

‘Well grubbed, old mole!’: The press, the Institute of Economic Affairs and the propagation of neo-liberalism in the UK

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Abstract

This article considers how before and after the Tories came to power in 1979, *The Times* and the *Daily* and *Sunday Telegraph* consistently propagated ideas emanating from the free-market think-tank the Institute of Economic Affairs. It argues that this was part of a wider process in which the post-war Keynesian consensus came under fire from sections of both the media and the political class, and heralded an era in which neo-liberal ideas would come to constitute a new form of economic ‘common sense’. Given the dominance of this perspective, most of the mainstream media failed to anticipate the 2008 financial crisis and have repeatedly endorsed austerity as the only means of reducing the ensuing deficit.

Keywords

Daily Telegraph, Friedrich Hayek, Institute of Economic Affairs, monetarism, neo-liberalism, Peter Jay, *Sunday Telegraph*, TE Utle, *The Times*, think-tanks, William Rees-Mogg

Introduction

In the United Kingdom, there is currently mounting concern over a number of right-wing think-tanks, focussing in particular on their intimate links with members of the present Conservative government, their opaque funding (Evans et al., 2018; Geoghegan, 2021; Lawrence et al., 2020; Mason, 2019; Roach, 2019), and the prominence of their spokespeople in the mainstream broadcast media (Lewis and Cushion, 2019; Wren-Lewis, 2018a), which have been criticised for presenting them as disinterested researchers as

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opposed to well-connected lobbyists. Most are situated in Tufton Street, near the Houses of Parliament, and No. 55 houses eight of them:¹ the Global Warming Policy Foundation (GWPF), Civitas, the TaxPayers' Alliance, Business for Britain, Vote Leave, The European Foundation, UK2020 and The New Culture Forum (Bawden, 2016). The Institute for Economic Affairs (IEA) and the Adam Smith Institute (ASI) are close by in Lord North Street and Great Smith Street, respectively.

My concern here, however, is with a particular aspect of the earlier history of one specific think tank, namely the IEA,² and with the role played by three British national newspapers, *The Times* and the *Daily* and *Sunday Telegraph*, in helping to propagate its free-market doctrines. In the literature on think-tanks the specific role of the press in spreading free-market ideas is discussed in only two chapters of Wayne Parsons's *The Power of the Financial Press* (1989), which is anyway as much about the US as the UK, and in parts of Richard Cockett's *Thinking the Unthinkable* (1995), and in this article I want to discuss in greater detail the way in which, from the 1960s to the 1980s, these papers consistently acted as a sounding board for the free-market ideas then associated mainly with the IEA, thus providing them with a far wider audience than they would otherwise have gained. I have excluded the *Financial Times* partly because in this period it was a far more niche publication than it is now, and partly because its chief economics commentator from 1966 to 2014, Samuel Brittan, was much more critical both of monetarist ideas and of the way in which they were taken up by politicians than were writers in the other newspapers.

First, however, a detour into the IEA's origins and early history is necessary by way of background.

'A new current of opinion'

In 1947, a group of economists, historians and philosophers were invited by the Anglo-Austrian economist and philosopher Friedrich Hayek to discuss the state of classical liberalism, resulting in the Mont Pèlerin Society, whose aim was to foster resistance to Keynesianism and all forms of state regulation of the economy, and to promote the tenets of classical liberalism. Other founding members included Karl Popper, Ludwig von Mises, George Stigler and Milton Friedman. Its statement of aims³ lamented the

decline of belief in private property and the competitive market; for without the diffused power and initiative associated with these institutions it is difficult to imagine a society in which freedom may be effectively preserved.

It thus expressed the belief that 'what is essentially an ideological movement must be met by intellectual argument and the reassertion of valid ideals'.

In 1951, Friedman stated: 'The stage is set for the growth of a new current of opinion to replace the old, to provide the philosophy that will guide the legislators of the next generation' (quoted in Stedman Jones, 2012: 153). Daniel Stedman Jones (2012) adds:

Both Hayek and Friedman facilitated a network that would do exactly that. Between 1943 and 1980, a web of institutions and people grew up to spread and popularize neoliberal ideas so that eventually they seemed the natural alternative to liberal or social democratic policies. In both

the United States and Britain, what journalist Sidney Blumenthal has termed a ‘counter-establishment’ developed to provide intellectual succour to neoliberal policies in the wake of the increasingly manifest failures of the Keynesian economic policy consensus during the 1970s. (p. 153)

This network was generously funded, particularly in the US, by major business and financial interests opposed to Keynesianism.

