



# Big spender

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NO MORE CHAMPAGNE

Churchill and his money  
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When the young Winston Churchill was first elected to the House of Commons in 1900 there was no payment for MPs. In effect, this restricted a parliamentary career to members of the traditional governing class, from which Churchill came: his grandfather a duke, his father a former Chancellor of the Exchequer. And it was part of the tradition in which he was brought up to keep all his papers, not only political correspondence but family letters, household bills, bank statements and all. Hence the vast collection that is now accessible in the Churchill Archives in Cambridge.

Winston Spencer-Churchill (his legal name) was no indolent aristocrat, feigning lack of awareness of where the money came from or where on earth it had gone. The surviving files are so copious precisely because he showed a keen lifelong interest in managing his finances, albeit along peculiar lines. The eighty pages of reference notes in *No More Champagne* are testimony to David Lough's resourcefulness and persistence in research, exposing the lineaments of this personal story with an ultimately telling impact.

Young Winston's problem was that he was born into the assumptions of the governing class without the financial resources to sustain them. His father, Lord Randolph Churchill, was not only a spendthrift himself but married to another spendthrift, Winston's beloved mother Jennie, who was less an American heiress than a catastrophic drain on limited resources. Lough breaks new ground in establishing

the extent to which the widowed Jennie ran through Randolph's estate, concealing from Winston and his brother Jack the extent to which she was dissipating their reasonable expectations. Fortunately, Jack was able to make his living as a stockbroker and Winston,

too, found a profitable profession.

He found it, of course, in writing. Without this, his political vocation could not be pursued, as he well realized. Though his rise in politics was spectacularly swift – he was a Cabinet minister at thirty-three – this did not solve his financial problems, even though his ministerial salary of £5,000 a year would be worth at least £400,000 today. Winston married Clementine Hosier in 1908; the support she brought to him was certainly not financial. Though Winston's extravagances are well known, Lough provides telling evidence over several decades that Clementine's own expenditure also constantly exceeded their resources. The one area where she offered consistently prudent advice was over their country house, Chartwell, acquired in the 1920s. Winston not only bought it behind her back but shamelessly dissipated on the expense of the improvements that he implemented. And Clementine did worry about the scale of Winston's gambling losses on his foreign holidays. Again, he covered up, implausibly but repeatedly.

Churchill took the spirit of the casino with him into his business dealings. He plunged into speculative investments that time and again left

him wiped out. His only consistently profitable resource was writing. Here, too, the income was always committed before it arrived and was never enough. His journalism trod an unsteady descent from weighty political articles in reputable publications to the sort of pieces that he fashioned for popular newspapers like the *News of the World*. Many were ghost-written, but Churchill was not too proud



to bank the proceeds personally.

What is novel in Lough's account is its diligent tracking of Churchill's assets and investments, elucidating the complexities of various family settlements. He brings out the full sig-

nificance of Churchill's inheritance of the Garron Towers estate in Northern Ireland in 1921, commenting that its prospective impact "would be sufficient to transform Churchill's finances". The assured income of about £4,000 a year – say £160,000 in today's money – was just what the Churchills lacked, as Clementine naively pointed out to Winston. For his debts proved endemic. He pressed his bank to the limit for extensions of his overdrafts, with promises that were rarely fulfilled. An inexorable cycle of crises produced equally predictable plans for economies – "no more champagne" – but the party always went on. Churchill's wine bills, however, are distinctly exaggerated here. Lough writes that "Churchill calculated that he spent an average of £1,160 with the family's wine merchants each year between 1908 and 1914", citing the Churchill archives. Actually, that source shows £1,166 as the *total*, so about £150 per annum. As a demon, drink loomed less large for him than the taxman, whom Churchill spent increasing efforts in thwarting.

Reading this sober account is bound to raise some questions that are not easily dismissed. It could all have turned out so badly. In 1938, Chartwell was on the market and its owner on the brink of personal bankruptcy. His overdraft limit of £35,000 (about £2 million today) had been reached; his American shares, bought on margin, were collapsing; all the family trusts had been milked dry. And then he was rescued, in the nick of time, by the joint owner of the *Economist*, Sir Henry Strakosch – so fervent an admirer of Churchill's anti-Nazi stance that he was ready to put up the necessary funds as a loan, covered by a substantial legacy in his will. Little wonder that Churchill later claimed to have been "walking with destiny" when the British Empire relied on his powers of judgement in its finest hour.



Winston Churchill at Chartwell, c.1928