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THREE-PARTY POLITICS, 1922-5

Politics after the fall of Lloyd George seemed far from the tranquillity which Law had promised. There were three general elections in less than two years (^November 1922; 6 December 1923; 29 October 1924), and the terrible portent of a Labor government. The turmoil was largely technical. Though Labor had emerged as the predominant party of the Left, the Liberal party refused to die; and the British electoral system, mainly of one-member constituencies, was ill adapted to cope with three parties. The general elections of 1931 and 1935 were the only ones in which a single party (the Conservatives) received a majority of the votes cast.1 Otherwise a parliamentary majority was achieved more or less by accident, if at all. How­ever, there was no profound cleavage between the parties, despite much synthetic bitterness. They offered old policies which had been their stock-in-trade before the war. Labor offered social reform; the Conservatives offered Protection. The victors in the twenties were the Liberals, in policy though not in votes. The old Liberal cause of Free Trade had its last years of triumph. If Sir William Harcourt had still been alive, he could have said: 'We are all Liberals nowadays.' By 1925 England was back, for a brief period, in the happy days of Gladstone.

The government which Law formed was strikingly Con­servative, even obscurantist, in composition. There had been nothing like it since Derby's 'Who? Who? ' ministry of 1852. The great figures of the party—Austen Chamberlain, Balfour, Birkenhead—sulkily repudiated the decision at the Carlton Club: 'The meeting today rejected our advice. Other men who have given other counsels must inherit our burdens.' The only minister of established reputation, apart from Law himself, was Curzon, who deserted Lloyd George as successfully as he had deserted Asquith and, considering the humiliating way in which Lloyd George treated him, with more justification;2 he remained foreign secretary. Law tried to enlist McKenna as chancellor of the exchequer—an odd choice for a Protectionist prime minister to make, but at least McKenna, though a Free Trader, hated Lloyd George. McKenna doubted whether the government would last and refused to leave the comfortable security of the Midland Bank. Law then pushed Baldwin into the vacant place, not without misgiving. Otherwise he had to make do with junior ministers from Lloyd George's government and with holders of historic names. His cabinet was the most aristocratic of the period,1 and the only one to contain a duke (the duke of Devon­shire) . Churchill called it 'a government of the second eleven'; Birkenhead, more contemptuously, of second-class intellects.

The general election of 1918 had been a plebiscite in favour of Lloyd George. The general election of 1922 was a plebiscite against him. Law's election manifesto sturdily promised negations. 'The nation's first need', it declared, 'is, in every walk of life, to get on with its own work, with the minimum of interference at home and of disturbance abroad.' There would be drastic economies and a foreign policy of non-interference. The prime minister would no longer meddle in the affairs of other ministers. Law returned the conduct of foreign affairs to Curzon. He re­fused to meet a deputation of the unemployed—that was a job for the ministry of labor. In the first flush of reaction, Law announced his intention of undoing all Lloyd George's innova­tions in government, including the cabinet secretariat. He soon thought better of this, and, though he dismantled Lloyd George's body of private advisers, 'the garden suburb', he kept Hankey and the secretariat. The cabinet continued to perform its work in a businesslike way with prepared agenda, a record of its" decisions, and some control on how they were carried out.

THE PRIME MINISTER

This preservation of the cabinet secretariat was Law's con­tribution as prime minister to British history. The contribution was important, though how important cannot be gauged until the cabinet records are opened. The cabinet became a more formal, perhaps a more efficient body. Maybe also there was an increasing tendency for a few senior ministers to settle things between themselves and then to present the cabinet with a vir­tual *fait accompli,* as MacDonald did with J. H. Thomas and Snowden or Neville Chamberlain with Halifax, Hoare, and Simon. But this practice had always existed. A cabinet of equals, discussing every question fully, was a legend from some imagin­ary Golden Age. On the other hand, the power and authority of the prime minister certainly increased in this period, and no doubt his control of the cabinet secretariat was one of the causes for this. It was not the only one. Every prime minister after Lloyd George controlled a mighty party machine. The prime minister alone determined the dissolution of parliament after 1931, and the circumstances of 1931 were peculiar. Above all, the loaves and fishes of office, which the prime minister dis­tributed, had a greater lure than in an aristocratic age when many of the men in politics already possessed great wealth and titles. At any rate, Law, willingly or not, helped to put the prime minister above his colleagues.