‘Second-hand dealers in ideas’

A key element of the UK strand of this web was the IEA, founded in 1955 by staunch anti-socialist Anthony Fisher with profits from his battery-farming business. Searching for advice about how to conduct his free-market crusade, Fisher visited Hayek at the London School of Economics in 1947. According to Fisher, Hayek

explained his view that the decisive influence in the battle of ideas and policy was wielded by intellectuals whom he characterised as the ‘second-hand dealers in ideas’ . . . If I shared the view that better ideas were not getting a fair hearing, his counsel was that I should join with others in forming a scholarly research organisation to supply intellectuals in universities, schools, journalism and broadcasting with authoritative studies of the economic theory of markets and its application to practical affairs. (Quoted in Cockett, 1995: 123–124)

Fisher accordingly established the IEA with the idea that ‘those carrying on intellectual work must have a considerable impact through newspapers, radio, television and so on, on the thinking of the average individual. Socialism was spread in this way and it is time we started to reverse the process’ (quoted in Cockett, 1995: 131).

Journalists, then, were key ‘second-hand dealers in ideas’, and it is thus important in this context to outline what Hayek actually meant by the phrase.

In *The Road to Serfdom*, originally published in 1944, Hayek ([1944] 2005) explained that the intellectual’s role

is neither that of the original thinker nor that of the scholar or expert in a particular field of thought. The typical intellectual need be neither: he need not possess special knowledge of anything in particular, nor need he even be particularly intelligent, to perform his role as intermediary in the spreading of ideas. What qualifies him for his job is the wide range of subjects on which he can readily talk and write, and a position or habits through which he becomes acquainted with new ideas sooner than those to whom he addresses himself . . . It is the intellectuals in this sense who decide what views and opinions are to reach us, which facts are important enough to be told to us, and in what form and from what angle they are to be presented (pp. 107–108).

Under this broad definition of intellectuals, Hayek included ‘journalists, teachers, ministers, lecturers, publicists, radio commentators, writers of fiction, cartoonists, and artists’. In his view:

Even though their knowledge may be often superficial and their intelligence limited, this does not alter the fact that it is their judgement which mainly determines the views on which society

will act in the not too distant future. It is no exaggeration to say that, once the more active part of the intellectuals has been converted to a set of beliefs, the process by which these become generally accepted is almost automatic and irresistible. These intellectuals are the organs which modern society has developed for spreading knowledge and ideas, and it is their convictions and opinions which operate as the sieve through which all new conceptions must pass before they can reach the masses. (Hayek, [1944] 2005: 111)

These words bear witness to the beginnings of a determined attempt at paradigm change in the fields of both economics and politics – a *kulturkampf* no less. Hayek was admirably frank about both his aims and his chosen methods of persuasion, but the same cannot be said about the think-tank which Fisher founded at his suggestion. For example, Fisher's partner in the IEA venture, Oliver Smedley, who described himself as an 'uncompromising free-trader and libertarian' (quoted in Cockett, 1995: 125) argued in a letter to Fisher in 1956 that the think-tank should, in certain key respects, operate covertly. In his view, it was

imperative that we should give no indication in our literature that we are working to educate the public along certain lines which might be interpreted as having a political bias. In other words, if we said openly that we were re-teaching the economics of the free market, it might enable our enemies to question the charitableness of our motives. That is why this first draft [of the Institute's aims] is written in rather cagey terms. (Quoted in Cockett, 1995: 131)

The journalistic filter

During its early years in post-war Britain, Hayekian economics led a marginal intellectual existence. Much of the intellectual heavy-lifting was imported from abroad, in particular from members of what Anderson (1992: 60–65) calls the 'White Emigration'. However, there was growing support from right-wing Tory politicians who opposed what they saw as their party's obeisance to Keynesianism, from sectors of the business world, and sections of the national press. By the 1970s Hayek's ideas had made their way into certain universities, and were given a boost by the founding in 1974 of another free-market think-tank, the Centre for Policy Studies, by Sir Keith Joseph, Alfred Sherman and Margaret Thatcher, but the great success of the IEA, and the reason why I want to concentrate on it here, was its ability to direct neo-liberal ideas towards politicians, and especially those free-market Tories who would come to be described as Thatcherites, such as Joseph, Sir Geoffrey Howe and indeed Thatcher herself. And in this process, the papers discussed in this article played a highly active role.

In line with Hayek's ideas, John Blundell (2007) stressed that 'we must never overlook or underestimate the critical role of the filter of the intellectuals, the people who translate and transmit ideas to the general public. Pre-eminent among such people are journalists' (p. 44). And in the case of various influential journalists working in the elite national broadsheets, neo-liberal ideas found an eager audience and amplification system. As Parsons (1990) argues: 'The acceptance, some would say uncritical acceptance, of the free-market position by leading commentators was unquestionably a major factor in the legitimising and propagating of the new economics' (p. 172). Similarly Stedman Jones argues (2012) that:

Sympathetic and convinced journalists were especially important in changing the climate of opinion on economic issues in Britain in the 1960s and 1970s. They gave credibility to some of the ideas coming out of the neoliberal think tanks that would not have been taken seriously otherwise. (p. 174)

The newspapers in question made no secret of their admiration for the organisation. As Blundell (2007) notes:

In 1975, the *Sunday Telegraph* called the IEA the centre of useful economic activity. In 1976, the *Times* said it had become the source of 'a good deal of the most influential economic thinking'. And in 1977, the *Financial Times* wrote that it was the organisation to have most influenced 'public economic understanding'. (p. 26)

And in interviews with Stedman Jones (2012), the Tory former chancellors Nigel Lawson, Geoffrey Howe and Norman Lamont all testified to the 'important and influential role' played by Peter Jay in *The Times* in 'helping to shift opinion in Britain in the 1970s away from traditional Keynesian techniques' (p. 234).

