liabilities both of the State and of the municipalities” (Hansard, HC Debates, April 30, 1906, Vol. 156, col. 287; Ibid., col. 292; Ibid., col. 294; Ibid., col. 296; Hansard, HC Debates, April 18, 1907, Vol. 172, col. 1185; Ibid., col. 1187). That said both in those before the People’s Budget of 1909, and even more so in that speech and those which followed, observations were made on the role, and specifically the expanding role, of the state and the financial repercussions of this. Cautionary rhetoric of a traditionally Gladstonian character can still be found in these speeches but, that said, it is embedded in the articulation of a programme of social reform and also the assumption that the fiscal challenges which increasing state responsibilities would involve had to be met, where necessary by radical expedients. These challenges might be considerable but the underlying assumption was that they should not be used as an excuse for eschewing the state’s social obligations.

So, in his 1907 Budget, Asquith referred to “the whole still unconquered territory of social reform”. “Social reform”, he continued, “may be regarded, according to the point of view from which you look at it, as a luxury or as a necessity, but in any case it is expensive. It has to be paid for. Someone must be prepared to meet the bill” (Ibid., col. 1188). Further he opined that “this is a House of Commons which was elected more clearly and definitely than any other House in our history in the hope and belief on the part of the electors that it would find the road and provide the means for social reform” (Ibid., col. 1189). At this point Asquith emphasised the traditional liberal value of individual independence: “I am not what is called a Socialist. I believe in the right of every man face to face with the State to make the best of himself, and, subject to the limitation that he does not become a nuisance or a danger to the community, to make less than the best of himself” (Ibid.). But this is immediately followed by the attestation that to give full scope to such individuality “there is nothing that calls so loudly or so imperiously as the possibilities of social reform” (Ibid.). And it is in this context that we have a sustained emphasis on the state’s responsibilities; for example, in relation to the well-being and education of children. Thus, children “for whom heredity and parental care have perhaps done nothing or worse than nothing”, demanded of “the State” that it should not “pass by ... with folded arms”. In consequence it had “put the child to school [and] ... kept the child at school” (Ibid., col. 1189). Further, “and (much as it shocks some excellent people) after the legislation of last year, if the poor body of the child is benumbed with cold or pinched with hunger so that it can get no benefit from its lessons, it will even go so far as to help to provide it with bread” (Ibid., col. 1190). The state had accepted this responsibility on humanitarian grounds but also, for Asquith, because these children were “the raw material, upon the fashioning of which depends whether [they] shall add to the common stock of wealth and intelligence and goodness, or whether [they] shall be cast aside as a waste product in the social rubbish heap” (Ibid.). For Asquith there were clearly social and material benefits that accrued to the nation from such expenditure but the House had to appreciate and accept the costs “on the part of the State” of “assuming what every one of us now agrees is a duty, though it was neglected and passed by generation after generation by humane and far-sighted statesmen” (Ibid.). And, following this Asquith proceeds to set out in detail the expenditure which the assumption of the state’s responsibility would entail.

Rhetorically this is one of the most powerful sections of the speech. It embodied an expression of traditional liberal principles. But it communicated too a sense of the moral drivers which necessitated a more interventionist, social reformist, social welfare role for the state. That in turn was used by Asquith to seek to construct rhetorically a consensual moral basis for policies from which no one with a sense of justice could reasonably demur, before moving on to territory where consensus could
not be expected; namely the specific revenue raising expedients that would allow free trade finance to deliver on those ethically rooted, social responsibilities to which, he argued, both sides of the House putatively subscribed.

Here, as regards old-age pensions, Asquith made clear that these must be non-contributory. Accepting that this carried with it the danger of eroding individual independence and creating a culture of dependency, the principle had nonetheless to be accepted on pragmatic grounds. For if contributions were made compulsory, many would not be able to engage with the scheme. Further, there would be unfavourable repercussions for friendly societies and other such bodies. So practical considerations necessitated pensioners becoming “state pensioners” (Hansard, HC Debates, May 7, 1908, Vol. 188, col. 468, my emphasis). In consequence “as between the State and the pensioner, the [financial] obligation [for the maintenance of the scheme] must rest on the State and the Treasury”. So here we have articulated what can be seen as a new Liberal relationship between the state and citizen, with a “system of state pensions” that entailed an additional responsibility and fiscal burden for the Exchequer (Ibid., my emphasis). And with that there also came an addition to central state power and state bureaucracy. For, “as this money is entirely provided by the State and not by the locality, as it comes out of the taxes and not out of the rates, it is perfectly clear that the central authority must have some voice in the matter, and, indeed, a very decided voice; and so to secure central control, we propose to set up in each of these districts a pension officer who will act with the pension committee” (Ibid., col. 474, my emphasis).

The danger was of course that the state, having committed itself to social reform, and having assumed a wider and growing range of responsibilities, would come to be regarded as the solution to social problems and a limitless source of funding in this regard. Such a concern finds particular expression in the budget speech of 1911, where Lloyd George opined that, “there is always a temptation, whenever there is a difficulty … to solve it by increasing the State Grant. It is said, ‘Let us go to the State’, exactly as if taxes were like the gentle rain from Heaven coming down from somewhere without anybody interfering or putting their hands into their pocket, and forgetting that all those clouds of taxes have to evaporate out of the taxpayers’ pockets to begin with … And when we come to consider the finance of the insurance scheme I have no doubt, someone will suggest ‘another half million from the State: surely it can afford, that’, and there will be another proposal for £300,000, and ‘that, is nothing to the State’. Surely the most extravagant way to cross a ravine is to build golden bridges over it. That is really the danger which we are liable to fall into when we come to consider a question of this kind”.21 So here we have a radical Chancellor of Exchequer committed to social reform but nonetheless recognising that this must be a circumscribed commitment, with limits set by what the state could afford; which in turn, for Lloyd George, would resolve itself into what, politically as well as fiscally, the electorate would find acceptable.