Gloomy as ever, Law doubted whether the Conservatives would win the election and even thought he might lose his own seat at Glasgow. When pressed by Free Trade Conservatives such as Lord Derby, he repudiated Protection, much to Beaver-brook's dismay, and gave a pledge that there would be no funda­mental change in the fiscal system without a second general election. The other parties were equally negative. Labor had a specific proposal, the capital levy, as well as its general pro­gramme of 1918; but, deciding half-way through the campaign that the capital levy was an embarrassment, dropped it, just as Law had dropped Protection. The independent Liberals, led by Asquith, merely claimed, with truth, that they had never supported Lloyd George. The Coalition, now called National Liberals, hoped to scrape back with Conservative votes. Beaver-brook spoilt their game by promoting, and in some cases financ­ing, Conservative candidates against them; fifty-four, out of the fifty-six National Liberals thus challenged, were defeated. The voting was as negative as the parties. Five and a half million voted Conservative; just over 4 million voted Liberal (Asquithians 2-5 million, National i-6 million); 4-2 million voted Labor. The result was, however, decisive, owing to the odd working of three- or often four-cornered contests. The Conservatives held almost precisely their numbers at the dissolution: with 345 seats they had a majority of 77 over the other parties combined. Labor won 142 seats; the Liberals, with almost exactly the same vote (but about 70 more candidates), only 117. All the National Liberal leaders were defeated except Lloyd George in his pocket borough at Caernarvon. Churchill, who had just lost his appendix, also lost his seat at Dundee, a two-member consti­tuency, to a Prohibitionist and to E. D. Morel, secretary of the Union of Democratic Control. This was a striking reversal of fortunes.

THE LABOR PARTY

The Conservatives and Liberals were much the same people as before, with a drop of twenty or so in the number of company directors—mainly due no doubt to the reduction of National Liberals by half. Labor was so changed as to be almost a differ­ent party. In the previous parliament the Labor members had all been union nominees, as near as makes no odds (all but one in 1918, all but three at the dissolution); all were of working-class origin. Now the trade unionists were little more than half (80 out of 142), and middle-class, even upper-class, men sat on the Labor benches for the first time.3 In composition Labor was thus more of a national party than before and less an interest group. In outlook it was less national, or at any rate more hostile to the existing order in economics and in nearly everything else. The old Labor M.P.s had not much to distin­guish them except their class, as they showed during the war by their support for Lloyd George. The new men repudiated both capitalism and traditional foreign policy.

There were combative working-class socialists of the I.L.P., particularly from Glasgow. These Clydesiders, as they were called, won twenty-one out of twenty-eight seats in their region. They imagined that they were about to launch the social revolution. One of them, David Kirkwood, a shop steward who ended in the house of lords, shouted to the crowd who saw him off: 'When we come back, this station, this railway, will belong to the people!' The men from the middle and upper classes had usually joined the Labor party because of their opposition to the foreign policy which, in their opinion, had caused and pro­longed the war. Often, going further than the U.D.C. and its condemnation of secret diplomacy, they believed that wars were caused by the capitalist system. Clement Attlee,1 who entered parliament at this election, denned their attitude when he said: 'So long as they had capitalist governments they could not trust them with armaments.'2

The cleavage between old Labor and new was not absolute. Not all the trade unionists were moderate men, and the mode­rates had turned against Lloyd George after the war, even to the extent of promoting a general strike to prevent intervention against Russia. All of them, thanks to Henderson, had accepted a foreign policy which was almost indistinguishable from that of the U.D.C.3 On the other hand, not all the I.L.P. members were extremists: both MacDonald and Snowden, for example, were still I.L.P. nominees. The new men understood the need for trade union money and appreciated that they had been re­turned mainly by working-class votes. For, while Labor had now some middle-class adherents at the top, it had few middle-class voters; almost any middle-class man who joined the Labor party found himself a parliamentary candidate in no time. More­over, even the most assertive socialists had little in the way of a coherent socialist policy. They tended to think that social reform, if pushed hard enough, would turn into socialism of itself, and therefore differed from the moderates only in pushing harder. Most Labor M.P.s had considerable experience as shop stew­ards or in local government, and they had changed things there simply by administering the existing machine in a different spirit. The Red Flag flew on the Clyde, in Poplar, in South Wales. Socialists expected that all would be well when it flew also at Westminster.