The Keynesian consensus cracks

In the 1970s, under the pressure of rising inflation and unemployment, sparked off largely by global developments beyond UK governments' control, in particular the oil price rise following the 1973 Yom Kippur War, the political and economic consensus was beginning to crack. Monetarist and supply-side economic theories were eagerly professed by those who saw this as the perfect opportunity to proselytise on behalf of a new economic, and indeed political, order. In terms of the Tories, this increasingly expressed itself as a battle between the supporters of Edward Heath and Margaret Thatcher, that is, between what the latter described as the 'wets' and those who were 'one of us'. As Parsons (1990) points out, the neo-liberals were making their case not simply on the economic but the political level, and were 'more than prepared to take the argument to the citizen by focusing on the policy failures of the past and emphasizing the relationship between political liberty, governmental effectiveness and economic freedom' (p. 173).

Seeking a weapon with which to attack both the leadership of their own party, which they regarded as weak and compromised, and the then Labour government, which they saw as dangerously socialist, Margaret Thatcher and her allies perceived in monetarism both an economic and a political weapon. They were seeking new solutions to Britain's longstanding economic problems, but they embraced the monetarist solution largely because it also had substantial political attraction. Firstly, it provided a coherent challenge to Labour's policies. But second, it offered a new rationale for many measures which they had long supported, namely reducing public spending and the role of the state, and curbing union power. As Peter Hall (1993) argues:

Conservative politicians saw that monetarism could be presented in terms that had broader public appeal as well. By the end of the 1970s, a decade of tortuous negotiations over incomes policies had rendered both the trade unions and neocorporatist arrangements increasingly unpopular. The government seemed impotent in the face of continuing economic problems and

powerful unions. Monetarism offered a simple but appealing prescription for all of these dilemmas. Its advocates argued that the government could discipline the unions and eliminate inflation, the most serious economic problem of the 1970s, simply by adhering to a strict target for the rate of growth of the money supply. In the face of such a target, the unions would have to reduce their wage demands in order to avoid unemployment. In short, monetarism was presented as a doctrine that could restore the authority of the government as well as resolve Britain's economic problems. (pp. 286–287)

That such a 'simple but appealing prescription' was also highly congruent with much of the UK national press is hardly surprising, given its traditional heavy bias towards the Tory party (Curran et al., 2019; Greenslade, 2003). Furthermore, curbing the unions had obvious attractions to owners and managers in an industry in which the print unions wielded considerable power.

The Times

In the late 1960s *The Times* began to embrace neo-liberal ideas in a sustained and programmatic fashion (Cockett, 1995: 184–188; Parsons, 1989: 189–196), and this expressed itself as an overt endorsement of monetarism: a macroeconomic concept which holds that governments can and should foster economic stability by targeting the growth rate of money supply. Essentially, it is a belief that the total amount of money in an economy is the primary determinant of economic growth.

A key figure in *The Times*'s turn to monetarism was Peter Jay, its economics editor from 1967 to 1977. In 1969 he went to Washington to report on the US economy, and there became interested in Milton Friedman's ideas; indeed, according to his editor, William Rees-Mogg (1992), 'asking Peter Jay to go to Washington turned out to be the most influential decision I took as editor of *The Times*' (p. 21). However, unlike most monetarists, Jay was both a Labour supporter and a believer in market socialism – during the 1970s economic crises he advised James Callaghan, who became Labour prime minister in 1976, and also influenced chancellor of the exchequer, Denis Healey. Indeed, Jay wrote the key passages of Callaghan's 1976 party conference speech which spelt out publicly the collapse of the post-war Keynesian consensus. In particular it argued that in the post-war period, the country had postponed facing up to fundamental choices and changes that needed to be made, repeatedly borrowing money from abroad to maintain standards of living rather than grappling with the fundamental problems of British industry. Consequently the country had been 'living on borrowed time'. But now, Callaghan proclaimed:

That cosy world is gone . . . We used to think that you could just spend your way out of a recession and increase employment by cutting taxes and boosting Government spending. I tell you in all candour that that option no longer exists and that insofar as it ever did exist, it only worked on each occasion since the war by injecting a bigger dose of inflation into the economy, followed by a higher level of unemployment as the next step. Higher inflation followed by higher unemployment.⁴

Under the influence of Peter Jay, whose economic ideas in many ways prefigured those of New Labour, *The Times* became a leading advocate of monetarism in the 1970s.