And, of course, what it could bear financially was also determined by its other commitments, the most pressing being that of defence. Here, in his budget speech of 1912, as with that of 1909, Lloyd George rendered the need for national security and the costs of social reform as a joint commitment but also as a zero sum game; a game the parameters of which were determined by what he represented as “the enormous waste of expenditure on armaments” (Hansard, HC Debates, April 2, 1912, Vol. 36, col. 1065) that “limits the activities of the state in making provision for social needs”. However, the determinants of the former were not under the control of the government but were a function of “the epileptic fits of militarism which seize civilisation from time to time” (Ibid., col. 1066). Once again therefore we have an expression of the need to balance aspiration and fiscal rectitude. Social vision had to be tempered by the critical contemporary pressures of realpolitik, and these were exogenously determined.23

But, within these constraints, and given the nature of what the Liberals were seeking to achieve in terms of social reform, the state was nonetheless conceptualised in their budget speeches as a primary agent of social change. And here, in those of Asquith and Lloyd George, we have expressed a broader and growing conception of the State’s responsibilities and obligations as an active agent in
the social and economic affairs of the nation. Thus, as already noted, “the State ... has put the child
to school, it keeps the child at school ... it will even go so far as to help provide it with bread”. The
State “recognise[s] its duty to the children of the community”. There are “the activities of the State
in making provision for our social needs”. There is a realisation of “how essential the vigorous inter-
vention of the State in this sphere [health] was to the greatness and strength of the country”. “The
State is vitally interested in the problem” of the “immense number of men and women [who] through
that lack of vitality and stamina which comes from unhealthy conditions and surroundings live lives
that are a prolonged struggle against debility and disease”. It proposed “to start next year a great
national scheme of insurance against unemployment ... [with] a liberal State subsidy, a State subsidy
twice as liberal as that given by Germany for the same purpose” and, along with this, went a “grow-
ing appreciation of the obligations which the [state] owes as a whole in respect of the health, the
comfort, and the training and the amenities of individual citizens” (Hansard, HC Debates, April 18,
1907, Vol. 172, col. 1191; Ibid., col. 1912; Hansard, HC Debates, April 2, 1912, Vol. 36, col. 1066;
Hansard, HC Debates, May 4, 1914, Vol. 62, col. 75; Ibid.; Hansard, HC Debates, June 30, 1910,
Vol. 18, col. 1142; Hansard, HC Debates, April 22, 1913, Vol. 52, col. 264, my emphases). Further, in general
terms, through the implementation of its social reform programme, the State had “increase[d] the
national strength and efficiency”. While the State through “all the projects for which the Budget of
1909 found the finance has helped to remove an old fear and to substitute for it a new hope”; a “hope
[which] ... is the mainspring of efficiency”.24

So, interwoven with the language of fiscal activism, there is running through the rhetoric of these
Liberal Budget speeches “the State” as subject of a specific set of activist verbs that convey a strong
sense of its role as an agent that changes, shapes and assumes responsibility for key aspects of the
lives of individuals; that improves the health and well-being of society and enhances the life chances
of the disadvantaged and those particularly vulnerable to the vagaries of an inherently volatile
economy. The reference to national efficiency here is also interesting, picking up as it does on a key
concern of the time; one that related to the general physical condition and capacities, or lack of
them, of large swaths of the working population and thereby, potentially, opening up a very broad,
terventionist, state agenda.25

As to the 1892–95 Liberal Budget speeches of William Harcourt, there are three kinds of reference
to “the state” in these. First, there are statistical/technical usages, such as references to the “gross
liabilities of the State” (Hansard, HC Debates, April 17, 1894, Vol. 23, col. 476; Hansard, HC Debates,
May 2, 1895, Vol. 33, cols. 304, 306). Second, there are the multiple [eight] uses of “the State” in
those passages relating to the introduction of death duties in the budget of 1894. These are interest-
ing in that Harcourt stresses a continuity of principle with previous legislation namely the Statute of
Distribution and the underlying notion that “nature gives man no power over his earthly goods
beyond the term of his life”. So what is denied by nature can only be conferred by the State: “the
right of a dead hand to dispose of property is a pure creation of law and the State has the right to
prescribe the conditions and limitations under which that power shall be exercised”. The right was
therefore “the creation of positive law”. Only the state could give what nature could not concede
(Hansard, HC Debates, April 17, 1894, Vol. 23, cols. 489, 490). Throughout, Harcourt was at pains to
stress continuity with accepted principles of fiscal management and to emphasise that a “principle
... so simple and so just [ Opposition laughter]” was consistent with “every work that has ever pro-
fessed to deal with political economy” (Ibid., col. 490). Nonetheless this anterior claim of the state to
dispose of the property of the dead was clearly one that provoked Conservative concern and it was
also one that could be seen as opening the way for similar “anterior” claims by the state before
wealth, once created, was distributed.26

That said Harcourt’s other references to “the State” bespeak a determinedly Gladstonian, “Old
Liberal”, cast of mind and frame of reference.27 Certainly they sound a strong note of caution against
the assumption by the state of a wider range of social responsibilities on the grounds of the increas-
ing financial liabilities that would eventuate. Thus, in his 1893 Budget, he expressed the view that
given the relatively light taxation borne by the British population, “it is, perhaps, not unnatural that
anyone who comes forward with a proposal for increased Expenditure is welcomed as if he had discovered a new pleasure. Private Members with large hearts and small responsibilities take up some favourite scheme or somefavoured class of the community. They demand higher wages, greater pensions; they desire that the State should undertake new duties, fresh responsibilities, larger expenditure. We are eager to create new empires here and annex fresh territory there, to reduce postal charges all over the world, to relieve more rates, to undertake lifeboats, &c. The country is well agitated, the interests are well organised, the House of Commons is well canvassed, and one afternoon, in the gaiety of our hearts, we pass a Resolution unanimously which is to cost us a few millions when it comes into full operation some years hence”. So the House of Commons was in constant danger of committing governments to increased expenditure on a range of activities “all … very excellent in their way. There is a great deal to be said for them; there is very little to be said against them. That is quite true; but the time comes, and it has come, when you must pay for them. This is the true inwardness of the growth of Expenditure at the present time … the growth of Expenditure is not mainly the work of Governments, but … it is forced on the Government by the House of Commons and the country, who really do not seem to care what they spend. I belong myself, as I have said, to the old school, and I would gladly see less money spent, for I think a good deal of it is wasted. But, if I may reverse an old saying, I would say that those who call the tune must pay the piper” (Hansard, HC Debates, April 24, 1893, Vol. 11, col. 1045, my emphasis). The message was crystal clear: even a Liberal government must consider critically any proposals coming forward, however well intentioned, which in adding to the state’s social responsibilities also added to its financial liabilities. Of course those who lobbied for such additional expenditure could play the populist card. They had the easy task of proposing expedients that would find support amongst its beneficiaries. And, disturbingly, for Harcourt, their voice was increasingly finding favour within the political community: “there is no economical Party now. I believe the Prime Minister and myself are the last survivors of that vanished creed. The saying has been attributed to me that everyone is a Socialist now. I do not know whether I ever said that, but this I will say—there are no economists now. Financial economy has gone the way of political economy, and a Chancellor of the Exchequer preaching against extravagance is “the voice of one crying in the wilderness”. We hear a great deal about the stinginess of the Treasury. I wish the Treasury had a little more power … to be much more stingy. The Chancellor of the Exchequer may hold up his hands in despair, like the old steward in the Rake’s Progress; but the money is spent, and, as the French say, ‘The wine is drawn and you must pay for it’”. So, from Harcourt’s perspective, acceding to the cumulative demands emanating from certain sections of the political class threatened to undermine what had been achieved through adherence to the principles of Gladstonian free trade finance, which were the financial principles of Old Liberalism. So such demands should be rebuffed: as should concomitant demands to effect any significant extension of the state’s revenue base to allow them to be acceded to in the future. In this regard it is interesting to note the Times’ comment on the 1894 budget that it had resisted pressure to “throw the entire burden [of additional taxation] on realised property and professional and commercial incomes. This is a rebuff to the Radicals, who have been clamouring for a campaign against the propertied classes” (Times, 1894, April 17, p. 9). The later Liberal budgets of Lloyd George were to take a radically different line.

