

What, if anything was new about 'New Liberalism'

The 1906 election is seen as a turning point for the liberal party. The unprecedented amount of social legislation brought in with this new government is often attributed to new liberalism. But there has been much debate about how new 'new liberalism' was and how different it was to old liberalism. The extent to which new liberalism was new and the consequences of new liberalism during the 1906-1914 government requires an analysis of old and new liberal ideas and actions.

To fully analyse this problem it is important to see in what context 'new liberalism' emerged. The dynamic new German Empire proved how social reform did not mean economic collapse. Soon it was becoming apparent that the old laissez faire approach to government was becoming outdated. It was soon becoming clear that it was more the responsibility of the government to tackle social issues rather than the citizen. The work of Booth Rowntree had highlighted the problems of the poor. The difficulty in getting enough fit working class men to fight in the Boer war had created a debate over national efficiency. The change in foreign policy adopted by Britain after the war showed Britain as being insecure, showing the need for more able bodied men. In this way 'new liberalism' can be seen only as a response to growing social problems and the insecurities of the empire. The fact that new liberalism is usually only attributed to the work of Lloyd George and Winston Churchill shows that new liberalism was less of a party movement and more of a progressive response by two more radical MP's acting under the situations of the time. However, their work was approved by the Prime Minister and therefore could be seen as government initiatives. Despite this there is substantial evidence to show that many government ministers were against these new proposals. This means that new liberalism was the creation of only two MP's working on their own to benefit the country.

There is no denying that during the time of this government there was major change in social policies. In this period social spending doubled, and many of the legislations passed were quite radical. The National Insurance Act of 1911 introduced National Health Insurance and Unemployment Insurance. Health cover was provided to workers in certain industries by automatically deducting 4 pence from their wages, and adding this into an insurance fund, the employer then added 3 pence and the government 2 pence. The fact that the employee had to contribute to the insurance however is an ideal of Old liberalism that people should help themselves to rise to their 'proper level of society'. The Labour Exchanges Act of 1909 set up a nationally organised but regionally operated system of job centres allowing the un-employed to find out about jobs. Although, this could also be judged as another self-help scheme influenced by old liberal ideals. The majority of this social legislation was passed after the Campbell Bannerman government. As Campbell Bannerman was a stern supporter of old Liberal values it can be seen that these legislations were the difference between old liberalism and new liberalism. It is said that once Campbell Bannerman was out of the way new liberal ideas could be put forward and these were in the form of social reforms.

Despite the radical change often expressed as a result of 'new liberalism' there were many similarities between old and new liberalism. Like old liberals, new liberals distinguished between deserving individuals and undeserving individuals. This can be seen in the old age pensions act, viewed as a benchmark in new liberal ideals.

However this very new liberal policy was only available to those people who had not been in prison, did not have a drinking problem and were 70 or over. In that time it would be quite unlikely for a working class person to live to the age of 70, and even then the old age pension for such a person was not very much. The rate at the time was 5 shillings per week to those whose incomes were less than £21 per year. This clearly has many old liberal ideals in it. Health cover was paid for partly by the employee, an old liberal ideal, to pay for the insurance.

The period between 1906 and 1914 is often credited as the time when 'new liberalism' developed and emerged. But instances of new liberal thinking were present while the liberal party was still following Gladstonian ideals. Harcourt formed the basis of new liberal social funding by introducing a distinction between productive and unproductive wealth in 1892. This was during the government of 1892-1895 under Campbell-Bannerman, who was an old-fashioned Gladstonian in his attitudes. The fact that this very prominent new liberal policy was introduced during an old liberal government shows how little difference old liberalism had with new liberalism. Potter wrote "In many ways, in the Edwardian period, Liberalism underwent a change of emphasis rather than of aims."

In conclusion new liberal ideals were not that different from old liberal values. While it is true that after the Campbell Bannerman government many new liberal ideas were put forward but the similarities with old liberalism can not be over looked. The large amount of legislation credited with new liberalism is really only the result of two MP's who were often opposed by the their own cabinet. The spending of social reform may have doubled but this was only due to a new freedom produced after the fall of Campbell Bannerman leadership. The government still maintained many old liberal ideals but was just able to take these ideals further in a time when these changes were becoming more acceptable and more dependant upon.