He participated in IEA symposia, co-authored IEA pamphlets and in 1975 gave the sixth Wincott Memorial Lecture, in which he argued that the post-war political economy was visibly falling apart.

This is not the place to analyse the actual contents of Jay's articles on monetarism in *The Times*, but the salient point in this context is simply that he wrote a very great deal about it, and in generally positive terms. To take a few typical examples: 'Britain in a Threadbare Political Wonderland', 6 November 1970; 'Powerful Challenge to Fashionable Dogmas', 26 April 1973; 'What Would Adam Smith Have Made of it All?', 7 June 1973; 'The Good Old-Days of Stop-Go Economics', 5 December 1973; 'How Inflation Threatens British Democracy with its Last Chance before Extinction', 1 July 1974; 'A Brave Attack on the Inflation Spiral', 6 December 1974; and 'The Boom that Must Go Bust', 7 May 1975.

Jay was strongly supported by Rees-Mogg (1970), who edited *The Times* from 1967 to 1981 and converted to monetarism and economic liberalism in 1973, publishing *Reigning Error: The Crisis of World Inflation* in 1974, attending Mont Pèlerin Society meetings and advocating not only greater monetary discipline but even a return to the Gold Standard. His frequently lengthy leaders reflected much of the work of the IEA, for whom he wrote *Democracy and the Value of Money: The Theory of Money from Locke to Keynes*. He described his rapprochement with the monetarists as 'the most important development on *The Times* during my period there' (quoted in Cockett, 1995: 188). He also remarked that 'there is no force changes history as much as the contagion of ideas' (Rees-Mogg, 1992: 21), and later argued that 'we had created the forum in which the Chicago school of ideas could be propagated, challenged and accepted in Britain' (Rees-Mogg, 2011: 173).

On 23 June 1974 *The Times* printed virtually in full the famous Upminster speech by Sir Keith Joseph, then secretary of state for social services, in which he complained that 'our industry, economic life and society have been so debilitated by 30 years of Socialistic fashions . . . 30 years of interventions: 30 years of good intentions: 30 years of disappointments'. This catalogue clearly included the actions of both Tory and Labour governments, and he argued that 'for 30 years the private sector of our economy has been forced to work with one hand tied behind its back by government and unions. Socialist measures and Socialist legacies have weakened free enterprise'. In his view:

We must work towards the conditions in which the private sector – free enterprise – can realise its full potential for the benefit of all. Only then can it create the well-being which alone will buttress its political standing and preclude further assaults of this kind.⁵

The Times also published Joseph's Preston speech of 5 September 1974, heralding it as 'one of the most important political speeches of recent years' (Rees-Mogg, 2011: 173). In it he argued that inflation had to be conquered by controlling the budget deficit and the money supply.⁶ It was also widely covered in positive terms by other Conservative papers. Rees-Mogg (2011) described it as 'immensely important because it was the first statement of what became the Thatcherite position' (p. 174). The day following the speech, the front page headline of *The Times* read: 'Sir Keith Blames Full Employment for Inflation', and Rees-Mogg published a leader which averred:

In our view the main lines of Sir Keith Joseph's argument are unquestionably right. Inflation is threatening to destroy our society. The threat is political as well as economic. Inflation cannot be cured without stabilisation of the money supply . . . Sir Keith is also right in regarding the whole of postwar economic policy in Britain as being overinfluenced by fear of unemployment.

The leader concluded: 'Many people of all political opinions are coming to realise that whatever else is done, [sound money] is the essential condition of bringing inflation to an end, and that inflation must be brought to an end if democracy is to survive'. Considerable debate (admittedly, not all of it in agreement with the speech's contents) ensued in the paper during the following weeks, with Joseph being congratulated by, among others, Sir Oswald Mosley and Alan Walters, who would become Chief Economic Adviser to Thatcher from 1981 to 1983. As Parsons (1990) argues, the speech was 'a turning point – if not *the* turning point – in the economic agenda in Britain', and the ensuing debate in the paper 'broke the ice which had for so long preserved the consensus on "full employment"' (p. 192).

Another important figure on *The Times* was Tim Congdon, a member of its economics staff from 1973 to 1976. It was here, he avers, that 'my interest in money and banking, and in monetary control to defeat inflation ("monetarism") began'.⁷ He then went on to work in the City and in 1989 set up the macroeconomic forecasting consultancy, Lombard Street Research. From 1993 to 1997 he was a member of the Treasury Panel that advised the Conservative government on economic policy, and has become one of the UK's leading champions of free-market economics, contributing articles on economic matters to numerous right-leaning publications such as *The Spectator*, *The Critic* and *Standpoint*, as well as *The Times* itself.