Of course, as we have seen, Asquith and Lloyd George also warned against the fiscal consequenc-es of the state’s overextending itself in terms of its commitments. But that was in the context of the pressures resulting from their proposals for increased social expenditure. Harcourt’s emphasis on fiscal restraint is altogether more vehement and uncompromising and indeed may be seen as a direct warning to those within his own Party who did, “desire that the State should undertake new duties, fresh responsibilities” by way of a programme of social reform.

3. “The Community”
There are points of similarity in the use of the concept of community in the budget speeches of 1906–14 and 1893–95: though the concept occurs considerably more frequently in those of the former, particularly in the speeches of 1907 and 1909: 22 times in the period 1907–09, as against four in the period 1893–95 (see Tables 1–3). Thus both sets of speeches use the language of equity and
responsibility in relation to the burdens which budgets impose on “the Community”. In this regard, for Harcourt, budgets must therefore be non-party and non-partisan. 29 “I have”, he stated, “been invited to introduce a partisan Budget. That is not my view of the duty of a Finance Minister in this country. The responsibility for the finances of an Empire like this is no light matter. The Minister is the trustee for every class and for every interest in the community. He has not the right to employ those powers to serve sectional or Party purposes” (Hansard, HC Debates, April 17, 1894, Vol. 23, col. 507, my emphasis). Again, with respect to his introduction of death duties in his budget of 1894: “I venture to claim for this plan that it is a fair plan, conceived with a due regard to the interests of all and to the capacity of each class of the community to bear”. 30 Thus touching base with “the Community” underpinned a position that stressed the equitable and disinterested fiscal principles which he believed should inform and guide budget measures. In effect it furnished a reference point for an articulation of the ethical basis of fiscal policy.

Similarly for the Lloyd George, “all classes of the community in times of financial emergency should be called upon to contribute”, though not in a manner that increased “the cost of the necessaries of life for any class” (Hansard, HC Debates, April 2, 1912, Vol. 36, col. 1060, my emphasis) a particular allusion to the expedient of a tariff on imported grain with which Liberals sought constantly to identify the Conservatives. Again, in 1914, reference to equity for the community in the incidence of taxes was reinforced by the statement that “the community could carry much more if it were thoroughly spread and could carry it with much better heart”; a clear allusion to capacity to pay with the attendant policy implications this should have for the incidence of taxation (Hansard, HC Debates, May 4, 1914, Vol. 62, col. 67). So, in relation to their articulation of fiscal policy, Harcourt, Asquith and Lloyd George rhetorically linked “the community” to the concept of equity; though it is fair to say that the budget speeches of 1906–14 did so more frequently and did so in ways that were more obviously egalitarian and which also stressed equity as the basis for social solidarity.

However, as to the use of the concept, other and more important points of difference can be noted. The first of these relates to its formulation and usage as agent by both Lloyd George and Asquith; something that was particularly apparent in the critical analysis that underpinned the new sources of revenue identified and exploited in the 1909 and subsequent Liberal budgets. Thus the People’s Budget sought to tax the appreciation of land values that resulted from fortuitous location rather than from any sacrifice or effort on the part of the landowners. This was a notion which had a long theoretical provenance that can be traced from Ricardian rent theory, through Henry George to the Fabians and derived from the concept of the rental income yielded by intra-marginal land; an income that accrued without any contribution to productive activity and was therefore deemed unnecessary to sustain it. So “the growth in the value, more especially of urban sites” was “due to no expenditure of capital or thought on the part of the ground owner, but entirely owing to the energy and the enterprise of the community” (Hansard, HC Debates, 29 April 1909, Vol. 4, col. 532, my emphasis). that is, to the industrial and commercial enterprise of the community putting pressure on urban space. The proposal, therefore, was “to levy a tax on the increment of value accruing to land from the enterprise of the community or the landowner’s neighbours” (Ibid., col. 537, my emphasis) to draw down, in effect, on the surplus which the efforts of the community had created. So here we have the community as agent, the community as the creator of value, the community as the repository of enterprise, the community as a source of economic growth and dynamism. And, given this, “is it too much, is it unfair, is it inequitable, that Parliament should demand a special contribution from these fortunate owners towards the defence of the country and the social needs of the unfortunate in the community, whose efforts have so materially contributed to the opulence which they are enjoying?” (Ibid., col. 536, my emphasis). Conceptualising the community as an active agent in the creation of wealth therefore provided the theoretical and also the ethical basis for the fiscal proposals of the People’s Budget; justifying that “special contribution” from those whose good fortune was the product of the efforts of others which so incensed the Conservative Opposition in the Commons and the Lords (Ibid.).

Further, it is interesting to note that “health” and “well-being” also figure regularly as collocates with “the community” in the Liberal budget speeches of Asquith and Lloyd George but not at all in
those of Harcourt. In 1907 there is reference to what is “absolutely essential to the well-being of the community” (Hansard, HC Debates, 18 April 1907, Vol., 172, col. 1188). In 1909, a “healthier and happier … community” is seen as linked to “towns and villages … planned on more spacious and rational principles” (Hansard, HC Debates, 29 April 1909, Vol. 4, col. 537). In 1910, the increased government expenditure proposed is seen as “essential for the growth of any civilised or healthy community” (Hansard, HC Debates, 30 June 1910, Vol. 18, col. 1124) a reduction in alcohol consumption is connected with an increase in spirit duty which had “done … much for the general well-being of the community” (Ibid., col. 1131) while the community itself had “obligations” “in respect of the health” and “the comfort” of “individual citizens” (Hansard, HC Debates, April 22, 1913, Vol. 52, col. 264). Furthermore local government too had critical responsibilities as regards “the health and comfort of the community” (Hansard, HC Debates, May 4, 1914, Vol. 62, col. 62) responsibilities that could only be fulfilled if it had the wherewithal to do so. The health, well-being, comfort, happiness and civic sensibilities of the community were therefore seen as something to be encompassed within a budget, or at least within a Liberal budget speech. They should be within the purview of the conduct of fiscal policy and their attainment was envisaged as something to which Chancellors of the Exchequer had a moral duty to contribute. This is not to suggest that Harcourt and the Old Liberals were not concerned with the community’s health and well-being but the absence of such collocates is nonetheless noteworthy; as is the absence of any mention of “the poor” or “poverty” in the Harcourt budget speeches.31