Nevertheless, the advance of Labor and its new spirit raised an alarm of 'Bolshevism' particularly when two Communists now appeared in parliament—both elected with the assistance of Labor votes.1 The alarm was unfounded. The two M.P.s represented the peak of Communist achievement. The Labor party repeatedly refused the application of the Communist party for affiliation and gradually excluded individual Communists by a system more elaborate than anything known since the repeal of the Test Acts.2 Certainly there was throughout the Labor movement much interest in Soviet Russia, and even some admiration. Russia was 'the workers' state'; she was build­ing socialism. The terror and dictatorship, though almost uni­versally condemned, were excused as having been forced on Russia by the Allied intervention and the civil war. English socialists drew the consoling moral that such ruthlessness would be unnecessary in a democratic country.

Democracy—the belief that the will of the majority should prevail—was in their blood. They were confident that the majority would soon be on their side. Evolution was now the universal pattern of thought: the idea that things were on the move, and always upwards. Men assumed that the curve of a graph could be proj ected indefinitely in the same direction: that national wealth, for example, would go on increasing auto­matically or that the birth rate, having fallen from 30 per thousand to 17 in thirty years, would in the next thirty fall to 7 or even o. Similarly, since the Labor vote had gone up steadily, it would continue to rise at the same rate. In 1923 Sidney Webb solemnly told the Labor annual conference that 'from the rising curve of Labor votes it might be computed that the party would obtain a clear majority . . . somewhere about 1926'.' Hence Labor had only to wait, and the revolution would come of itself. Such, again according to Webb, was 'the inevitability of gradualness'.

RAMSAY MACDONALD

When parliament met, the Labor M.P.s elected Ramsay MacDonald as their leader. The election was a close-run thing: a majority of five, according to Clynes, the defeated candidate; of two, according to the later, perhaps jaundiced, account by Philip Snowden. The Clydesiders voted solid for MacDonald to their subsequent regret. The narrow majority was misleading: it reflected mainly the jealousy of those who had sat in the previous parliament against the newcomers. MacDonald was in­deed the predestined leader of Labor. He had largely created the party in its first years; he had already led the party before the war; and Arthur Henderson had been assiduously preparing his restoration.2 He had, in some undefined way, the national stature which other Labor men lacked. He was maybe vain, moody, solitary; yet, as Shinwell has said, in presence a prince among men. He was the last beautiful speaker of the Gladstone school, with a ravishing voice and turn of phrase. His rhetoric, though it defied analysis, exactly reflected the emotions of the Labor movement, and he dominated that movement as long as he led it.

There were practical gifts behind the cloud of phrases. He was a first-rate chairman of the cabinet, a skilful and successful negotiator, and he had a unique grasp of foreign affairs, as Lord Eustace Percy, by no means a sympathetic judge, recognized as late as 1935.3 With all his faults, he was the greatest leader Labor has had, and his name would stand high if he had not outlived his abilities. MacDonald's election in 1922 was a por­tent in another way. The Labor M.P.s were no longer electing merely their chairman for the coming session. They were electing the leader of a national party and, implicitly therefore, a future prime minister. The party never changed its leader again from session to session as it had done even between 1918 and 1922. Henceforth the leader was re-elected each year until old age or a major upheaval over policy ended his tenure.

Ramsay MacDonald set his stamp on the inter-war years. He did not have to wait long to be joined by the man who set a stamp along with him: Stanley Baldwin. Law doubted his own physical capacity when he took office and did not intend to remain more than a few months. It seemed obvious at first who would succeed him: Marquis Gurzon,1 foreign secretary, former viceroy of India, and sole survivor in office (apart from Law) of the great war cabinet. Moreover, in the brief period of Law's premiership, Curzon enhanced his reputation. Baldwin, the only possible rival, injured what reputation he had. Curzon went off to make peace with the Turks at the conference of Lausanne. He fought a lone battle, almost without resources and quite without backing from home, in the style of Castle-reagh; and he carried the day. Though the Turks recovered Constantinople and eastern Thrace, the zone of the Straits re­mained neutralized, and the Straits were to be open to warships in time of peace—a reversal of traditional British policy and an implied threat to Soviet Russia, though one never operated. Moreover, the Turks were bewitched by Curzon's seeming moderation and laid aside the resentment which Lloyd George had provoked. More important still, Curzon carried off the rich oil wells of Mosul, to the great profit of British oil companies and of Mr. Calouste Gulbenkian, who drew therefrom his fabulous 5 per cent.