Also a significant contributor was Ronald Butt, the paper's public affairs columnist from 1968 to 1991 and an assistant editor and political commentator at *The Sunday Times* from 1967 to 1983. A firm admirer of Thatcher and a sworn enemy of 'permissiveness', he is best known for his highly conservatively-inclined writings on social matters, but on 8 January 1976 he entered the economic fray in an article headed 'Is it Possible to Lay the Ghost of Keynes?' in which he stated that the IEA

has shifted some of the best known economic writers in its direction and a good deal of the most influential economic thinking comes from economists published by the IEA. To most economists, the analysis of Hayek, Friedman and other IEA authors has taken on a new relevance – as it has to Chancellors and Shadow Chancellors.

The Daily and Sunday Telegraph

If *The Times* played a key role in helping to spread and popularise neo-liberal ideas in the 1970s, the equally important part played by the *Daily* and *Sunday Telegraph* begins in the 1960s. As Conservative commentator Andrew Gimson (2013) has noted:

There was, and had long been, a body of opinion on the *Telegraph* that was favourable to what came to be known as Thatcherite ideas. Maurice Green, editor from 1964-74, was a long-standing supporter of free-market economics. So too was Colin Welch, the paper's deputy editor.

Green, who had trained as an economist, was a convinced economic liberal, a member of the Mont Pèlerin Society and highly interested in the IEA's ideas. According to Cockett (1995), he wanted to “‘intellectualise” a paper which had justifiably earned a reputation for serving up a brand of anodyne Conservatism for those who didn't want to think too much about politics’ (p. 183). To this end, he recruited various journalists who would become closely associated with the work of the IEA and the Centre for Policy Studies, including TE Utley, Alfred Sherman, Andrew Alexander, John O'Sullivan, Frank Johnson and Jock Bruce-Gardyne. He was strongly supported by his deputy editor, Colin Welch, who continued to argue for economic liberalism after Green's replacement by the less enthusiastic Bill Deedes in 1974. The City Editor of the *Sunday Telegraph* from 1966 to 1979 was Patrick Hutber, another close associate of the IEA.

Both Green and Welch benefited from the IEA's flow of economic analyses, and offered it regular access to the op-ed pages. For example, Seldon wrote over 60 articles for the paper during the 1960s. It also gave ample space to economically liberal Tory MPs, such as Geoffrey Howe and Margaret Thatcher. For example, on 28 March 1969, the *Daily Telegraph* published an article by the latter, then shadow transport minister, headed ‘Consensus – or Choice’, in which she averred that:

We believe that competition is the best and only test of efficiency, that decisions should be made where the experience and the knowledge are to be found, and that the test of their correctness is the market-place and that the consequences of wrong decisions should not be borne by the taxpayer.

Cockett (1995) argues that the *Daily Telegraph* was the key paper in respect of spreading economic liberalism in that

it did much to introduce the philosophy of the IEA to precisely that constituency of people which would later make that philosophy such a radical motivating force within the Conservative Party. The IEA was as important to the *Daily Telegraph* as the *Daily Telegraph* was to the IEA. (p. 184)

The attack on Keynesianism was not confined to op-ed pieces – it was also excoriated by Michael Wharton in the satirical Peter Simple column. And the paper's closeness to the IEA has extended way beyond the Thatcher era. Thus, for example, of the 19 pieces published in John Blundell's collection *Waging the War of Ideas* (2007), the three lengthy op-ed pieces from the *Daily Telegraph* date from years after Thatcher's fall: ‘The Right Use of Ideas’ (1 March 1999); ‘On Friedman's 90th Birthday We Still Need His Remedy’ (30 July 2002); and ‘Lessons from the Past Fifty Years Show We Need to Create a Free-Market Utopia’ (7 March 2005). It is also worth noting in the present context that the *Sunday Telegraph*, 3 November 2019, published an article by the director of another free-market think-tank, the Adam Smith Institute, Eamonn Butler, headlined ‘The Modern Conservative Party Must Remember the Words of FA Hayek’, in which he quoted Hayek to the effect that:

We must make the building of a free society once more an intellectual adventure, a deed of courage . . . neither a mere defence of things as they are nor a diluted kind of socialism, but a

truly liberal radicalism . . . which does not spare the susceptibilities of the mighty . . . and which does not confine itself to what appears today as politically possible.

He himself concluded: ‘Heading into the ultimate battle for the survival of society against socialism, the Tories need Hayek’s advice now more than ever’.

‘The most distinguished Tory thinker of our time’: TE Utley

Although not so closely aligned with the IEA as some of the journalists discussed in this article, TE Utley played a key role in both the *Daily* and *Sunday Telegraph* in propounding ideas that would come to be described as Thatcherite. Writing after Thatcher’s death, Gimson (2013) stated: ‘If I had to offer one example of a traditional Tory who welcomed Thatcher, and supported what she was trying to do, I would name TE Utley’. His support encompassed her programme as a whole, but in the present context it is important to note that in her Foreword to his selected journalism, Thatcher herself described him as ‘the most distinguished Tory thinker of our time’ and ‘one of the first to appreciate the need for a “radical policy of economic liberalism”, as he put it’ (Moore and Heffer, 1989: ix). During his time at both papers he worked tirelessly to ‘redraw the ideological lines of Conservatism away from social democracy’, as Julia Stapleton (2014: 217) notes.