4. “The People”

It is interesting that “the People” is a concept used more frequently in the budget speeches of Harcourt than those of Asquith and Lloyd George (see Tables 1–3). Of course the figure for the former is inflated by 11 uses in the budget speech of 1895, but that for the 1906–14 period is similarly so by the People’s Budget of 1909 (16 times). However what is of greater significance than frequency of usage is its collocation and the rhetorical purposes it served.

4.1. “The People” and social welfare

As with “the community” there are general references to the health and well-being of “the People”. Often, and unsurprisingly, these are to confirm the beneficial consequences of past budgets or, more generally, the sound management of the nation’s economic affairs. References also relate to the prospects of material benefit and improvement opened up by the budget measures being proposed. It is noteworthy though, as far as the budgets under consideration are concerned, that these are infrequent; at least until the People’s Budget of 1909 when Lloyd George, on a number of occasions, directly connects the well-being of “the people” to the social measures which he was using the Budget to implement. Something that signalled a different conception of its remit and purpose, which in turn implied a wider range of responsibilities and more active and interventionist role for the state.

Thus we have reference in this speech to a “social programme for the benefit of the masses of the people”; a need for the budget to address the “social problems which are urgently pressing for solution—problems affecting the lives of the people”; schemes that would “save an incalculable amount of human misery to hundreds and thousands and possibly millions of people who never deserved it”; schemes that “suppl[ied] the urgent social need of its [the nation’s] people”; the importance of public expenditure to assist “the people” who were “now enduring hardships for which the sternest judge would not hold them responsible … owing to events of [a] kind, all of them beyond human control—at least beyond the control of the victims” (Hansard, HC Debates, 29 April 1909, Vol. 4, cols. 480, 481, 481, 485). So the 1909 Budget was represented as making “a great step towards that time when poverty and wretchedness and human degradation, which always follow in its camp, will be as remote to the people of this country as the wolves which once infested its forest” (Ibid., col. 548).

The concept of “the People” was therefore central to this budget’s rhetorical justification, construction and the thrust of its social reform programme. It is noticeable too that in later Liberal budget speeches its deployment in this manner is less frequent, though it is still collocated with concepts of social well-being, with budgets deemed to secure the “improved health … increased efficiency … comfort and the happiness of the people”; “improving [their] conditions and prospects” and “fitness and
capacity for service”; “bettering ... [their] conditions”, “improving ... [their] health conditions ... and life”; ensuring their “greater happiness and efficiency”; and tackling the material conditions and manifestations of their impoverishment, for example in “the squalid homes of the people” and their “living in slums” (Hansard, HC Debates, 30 June 1910, Vol. 18, col. 1132; Hansard, HC Debates, April 2, 1912, Vol. 36, col. 1059; Hansard, HC Debates, May 4, 1914, Vol. 62, col. 76; Ibid., cols. 77, 93, 63; Hansard, HC Debates, May 16, 1911, Vol. 25, col. 1868). So the sustained collocation of “people” with material conditions and social well-being was a significant component of the rhetorical delivery of budget measures throughout the 1906–14 period.

As to the budget speeches of 1893–95, the uses of “the People” are more frequent than those of the later period 1:1730 as against 1: 3175 words (see Table 3). However, the purpose is radically different for they relate almost entirely to the contextual evidence which Harcourt adduced for a contemporary increase in the people’s material well-being. Specifically here he focused in 1894 on the increased revenue from customs duties “on what may be called the staple articles of consumption of the mass of the people. I venture to think that this is not only financially, but socially, a most satisfactory return. It shows that on the main taxable articles, which constitute the comforts of the people, there is no evidence of pinching, no sign of diminished resources or consuming powers in the mass of the nation” (Hansard, HC Debates, April 17, 1894, Vol. 23, col. 471). But more generally, “leaving this question of the Revenue, a general review of the condition of the people, derived from these different sources, is not unsatisfactory” for “there is no sign of any diminution in the resources or consuming power of the wage-earning class” (Ibid., cols. 474–475, my emphasis).

Again in 1895, “I will first speak of the Customs. This head of revenue is specially interesting as affording a symptom of the condition of the mass of the people. The yield of the Customs is dependent rather on the resources of the consumers than on the state of trade—that is to say, upon wages, and not upon profits” (Hansard, HC Debates, May 2, 1895, Vol. 33, col. 295). And the increase in that yield again suggested an improvement in the people’s material condition. Further, and more generally, “the consumption of foreign and home-grown meat in 1891–93 was the largest that ever took place; and the increase in the consumption of an article like meat is a significant indication of the well-being of the people. The figures go to show that the mass of the people have in the past year, and in many years past, been able to obtain and have enjoyed still larger quantities of the necessaries and comforts of life at lower prices” (Ibid., col. 298). Additional evidence was cited in relation to the rising deposits in Savings Banks. For “this bears very remarkably upon ... the condition of the people. I know no more satisfactory indication of the improvement in the condition of the people than is to be found in the Return of the Savings Banks and Friendly Societies” (Ibid., col. 306). So, taken together, this and other evidence which he cited in the budget speech were given as “facts on which it is pleasant to dwell as an antidote to that pessimism which delights to describe the condition of the people as one of progressive deterioration” (Ibid., col. 308).

