

Impeccable facts and Dubious Conclusions

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AS A BROAD VIEW of the origin and the operation of the welfare state, Lady Williams' book* is excellent. It is so clearly written that it could be understood by a child of thirteen, yet it contains information that could fill gaps in the knowledge of almost everybody except a specialist in the field. Particularly impressive and vivid is the contrast which the author makes in the first few pages between social services today and conditions three-quarters of a century ago.

Perhaps it is churlish to grumble, but on two closely related matters I find myself at issue with the author.

The first of these is the concealed assumption of Fabian standards throughout the book. One cannot escape the conclusion that the author thoroughly and without reservation approves of what has happened and regards increased state intervention as the primary cause of social improvement. This, I would have thought, was very dubious. To what extent is the improvement of living standards among the poorest members of society the product of the welfare state and to what extent is it the product of technology? Perhaps it is beyond the scope of such a book to discuss the matter. But at least one would have welcomed a really searching enquiry as to *why* so many people used to be below the poverty line, and whether the welfare state has attacked fundamental causes or merely allayed and disguised the symptoms.

One is no less disturbed by the picture drawn on pp. 57-58 of the relationship between the Liberal and Labour Parties before 1914. It is all very well to say that this book does not set out as a political history, but if the author drags political parties into her story (and in places where this is not really necessary) she ought to get her picture correct.

Discussing social reform in the period 1906-14, Lady Williams says: "It is doubtful, however, if they would have done so much had it not been for the influence of the new Labour Party." I dispute this. I can see the hand of the Labour Party in the Trade Disputes Act of 1906, and in the Trade Unions Act of 1913, but I know of no evidence which suggests that the Labour Party exerted any substantial influence on the great social legislation of the period. Nor do I accept the implication that Liberal MPs. were for the most part people with economic interests conflicting fundamentally with those of the workers; if that had been the case, I do not see how they could have been persuaded to give virtually unanimous support to this legislation.

The "astonishing success" of the Labour Party (strict-

ly, the Labour Representation Committee) "in getting twenty-nine members elected to the (1906) parliament," which impresses the author, is not so astonishing when examined in detail. Only five of these MPs were elected in the teeth of Liberal opposition; the vast majority owed their seats exclusively to the Herbert Gladstone-Ramsay MacDonald pact of 1903.

Again, we are told that the Labour Party "came with a new determination to get things done to improve the conditions of the working population." I know of no evidence to show that the determination of the Labour Party was one whit stronger than that of the old "Lib-Labs," or of the more radical Liberals with middle or upper-class backgrounds.

In one sense, this book is a warning to authors. On her own subject the author is impeccable and speaks with great weight. Unfortunately, she sometimes strays from that subject, and in the other fields where she ventures some very dubious propositions are sustained.

Atlantic Free Trade Area

PROFESSOR KREININ'S book *Alternative Commercial Policies** is primarily concerned with the likely effects of an Atlantic Free Trade Area—embracing the United States, Western Europe and Japan. The subject is examined, as the title suggests, from the aspect of the American economy, and in that sense it is primarily of interest to American rather than to British economists.

This is clearly a work of high academic scholarship, but it is directed at people with a good deal of mathematical knowledge. I do not think that the non-mathematician who (like myself) disappears into a hole when he encounters the infinitesimal calculus will find this book to his taste. But, whatever happens to the current EEC negotiations, it is likely that the Atlantic Free Trade Area idea will be widely discussed in the next few years. Its implications are by no means entirely economic; but it is necessary for economists to examine the subject carefully.

R.D.

**Alternative Commercial Policies*—Their effect on the American Economy by Mordechai E. Kreinin, International Business and Economic Studies, Michigan State University.

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**The Coming of the Welfare State* by Professor Lady Williams, C.B.E. George Allen & Unwin, 25s.