Utley described Enoch Powell as a leading figure of the ‘sane Right’ (quoted in Stapleton (2014: 216), and Powell himself wrote that:

It is the pride of British politics, though not necessarily a pride to be claimed exclusively by British politics, that we have had men in every generation who exercise a dominant sway over the political thought and movements of the time by their writings in newspapers and other periodicals. (Moore and Heffer, 1989: xi)

Including Utley among their number, Powell continued: ‘His business in the newspapers was always the true politician’s business of teaching, inspiring, leading, his fellow countrymen’, describing him as ‘a politician whose influence on his country’s affairs exceeded that of most of those who held even high political office during the same period’ (Moore and Heffer, 1989: xii).

Although Utley’s journalism merits much greater attention as an expression of full-blown Thatcherism than it has so far received, with the exception of Stapleton (2014), my concern here is only with his stance on economics, which was decidedly free-market and anti-Keynesian. And in this respect it is important to note that he was an early member of the Longbow Group, founded in 1964 by Caroline Spearman in the wake of the Conservatives’ defeat in the 1964 general election. Spearman was a member of the Conservative Research Department from 1934 to 1939 and again from 1949 to 1965, and one of her close colleagues there was Powell, who at that time was a member of the Mont Pèlerin Society and under whose influence she read *The Road to Serfdom*. She resigned in 1965 in protest at the Keynesian economic policies of Harold Macmillan and Alec Douglas-Home, and in February that year wrote an article for the *Daily Telegraph* arguing

that the Tories needed to put forward ‘a consistent and coherent political philosophy’ which aimed ‘to establish again a free and competitive economic system which, in spite of its imperfections (or perhaps because of them), works for social and moral as well as for economic good’ (quoted in Cockett, 1995: 164).

The Longbow Group’s aim was to formulate such a philosophy, which it outlined in its ‘Manifesto for Freedom’. This called for limited government in the economic sphere, increased competition, the absence of an incomes policy, a minimum of nationalised industries and low inflation and taxation. As Cockett (1995) puts it: ‘The document was very much a distillation of Hayek’s political philosophy, and anticipated much of Conservative Party philosophy in the 1980s, although it was far ahead of official Party thinking in 1965’ (p. 165). Indeed, Stéphane Porion (2019) quotes W H Greenleaf to the effect that it was ‘one factor crucial to the creation of that background of opinion from which the policies of the Thatcher government have emerged, policies which deliberately set out to challenge the dominant collectivist tendencies of the age’ (p. 270).

In fairness, the IEA is mentioned infrequently in Utley’s *Daily* and *Sunday Telegraph* columns (although he wrote a positive account of its Health Unit’s pamphlet *Acceptable Inequalities* in *The Times*, 26 April 1988, under the heading ‘In Praise of Inequality’ [Moore and Heffer, 1989: 141–143]). However, his columns on economic matters in the paper’s daily and Sunday editions (and elsewhere, such as the *Spectator*) are closely in accord with its free-market philosophy, as are his three Conservative Political Centre pamphlets (reprinted in Moore and Heffer 1989: 294–332). For example, in an article headed ‘Is Capitalism Immoral?’, *Daily Telegraph*, 16 September 1971, he argues that ‘if the proper aim of production is the satisfaction of human wants’ then ‘the first condition of a sound economy is an objective and reliable means of finding what these wants are’. He then asks, rhetorically: ‘Is any dependable method to hand or even imaginable than that supplied by the Free Market – the method under which all men are free to offer their services to all others and all are equally free to reject the services thus offered?’ (Moore and Heffer, 1989: 157).

As noted earlier, there was much mutual admiration between Powell and Utley. During the late 1950s, Powell promoted control of the money supply as a means of preventing inflation, and in January 1958 he resigned his post as financial secretary to the Treasury in protest at the government’s plans for increased expenditure. In Powell’s view, such expenditure would be funded by printing money, which would in turn lead to inflation. At this point he was a firm believer in the free market, although concentration on his views on race and ethnicity has rather eclipsed analysis of his economic views. In the *Sunday Telegraph*, 20 April 1969, Utley wrote an article entitled ‘John the Baptist’, an admiring review of a newly published collection of Powell’s speeches: *Freedom and Reality*. This Utley described as a bid for ‘the soul of the Conservative party and indeed . . . for the soul of the country itself’ (Moore and Heffer, 1989: 47). He argued that, in Powell’s view:

In our domestic affairs, we are simply the victims of a vast heresy which teaches us that national wealth and happiness are the products of organised, State-directed activity, when they are really the products of private effort, regulated and curbed where necessary by government. (Moore and Heffer, 1989: 48)

This is clearly Utley's view too, and he goes on to argue that Powell's aim is to

create a Tory party fundamentally different from that which exists at present . . . a party committed not simply to limiting the advance of socialism but to reversing it by creating an economy in which competition is assumed to be the norm and control has to be justified on its merits. (Moore and Heffer, 1989: 49)

According to Utley, 'the true challenge of Powell and Powellism' consists in its asking: 'Do we want the Conservative party to maintain its characteristic contemporary role as a brake on the excesses of collectivism, or do we want it to emerge as a radical party dedicated to the re-creation of a free economy?' (Moore and Heffer, 1989: 49–50). Taken in context, it is abundantly clear which alternative Utley preferred, and it is one that was, and indeed still is, enthusiastically shared and promoted both by the *Daily* and *Sunday Telegraph* and the IEA.