And the purpose of these multiple, upbeat references to the material circumstances of “the People”, which Harcourt evidenced and reiterated throughout his speeches, was essentially to legitimise the increased exactions which he was proposing; a legitimation couchèd in terms of the argument that any additional burdens were considerably less in relation to the contemporary capacity to pay than those willingly embraced by “the People” in an earlier period. In that regard “the People” served a fundamentally different rhetorical purpose from that to which the concept was put by Lloyd George. For Harcourt it was used to trumpet the viability of a free trade finance that could accommodate increased, even substantially increased, demands upon the public purse, while also justifying a relatively circumscribed role for the state. For Lloyd George it was used in a radically different manner. For him “the People” was an entity which was the victim of an economic adversity that was inflicted in part by untoward circumstances but also by an inequitable distribution of income and wealth that derived not from any productive effort on the part of its privileged beneficiaries but from those of “the People” or “the Community”. In this respect, although there was a greater frequency of usage of the concept by Harcourt, that usage was effectively quietistic; it not only accepted the economic status quo, it actually celebrated the capacity of the current system and the increased
prosperity it was generating, to accommodate increased public expenditure and the growing, but
circumspect, revenue demands which that necessitated. Herein lay a fundamental difference
between Old and New Liberalism. The former largely accepted the income and wealth distribution
of a system that had and would continue to generate increased prosperity for all; in contrast the latter,
in the name of “the People”, saw what existed as scarred by the inequitable distribution of resource
ownership and the monopolistic powers which that produced and embarked therefore on a pro-
gramme of fiscal and social reform which could be accommodated within free trade finance only if it
tapped into those sources of income and wealth which derived from the unproductive ownership of
strategic assets.

Such arguments were a critical component of a key political debate of the period. For, as Trentmann
has it, “the battle between Free Trade and Tariff Reform was the most hotly contested issue of the
Edwardian era...Protectionists had promised social reform in exchange for tariffs. Liberals now held
out an alternative compact of Free Trade and national insurance, made possible by redistributing
income” (Trentmann, 2008, p. 31). Here the People’s Budget in particular was an emphatic state-
ment that the limits of Free Trade finance had not been reached and that adherence to free trade
principles did not preclude the pursuit of social reform. So while, as Trentmann has it, “the main body
of Free Trade did not stand on the foundations of the new liberalism” (Ibid., p. 51), the two nonethe-
less became linked in a common collectivist discourse that emphasised the benefits to “the
Community”, “the People” and “the Nation” that would accrue from the pursuit of what a practical
political economy of New Liberalism was proposing. Indeed, it was believed by Liberal social reform-
er such as Lloyd George, a passionate advocate of free trade,33 that the limits of free trade finance
could be transcended and the jeremiads of the tariff reformers rebutted only if the state took a more
active, interventionist and redistributive role in relation to the nation’s finances. In that regard the
political economy of New Liberalism became a necessary ideological and rhetorical adjunct to
articulation of free trade principles.

One further difference is reflected in the usage of “the People” in the Harcourt budgets and that
relates to its collocation with “burdens”. So, with respect to the principle of equity and impartiality
which should underpin fiscal management, he stated that “where it is his [the Chancellor’s] happy
fortune to relieve the burdens of the people, he is bound to distribute that relief with an impartial
hand”. Again in this 1894 budget speech he was concerned to highlight the limits to “the extent of the
burden imposed upon the means of the great mass of the people who earn their livelihood by the
sweat of their brow”. And finally, it was “not a pleasant task for any Government to be called upon in
any shape to add to the burdens of the people” (Hansard, HC Debates, April 17, 1894, Vol. 23, cols. 507,
my emphasis; Ibid.; Ibid., col. 508). So, for Harcourt, the focus is on the burdens which fiscal manage-
ment may lighten or impose; for Lloyd George and Asquith, fiscal management was about active
intervention to counter deprivation; intervention which might necessitate the raising of additional
revenue but would nonetheless enhance the social and material well-being of the people. The lan-
guage of burden has given way to that of the budget as a means of investing in human capital.

4.2. “The People” as consumers
Understandably, “the People” in budget speeches are more often conceptualised as consumers than
in any other way and it is interesting that this constituted identity frequently encapsulated a con-
ception of the power that “the People”, so conceived, could wield. The frequent collocates of “con-
suming”, “purchasing” and “spending” with “power” and with “the People” in both the 1893–95 and
1906–14 budget speeches should not therefore be passed over lightly. Moreover, a recurrent refer-
ence to “the habits of the people” often related to their habits as consumers; something that proved
a fertile collocate in terms of the scope it gave for more general observations on the social attitudes
and behaviour of the working class.34

This reference to the people as consumers was, however, most often related to the revenue-gener-
ing implications of alterations in their behaviour that changes to indirect taxation might produce.
In particular, in the budgets of 1906–14, there were discussions of behavioural change, or changes to
“habits”, effected by adjustments to the duties on alcohol. These entailed expressions of optimism, both as to the impact of increased duties and to what was seen as an autonomous trend in favour of more rational, non-alcoholic, pursuits on the part of the working class. Thus, for Lloyd George, this favourable trend was unquestionable and “the figures of the last few years justify me in assuming that it was also attributable to the steady growth in the habits of sobriety amongst the masses of the people” (Hansard, HC Debates, April 29, 1909, Vol. 4, col. 473) a development the revenue implications of which had to be considered alongside what, on social grounds, was something that should be unreservedly celebrated. So, “I shall have to reckon upon a continuation of that steady growth in the habits of self-restraint amongst the people in the matter of indulgence in alcoholic liquors which has been such a very marked feature of the national liquor bill during the past few years, which is so gratifying to the reformer and so discouraging to the revenue” (Ibid., col. 474) an interesting juxtaposition and tension.

Again, in 1910, Lloyd George noted the favourable social consequences of the diminution of alcohol consumption as attested by a Scottish provost who “would regard any relaxing of the increased spirit duty as a national calamity … know[ing] of no measure that has done more for the general well-being of the community by checking … the admitted evils of intemperance” (Hansard, HC Debates, June 30, 1910, Vol. 18 col. 1131). Similarly, Lloyd George himself noted a “falling off in consumption of 10,000,000 gallons of highly alcoholised liquor”, commenting that “it is difficult to measure the benefits in improved health, in increased efficiency, in the comfort and the happiness of the people which has been effected by that” (Ibid., my emphasis) the reference to efficiency picking up again on the concerns over the “national efficiency” of the population that had been ignited by the perceived physical state of potential working-class recruits to the armed forces during the Boer War. Nor had the diminution in the consumption of spirits resulted in a switch of consumption to less alcoholic beverages for “the extraordinary fact about the diminution in the consumption of whisky is that people do not seem to have been driven to the consumption of either beer, wine, or any other form of alcoholic liquor; there is a diminution all round” (Ibid., col. 1129).

As to Harcourt’s budget speeches: as noted above there are a number of collocations of “the people” with “consuming power”. So we have the “consuming power in the people”, the “consuming power of the mass of the people”; with that “consumption” being seen as “a significant indication of the well-being of the people” (Hansard, HC Debates, April 17, 1894, Vol. 23, col. 471; Hansard, HC Debates, May 2, 1895, Vol. 33, col. 298; Ibid., col. 295; Ibid., col. 298). But, mention of “the people” as consumers is effectively limited to this form of usage.