DEBTS AND REPARATIONS

Baldwin, also in search of tranquillity, went off to Washington to settle Great Britain's debt to the United States. Law held firmly to the principle of the Balfour note that Great Britain should pay her debt only to the extent that she received what was owed to her by others. Anything else, he believed, 'would reduce the standard of living in this country for a generation'.Baldwin was instructed to settle only on this basis. In Washing­ton he lost his nerve, perhaps pushed into surrender by his com­panion, Montagu Norman, governor of the bank of England, who had an incurable zest for financial orthodoxy. Without securing the permission of the cabinet, Baldwin agreed to an unconditional settlement on harsh terms2 and, to make matters worse, announced the terms publicly on his return. Law wished to reject the settlement: 'I should be the most cursed Prime Minister that ever held office in England if I accepted those terms.' His opposition was sustained by the two independent experts whom he consulted, McKenna and Keynes. The cabinet, however, was for acceptance. Law found himself alone. He wished to resign and was persuaded to stay on by the pleas of his colleagues. He satisfied his conscience by publishing an anonymous attack on the policy of his own government in the columns of *The Times.*

As things worked out, Great Britain was not ruined by the settlement of the American debt, though it was no doubt irk­some that France and Italy later settled their debt on easier terms. Throughout the twenties the British collected a balancing amount from their own debtors and in reparations. The real harm lay elsewhere. While the settlement perhaps improved relations with the United States, it compelled the British to col­lect their own debts and therefore to insist on the payment of reparations by Germany both to others and to themselves. This was already clear in 1923. Poincare, now French premier, attempted to enforce the payment of reparations by occupying the Ruhr. The Germans took up passive resistance, the mark tumbled to nothing, the finances of central Europe were again in chaos. The British government protested and acquiesced. French troops were allowed to pass through the British zone of occupation in the Rhineland. While the British condemned Poincare's method, they could no longer dispute his aim: they were tied to the French claim at the same time as they opposed it.

The debt settlement might have been expected to turn Law against Baldwin. There were powerful factors on the other side. Law knew that Curzon was unpopular in the Conservative party—disliked both for his pompous arrogance and his weak­ness. Curzon lacked resolution, despite his rigid appearance. He was one of nature's rats. He ran away over the Parliament bill; he succumbed to women's suffrage. He promised to stand by Asquith and then abandoned him. He did the same with Lloyd George. Beaverbrook has called him 'a political jumping jack'. Law regarded the impending choice between Curzon and Bald­win with more than his usual gloom. He tried to escape from it by inviting Austen Chamberlain to join the government with the prospect of being his successor in the autumn. Chamberlain appreciated that his standing in the Conservative party had been for ever shaken by the vote at the Carlton club, and refused.

The end came abruptly. In May Law was found to have incurable cancer of the throat. He resigned at once. Consoled by the misleading precedent of what happened when Gladstone resigned in 1894, he made no recommendation as to his suc­cessor. He expected this to be Curzon, and was glad that it would be none of his doing. However, the king was led to believe, whether correctly or not, that Law favoured Baldwin, and he duly followed what he supposed to be the advice of his retiring prime minister as the monarch has done on all other occasions since 1894.3 Law lingered on until 30 October. He was buried in Westminster Abbey—the first prime minister to follow Glad­stone there and with Neville Chamberlain, so far, as his only successor. The reason for this distinction is obscure. Was it because he had reunited the Conservative party? or because he had overthrown Lloyd George?

BALDWIN

Baldwin did not follow Law's example of waiting to accept office until he had been elected leader of the Conservative party. He became prime minister on 21 May, was elected leader on 28 May. Curzon proposed the election with phrases adequately fulsome. Privately he is reputed to have called Baldwin 'a man of the utmost insignificance'. This was Baldwin's strength. He seemed, though he was not, an ordinary man. He presented himself as a simple country gentleman, interested only in pigs. He was in fact a wealthy ironmaster, with distinguished literary connexions.2 His simple exterior concealed a skilful political operator. Lloyd George, after bitter experience, called him 'the most formidable antagonist whom I ever encountered'—no mean tribute. Baldwin played politics by ear. He read few official documents, the newspapers not at all. He sat on the treasury bench day after day, sniffing the order-paper, cracking his fingers, and studying the house of commons in its every mood. He had in his mind a picture, no doubt imaginary, of the patriarchal relations between masters and men at his father's steel works, and aspired to establish these relations with Labor on a national scale. This spirit met a response from the other side. MacDonald said of him as early as 1923: 'In all essentials, his outlook is very close to ours.' It is hard to decide whether Baldwin or MacDonald did more to fit Labor into constitutional life.