'A community of economic discourse'

In the course of this article I have attempted to illustrate the extent to which, from the 1960s to the 1980s, three elite newspapers frequently not only reported on but also keenly endorsed free-market ideas which would come to be described variously as monetarist, Thatcherite and, later, neo-liberal. In particular, I have tried to show how they regularly drew on and amplified ideas emanating specifically from the IEA. However, the extent to which these papers actually shifted political, economic and wider public opinion is, like all matters concerning media influence, difficult to gauge, let alone quantify. However, given the status and circulations of the newspapers concerned, the number of articles on free-market economics which they published (Nelson, 2017) provides a good indication of their quantity), the lengthy time period over which they appeared, their positive tone, and the frequently hostile presentation (or indeed complete absence) of competing forms of economic analysis, denial of *any* form of influence would surely be as unwarranted as asserting a *direct* effect on political, economic and public opinion. As Roy Greenslade (2016) enquired in an article considering over 30 years of hostile reporting of the EU in the UK national press:

How do newspapers influence their audiences? Not with one headline, that's for sure. Not with a single leading article telling them what to think and what to do. Not by confronting with unpalatable truths that question their prejudices. It is, instead, all about repetition, finding ways of reinforcing those prejudices day after day after day. The message must be hammered home relentlessly with news stories, leading article, commentaries and cartoons.

In this respect it's worth stressing that the kinds of influence that Parsons (1990: 172), Stedman Jones (2012: 174) and Blundell (2007: 26) claim was exercised by the press were more a matter of propagating, legitimising and giving credibility to certain kinds of ideas than effecting a full-blown revolution in political and economic thought, directly influencing government policy or radically changing public opinion. As Parsons (1990) puts it, this kind of press power can best be characterised 'in terms of its capacity to

establish a community of economic discourse' (p. 7). And indeed, by the time that the post-war Keynesian consensus was given the *coup de grâce* by the Thatcher government in 1979, a new frame of reference for economic debate, a new form of economic 'common sense', had begun to emerge. By this point, neo-liberal ideas, even if they were not identified as such at the time, had begun to expand beyond the elite press and into the mainstream media more generally. This 'common sense' identified the causes of the contemporary crisis as lying primarily in inflation, union 'militancy', inefficient nationalised industries, lack of consumer choice and ballooning public spending, all of which required the 'obvious' remedies of 'sound' money, curbing workers' rights, privatisation and public spending cuts. As Radhika Desai (1994) argues:

A crucial factor in the successes of Thatcherism was that these ideas formed part of a coherent outlook on society. This could pose as an explanatory framework, an alternative governing ideology, a vision, and help Thatcherism retain the intellectual offensive. And the think-tanks did perform a critical function in working out aspects of this ideology into feasible plans and blueprints, ready for implementation. (p. 61)

And as Colin Crouch (2009) points out, by the end of Thatcher's first decade in power:

Such ideas as the absolute priority of near-zero inflation at whatever cost in terms of unemployment, the withdrawal of state assistance to firms and industries in difficulties, the priority of competition, the predominance of a shareholder maximisation as opposed to a multiple stakeholder model of the corporation, the deregulation of markets and the liberalisation of global capital flows had become orthodoxy. (p. 388)

'A blindly pro-business, pro-finance ideology'

The matters discussed in this article are of more than historical interest, for two main reasons. Firstly, as noted at the start, free-market think tanks have grown considerably in number and power (Geoghegan, 2021: 162–170), and the IEA in particular is now more influential than ever, enjoying greater access to both the mainstream media and leading politicians than at any time in its existence. Fourteen former or current members of Boris Johnson's cabinet, including home secretary Priti Patel, foreign secretary Dominic Raab⁸ and ex-chancellor Sajid Javid, have been very closely associated with the IEA's past and current initiatives. Patel and Raab, along with Kwasi Karteng (minister of state for business and energy), Chris Skidmore (former minister of state for universities, science, research and innovation) and Liz Truss (secretary of state for international trade, president of the Board of Trade and minister for women and equalities) wrote what is effectively the neo-liberal, post-Brexit manual *Britannia Unchained* (Kwarteng et al. 2012), and all are members of the Free Enterprise Group.⁹ This operates as what is effectively the IEA's parliamentary wing, the two groups co-organising high-profile events and media briefings and routinely calling on government to reduce regulation and 'red tape', which is code for abolishing basic rights at work as well as protections for the environment and consumers.