5. “The Nation”

As to the concept of “the Nation” it used 36 times in the Liberal budgets of 1906–14 and 13 times in the Harcourt budgets of 1893–95 (see Appendix A Tables). However, as regards the Liberal budgets of 1906–14, it should also be noted that a number of the usages relate to essentially technical aspects of the budget. Thus there was frequent mention of the “liabilities of the nation”. Indeed this usage occurs no fewer than nine times; though all such uses are confined to the budgets of 1906–08.

As with “the People”, so with “the Nation”, the “Old Liberal” budget speeches of 1893–95 embedded the concept within a narrative of growing prosperity and economic strength. So “the steady and vast growth in the produce of the Income Tax and the Probate Duty is the most irrefragable evidence, in my opinion, of the solid advance in wealth both in annual income and accumulated capital of the nation” (Hansard, HC Debates, April 24, 1893, Vol. 11, col. 1034). And again, in juxtaposing the comparative fiscal stringency of the 1840s with contemporary circumstances, Harcourt contrasted a period when “the nation was poor; capital was deficient, trade was bad, the weight of the Debt was crushing, and taxation relatively to the resources of the people was enormously heavy”, with a changed “condition of things … the nation has grown rich, taxation compared to the resources of all classes is relatively light, and this is probably in proportion to its wealth the most lightly taxed nation in Europe at the present time” (Ibid., col. 1044, my emphasis).
Further, in 1894, despite a popular view to the contrary, “taking into account the whole situation, the balance-sheet ... show[ed], I think, in a striking manner, the soundness of your finance and the unbroken solidity of the resources of the nation” (Hansard, HC Debates, April 17, 1894, Vol. 23, col. 469). Specifically on the basis of custom duties there was, for Harcourt, “no evidence of pinching, no sign of diminished resources or consuming powers in the mass of the nation; but... even in this trying year, there has been a substantial increase” (Ibid., col. 471). And in 1895 we have Harcourt again discoursing on the customs revenues “as indicating the unbroken resources of the large mass of the nation” (Hansard, HC Debates, May 2, 1895, Vol. 33, col. 297, my emphasis).

Moreover, “the Nation” is linked to the tried and tested principles of fiscal probity. So any suggestion of raiding the Sinking Fund to finance an excess of expenditure over revenue was rejected. There was only “one sound and straightforward method of meeting this deficit, and that is by increased taxation. This is the only policy which is worthy of a solvent and a wealthy nation which finds itself over-spending” (Hansard, HC Debates, April 24, 1893, Vol. 11, col. 1047). And this prefaced the case which Harcourt subsequently made for the introduction of death duties. In other words they were predicated on an articulation and adherence to the principles of Gladstonian finance and associated, therefore, with the nation’s moral character.

Similarly the nation was again invoked in the 1894 speech in a rejection of the expedient of reducing provision for the reduction of the National Debt to cover any addition to defence costs. “To take such a course in time of peace in order to meet expenditure which we regard as indispensable, not exceptional, but as a part of the regular demands for the defence of the country, would be a fatal and a cowardly error, unworthy of a great nation” (Hansard, HC Debates, April 17, 1894, Vol. 23, cols. 479–480, my emphasis). The rhetoric is ethically charged: with such a course of action being portrayed as a threat not just to the fiscal stability of the nation, but also to its financial integrity and thence its perceived credit worthiness within the international financial community. To maintain these it must be made apparent that “the nation is ready and willing to make all the sacrifices necessary to meet its needs and obligations”. For such a preparedness to make sacrifices, rather than embrace short-term fiscal expedients, would secure “the stability of your currency” and the nation’s “commercial prosperity”; reliant as these unquestionably were on that international confidence in sterling that was rooted in apperceptions of the nation’s moral worth.

So in this instance the legitimation strategy is one of mythopoesis connecting the nation’s prosperity firmly with the principles of fiscal rectitude, financial stability and currency stability; connecting it in other words with the traditional Liberal principles of sound finance and fiscal restraint, adherence to which was seen as the fundamental basis for an expansion of Britain’s international trade. It is in this context that the introduction of death duties was to be seen; not as a measure to give the fiscal freedom of manoeuvre necessary to embark on a programme of social reform. In this regard “the Nation”, “the People” and “the State” served overlapping rhetorical functions in the budget speeches of William Harcourt.

As to later Liberal budgets, the concept was used to evoke a collective responsibility for the nation’s finances and also for the financial consequences of the policies being pursued by an elected government. So, in his 1907 budget, Asquith made clear that “if we are to have social reform we must be ready to pay for it, and when I say ‘we’ I mean the whole nation—the working and consuming classes as well as the wealthier class of direct taxpayers” (Hansard, HC Debates, April 18, 1907, Vol. 172, col. 1192, my emphasis). And here too there is the notion of the distributive equity that must attach to membership of a collectivity—the nation—but also the message that those who will benefit in particular from what the Liberals are proposing should also be expected to make some contribution to the revenue stream that made such measures possible. So again legitimation is couched in terms of what are purveyed as accepted value systems (see Hansard, HC Debate, April 17, 1894, Vol. 23, col. 469).

Further, Lloyd George, as with the concept of “the State”, was not averse to using that of “the Nation” in relation to defence and national security issues and associated expenditure; specifically
with reference to the financing of naval rearmament in a context of rising tensions between nations. So security and the territorial integrity of the nation were referred to as a “national treasure” which it would be criminal for “any ill-judged fit of parsimony to risk ... Such a stupendous act of folly would, in the present temper of nations, not be Liberalism, but lunacy” (Hansard, HC Debates, April 29, 1909, Vol. 4, col. 480, my emphasis). At the same time such tensions, and the belligerence that was their cause, should not be allowed to obstruct the pursuit of social reform: “is it fair, is it just, is it humane, is it honourable, is it safe to subject such a multitude of our poor fellow-countrymen and countrywomen to continued endurance of these miseries until nations have learnt enough wisdom not to squander their resources on these huge machines for the destruction of human life? I have no doubt as to the answer which will be given to that question by a nation as rich in humanity as it is in store” (Ibid., col. 482, my emphasis). And here, in the final sentence, the legitimisation of the budget strategy was couched in terms of a claim to be able to intuit, articulate and act on the moral sense of the nation, translating it into an appropriate set of fiscal priorities.36

Further, while claiming to act with the authority of and on behalf of the nation, “the Nation” itself was represented in the budget speeches of 1906–14 as an actor in its own right. The government’s judgements became a reflection of its judgements, the salutary consequences flowing from previous budgets in turn becoming a product of the nation’s foresight and wisdom. As with “the State”, the use of the concept of “the Nation” was therefore rhetorically infused with an activist character. “The Nation”, like “the State” became a primary agent of change; the government and the Chancellor the means by which it translated a desire for reform into a financial strategy.

This characterisation of “the Nation” as an active agent was also one that was much more apparent in the period 1909–14; a function undoubtedly of a social reform programme which could be legitimised as an expression of national needs. In this context an extended passage from the Budget of 1910 is worth quoting in full: “I think we can claim that last year’s Budget, with all its accessory measures, will challenge comparison with any set of measures passed by this Parliament in the aggregate of human misery they have saved. The most satisfactory condition of all is that in spite of these increased burdens for these purposes, the excellent trade prospects which we are now enjoying, prove that the nation has not been generous beyond its means. On the contrary, it looks as if the exceptional provision this rich and powerful nation has been making recently for the needy and unfortunate has been blessed with greater prosperity than has ever been attained in the whole history of its commercial greatness. Last year there were five nations, five of the greatest nations in the world, that were labouring in the trough of financial distress—Germany, France, the United States of America, Russia, and the United Kingdom—they all had huge deficits to meet. There is only one of them that has emerged”37 So, “the Nation” has not been overly generous. “The Nation” makes provision for the needy and unfortunate. “The Nation” emerges from previous trade difficulties. “The Nation”, whose financial interests were protected, articulated and served by the Chancellor, thereby becomes the real actor in the economic drama and thence the driver of the Liberals programme of social reform.

As with “the State”, therefore, “the Nation”, particularly from 1909 onwards, is located within an activist rhetoric that highlights its role and invokes its authority, both in demanding and driving forward a programme of social reform. Thus once again, in the 1912 budget, the increase in social welfare expenditure was a function of “the increase in the activities of the nation in every direction”. While specifically, as regards education, “the nation was spending 8d per head upon education of children” (Ibid., col. 265, my emphasis).

One other usage is worth brief notice here and this relates, again, to the objective of “national efficiency” and the role of fiscal policy in promoting it. Thus, as regards expenditure on Labour Exchanges, “it undoubtedly increases the efficiency of the nation in every respect, and the business man who would unduly stint his outlay on repairing and renewing his machinery would be regarded as a very bad business man, and so would the Parliament which takes the same view of the nation” (Hansard, HC Debates, April 22, 1913, Vol. 52, col. 268, my emphasis). Thus we have here some sense of the state’s responsibility in ensuring the smooth functioning of the labour market and also, by implication,
a conception of labour as human capital demanding the requisite investment and organisation to ensure its efficient utilisation. Indeed in this and other respects “all these [Liberal social reform] projects” could be portrayed as making for an “increase the national strength and efficiency” (Hansard, HC Debates, April 2, 1912, Vol. 36, col. 1059).

6. Conclusion
First, as to “the State”: while, like Harcourt, Asquith and Lloyd George all counselled caution as to the rising costs that came with increased responsibilities, it was nonetheless the case that both the latter saw the state in activist terms as a means by which the challenge of social deprivation could be addressed and a programme of social reform progressed. What was at issue then was the revenue by means of which it could fulfil a more activist role in relation to a widening set of responsibilities. The frequency of usage during the critical period of 1907–10 is interesting here in legitimising this extended role, but more significant, as we have seen, are the collocations of “the State” and the manner in which it was deployed.

As for “the Community”: there is again an activist aspect to its construction and use in the budget speeches of Asquith and Lloyd George. It is also deployed as a conceptual referant for discussions of equity in relation to a Budget’s exactions and disbursements; particularly so in the construction of the case for the appropriation for communal purposes of the unmerited surplus accruing to urban landowners. Further there is, as noted, a concomitant collocation with health and well-being in a form not present in the earlier budget speeches of 1893–95.

As to “the People” we have again its collocation in the 1906–14 budgets with the health and well-being of the populace and the need to address some of the issues that threatened these. In contrast, in the Harcourt budgets, this collocation is rendered in the positive terms of economic progress and the capacity of the population to bear the relatively modest increase in fiscal burdens being proposed. “The People” therefore became a reference point for celebrating increased material well-being, whereas with Asquith, and in particular Lloyd George, it became a collective construct in terms of which the need for an assault on poverty and social deprivation was articulated.

As with “the State, so with “the Nation”, the Harcourt Budget speeches embedded the concept within a narrative of growing economic strength and material prosperity. Moreover it was a one which was used in the articulation of the principles of Gladstonian finance, with the nation’s probity and international reputation demanding that any projected deficits should be covered by increased taxation rather than borrowing or raids upon the Sinking Fund. The nation’s wealth was based on international trade. Confidence in the nation’s currency was integral to its future growth, and sound finance was a fundamental prerequisite of this. The nation’s material prosperity therefore necessitated a moral stance and in consequence circumspect view of the fiscal consequences of any extension of the state’s role that entailed increased public expenditure.

In the Lloyd George and Asquith budgets, “the Nation” was linked to the principle of equity and was also a reference point in justifying the need for increased public expenditure: on occasion in relation to the naval arms race with Germany but more prominently with respect to the programme of social reform to which the Liberals were committed. As for the former, Lloyd George did not hesitate to use “the Nation” to highlight the Liberals’ patriotic credentials; as to the latter, “the Nation” is credited with foresight and compassion in pressurising politicians to act in the national economic interest and, by implication, to take forward the social reform programme.

Regarding the number of times collectivist concepts are used, it is fair to say that the “People’s Budget” stands out (with the exception of “the Nation”); though given its length (at over 32,000 words more than twice that of any of the other budgets considered) one must be careful here and frequency of usage for particular collectivist concepts is greater in other budgets, including those of Asquith (see Table 4). Even so, across the board it is fair to say that in that budget speech, Lloyd George deployed these concepts in an unusually sustained, calculated, distinctive and effective rhetorical fashion.
Finally, and more generally, when we come to compare the budgets for the period 1906–14 with those of 1893–95, that is even more the case. And given the nature, legitimation purposes, context and frequency of these concepts’ usage, it is reasonable to suggest that, with these budgets, we have a change in the language deployed by Liberal Chancellors; one that both reflected the discursive character of the political economy of a New Liberalism and contributed to its popular dissemination and prescriptive articulation. In particular these collectivist concepts were part of a language which was qualitatively different from that of the earlier period in relation to the activist role accredited to “the State”, “the Nation”, “the People” and “the Community” but different too in its insistence on the broader range of social responsibilities which should be encompassed within a Chancellor’s management of fiscal affairs.