The other reason why the matters analysed in this article are of contemporary significance consists in the way that they throw light on the manner in which the mainstream

media now habitually report economic issues. The literature on this topic (Basu, 2018; Basu et al., 2018; Berry, 2019; Gripsrud and Murdock, 2015; Schifferes and Roberts, 2015; Wren-Lewis, 2018a) is highly critical of the mainstream media, firstly for not seeing the 2008 crisis coming, and second for reporting it and its aftermath almost wholly in terms of what Basu (2018) calls ‘a blindly pro-business, pro-finance ideology’ (p. 27), which is the direct descendant of the new economic ‘common sense’ born in the Thatcher era. This is what Wren-Lewis (2018b: 124–125, 197–201) describes as *mediamacro*: a form of macroeconomics promulgated by the mainstream media that runs counter to the ideas of economists not in thrall to free-market ideology. Basu (2018) discusses the problem in terms of what she describes as ‘media amnesia’, which refers to the processes whereby the media

has forgotten not only the deep roots of the crisis in the dynamics of neoliberal capitalism, but has erased the immediate past of the crisis . . . It has thereby left citizens unable to understand the situation in which they find themselves or to negotiate a viable way out. (p. 210)

In terms of the events of 2008, this meant that most of the mainstream media signally failed to explain the systemic problems caused by the financialisation of the economy. Instead, the ensuing economic crisis was blamed on allegedly profligate public spending by Labour governments as opposed to the irresponsible actions of financial institutions. And austerity was represented as the only means of reducing the deficit that had, in actual fact but not in much mainstream media discourse, been caused by the transference of debt from the private to the public sector. This is not to argue that dissident voices were entirely absent from the mainstream media, but they were largely confined to comment and analysis columns in the *Guardian* by specialist correspondents such as Aditya Chakraborty, Larry Elliott, Owen Jones and Polly Toynbee. However, it should also be noted that it was a *Financial Times* writer, Gillian Tett (2010), who was one of the very few mainstream journalists to predict the 2008 crisis in the first place – as resumed in her book *Fool's Gold*. However, such voices were certainly easier to find in the burgeoning forms of independent and mainly online media, along with alternative forms of economic analysis and also rigorous critiques of the dominant media modes of representing the crisis, its causes and consequences.

This situation, I would argue, has its origin in the developments described in this article: the steady conversion into ‘common sense’ and the taken-for-granted of what is, in fact, highly questionable and controversial economic and political theory, a process in which significant sections of the national press played a significant role from the 1960s through to the 1980s. By the mid-1990s, such ideas had become so well established in mainstream political, economic and media discourse that the New Labour leadership felt it necessary to embrace free market economics. This also had the advantage of ingratiating itself with the right-wing national press, not least that part of it owned by Rupert Murdoch. With neo-liberalism now dominant at the political level and not simply in most of the mainstream press, BBC news coverage of economic matters appeared increasingly to adopt the same perspective, thus adding to the general impression that, in terms of economics, as in so many other policy areas, ‘there is no alternative’ (Berry, 2013, 2016; Mills, 2016: 167–205). This served only further to reinforce the hegemony of neo-liberal

ideas and pushed considerations of alternative economic approaches and theories still further towards the mainstream media margins. This is a key part of the process that Mark Fisher (2009) famously called capitalist realism: ‘The widespread sense that not only is capitalism the only viable political and economic system, but also that it is now impossible even to imagine a coherent alternative to it’ (p. 2).

There is not a straight, unbroken line linking the processes outlined in this article. But throughout these economic and political twists and turns, Tory newspapers have consistently refracted economic matters through a neo-liberal prism, one which has its origins in the war against Keynesianism waged by think-tanks such as the IEA and their staunch allies in the press from the 1960s onwards. This process has also impacted upon the way in which other parts of the mainstream media report economic matters, although a significant difference between the historical period covered by this article and the present day is that it is now being exposed and challenged by forces outside the neo-liberal consensus and the mainstream media.

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Notes

1. Details of these organisations can be found at <https://www.desmog.co.uk/55-tufton-street>
2. <https://iea.org.uk/>
3. <https://www.montpelerin.org/statement-of-aims/>
4. The full speech can be found at <http://www.britishpoliticalspeech.org/speech-archive.htm?speech=174>
5. The full speech can be found at <https://www.margarethatcher.org/document/110604>
6. The full speech can be found at <https://www.margarethatcher.org/document/110607>
7. https://web.archive.org/web/20110717060137/http://www.timcongdon4ukip.com/tim_congdon_statement.html
8. See, for example, Raab’s speech at the IEA on the occasion of its 60th birthday: <https://www.youtube.com/watch?v=OMNgUrVOWeY>
9. <https://iea.org.uk/in-the-media/press-release/free-enterprise-group-institute-of-economic-affairs-growth-forum-proposal>

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