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Notes
1. With respect to Victorian budgets Mathew has written of “The great drama of the budget, the annually renewed social contract of the Victorian State” (Matthew, 1979, p. 616).
2. In particular Thompson (2013, p. 217) makes much of the “widespread faith in the power of public opinion to regulate justly the economy and preserve industrial peace”; something to which economists of the period such as Marshall, Pigou, H.S. Foxwell and others increasingly acceded (Ibid., p. 183); but a faith that was more generally adhered to than that (see Ibid., pp. 183–217).
3. Though there is only one direct reference to “public opinion” in the budgets under consideration. That is in the budget speech of 1909 where Lloyd George rules the fact that “myself and my colleagues were subjected to such persistent abuse, insults, and scurrility as few Ministers have ever been subjected to, merely far desiring inquiry” into possible economies that might cover a projected budget deficit, and “until public opinion is educated up to the point of assenting to the institution of that inquiry, and therefore giving the necessary support, no substantial results will be achieved in that way” (Hansard, HC Debate, April 29, 1909, Vol. 4, col. 502).
4. So the importance of public opinion and the need to educate it is at least recognised in this speech.
5. “Rhetoric makes realities, however temporary. And meanwhile it creates a multiplicity of judgments about what the realities really are” (Booth, 2004, p. 16). Or, for Finlayson, it can also “set the boundaries of political argument and may be particularly important since to rule certain issues off the agenda is to win before argument has begun” (Finlayson, 2007, p. 555).
6. As Fairclough has put it, “it is an inherent property of the practice of democratic government that action arises from the public contestation between discourses—discourses are deployed by different parties and groups to win sufficient political support for particular visions of the world to act” (Fairclough, 2000, p. 157).
7. Booth (2004, p. 50). Here, it should be noted that 1906 “brought ... into the House of Commons and into the political and journalistic world around it, a generation of young Liberals for whom radical social reform and interventionist politics was a creed” (Gilbert, 1987, p. 337).
8. As Fairclough has put it, “a speech may to a greater or lesser degree reproduce established classification and argumentation at the same time as being innovative in both” (Fairclough, 2000, p. 92, my emphasis).
9. As Daunton has stated, with respect to a slightly later period, “politicians and parties did not merely respond to pre-existing interests, but attempted to define and shape identities through their language and rhetoric” (Daunton, 2002, p. 23).
11. For, more generally, “debates over taxation offer a way into the larger question of the normative assumptions about society and human motivation” (Daunton, 2002, p. 29).
12. As Norval has noted it is important when “conceptualizing the history of political thought” to appreciate “the changing political languages in which societies talk to themselves” and one might add in which they are addressed by those who seek to shape, change and realise their political ideologies (Norval, 2000, pp. 319–20). These concepts have been chosen because they best illustrate the changing political language of Liberalism in the late-nineteenth and early twentieth centuries. Use might also have been made of concepts such as “social”, “class” and “national” but this would have added considerably to the length of the article.
13. The fiscal political economy of Old Liberalism was neatly encapsulated by Gladstone in a diary entry of 1857: “To maintain a steady surplus of income over expenditure - to lower indirect taxes when excessive in amount for the relief of the people and bearing in mind the reproductive power inherent in such operations - to simplify our fiscal system by concentrating its pressure on a few well chosen articles of extended consumption - and to conciliate support to the Income Tax by marking its temporary character & by associating it with beneficial changes in the laws” (quoted in Mathew, 1979, p. 636).
15. “... it evolved from within itself a concept of community as a meaningful entity” (Ibid., pp. 12–13).
16. Thus, the Nation wrote in 1907 of the Liberal government: “promot[ing] a series of practical measures which, though not closely welded in their immediate
purport, have the common result of increasing the power and resources of the state for the improvement of the material and moral conditions of the people” (quoted in Weiler, 1982, p. 105, my emphasis).

27. Thus one commentator has referred to “Harcourt” as “the disciple whom Gladstone loved, the last stalwart of retrenchment” (MacGregor, 1939, pp. 13–14).

28. (Ibid., col. 1044, my emphasis). As early as 1886 we have Harcourt stating: “It is no longer our revenue but our expenditure which grows by leaps and bounds. In my opinion we are living too fast. The English are not naturally thrifty. I entreat the Committee to resist the perpetual demands that are being made from every quarter for further expenditure” (Quoted in MacGregor, 1939, p. 22).

29. That said a Times editorial contended that “the Budget ... [had] to be viewed, not only as a financial measure but as an electioneering move; and, from the latter standpoint, its merits appear to have been generally recognized by the supporters of the Ministry” (Times, 1894, April 17, p. 9).

30. Ibid., col. 508, my emphasis and as the Times saw it that meant that he had in the budget accepted the principle that “the working classes are to pay some share of the cost of a stronger Navy and a more expensive civil administration” (Times, 1894, April 17, p. 9). Or again, “that every class in the community should take a share in the burden of national defence” (Ibid.).

31. In this context it is interesting to note that in his 1909 budget Lloyd George refers to “poverty” eight times, “the poor” once, “poorer people” twice and “the poorer class” once. This compares with a complete absence of mention in the budget speeches of William Harcourt.

32. The term “privilege” occurs no fewer than 14 times in the 1909 budget. It does not occur at all in the Liberal budget speeches of 1906–8 nor in any of the Liberal Budgets for 1892–95.

33. As Treitmann has written of the pre-World War Lloyd George, he “was virtually unable to give a speech about Free Trade without falling into a eulogy about how providence had selected Britain for this global civilizing mission” (Ibid., p. 166).

34. A concern with the character of working-class consumption was not, of course, peculiar to the Liberals (see, e.g. Thompson, 2007, pp. 230–250).

35. Mythopoesis being “narratives whose outcomes reward legitimate actions and punish non-legitimate actions” (Van Leeuwen, 2007, p. 92). Though this component of Harcourt’s budget speeches also makes use of the strategy of what Van Leeuwen termed “moral evaluation” where reference is made to value systems (Ibid., p. 100). For an excellent short discussion of Van Leeuwen’s taxonomy of legitimation/delegitimation strategies (see Lorenzo-Dus & Marsh, 2012, pp. 281–282).


37. (Hansard, HC Debates, June 30, 1910, Vol. 18, col. 1142, my emphasis). Again we have a classic narrative of mythopoesis: right action bringing manifest rewards.

References


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Appendix A

Table 1. Use of key collective concepts

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Table 2. Frequency of concept usage: usage/number of words

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Table 3. Composite frequency of use/number of words and ratios of usage

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Table 4. Length of budget speeches

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