Baldwin did not set the Conservative pattern alone. He acquired, almost by accident, an associate from whom he was never parted: Neville Chamberlain.3 The two were yoke-fellows rather than partners, bound together by dislike of Lloyd George and by little else. Chamberlain was harsher than Baldwin, more impatient with criticism and with events. He antagonized where Baldwin conciliated. He was also more practical and eager to get things done. He had a zest for administrative reform. Nearly all the domestic achievements of Conservative govern­ments between the wars stand to his credit, and most of the troubles also. Active Conservatives often strove to get rid of Baldwin and to put Chamberlain in his place. They did not suc­ceed. Chamberlain sinned against Napoleon's rule: he was a man of No Luck. The cards always ran against him. He was humiliated by Lloyd George at the beginning of his political career, and cheated by Hitler at the end. Baldwin kept him in the second place, almost without trying.

Chamberlain's Housing Act (introduced in April, enacted in July) was the one solid work of this dull government. It was pro­voked by the complete stop in house building when Addison's programme ended. Chamberlain believed, like most people, that Addison's unlimited subsidies were the main cause of high building costs. He was also anxious, as a good Conservative, to show that private enterprise could do better than local authori­ties. His limited subsidy (Ј6 a year for twenty years) went to private and public builders alike, with a preference for the former; and they built houses only for sale. Mean houses ('non-parlour type' was the technical phrase) were built for those who could afford nothing better. Predominantly, the Chamberlain act benefited the lower middle class, not the industrial workers. This financial discrimination caused much bitterness. Chamberlain was marked as the enemy of the poor, and his housing act lost the Conservatives more votes than it gained.

BALDWIN AND PROTECTION

Still, there seemed no reason why the government should not jog on. Its majority was solid; economic conditions were not markedly deteriorating. Without warning, Baldwin raised the ghost which Law had exorcized in 1922. On 25 October he announced that he could fight unemployment only if he had a free hand to introduce Protection. His motives for this sudden decision remain obscure. Protection had been for many years at once the inspiration and the bane of the Conservative party. There would hardly have been a lively mind or a creative person­ality on the Conservative benches without it. On the other hand, it had repeatedly brought party disunion and electoral defeat. Hence Balfour had sworn off it in 1910, and Law in 1922. There seemed little reason to revive this terrible controversy now. An imperial conference was indeed in session, principally to ensure that no British government would ever take such an initiative as Chanak again. The conference expressed the usual pious wish for Imperial Preference. This meant in practice British tariffs on foreign food, while foodstuffs from the Dominions came in free. There would be Dominion preferences for British manufactures only in the sense that Dominion tariffs, which were already prohibitively high, would go up further against the foreigner. This was not an attractive proposition to put before the British electorate, and Baldwin did not attempt it. He pledged himself against 'stomach taxes'. There would be 'no tax on wheat or meat'. Imperial Preference was thus ruled out.

Later, when Protection had brought defeat for the Con­servatives, Baldwin excused himself on grounds of political tactics. Lloyd George, he alleged, was returning from a trium­phal tour of North America with a grandiose programme of empire development. Baldwin 'had to get in quick'. His cham­pioning of Protection 'dished the Goat' [Lloyd George].1 Austen Chamberlain and other Conservatives who had adhered to Lloyd George swung back on to Baldwin's side. This story seems to have been devised after the event. Chamberlain and the rest were already swinging back; there was no serious sign that Lloyd George was inclining towards Protection. Perhaps Baldwin, a man still little known, wished to establish his reputation with the Conservative rank and file. Perhaps he wished to show that he, not Beaverbrook, was Law's heir. The simplest explanation is probably the true one. Baldwin, like most manufacturers of steel, thought only of the home market. He did not grasp the problem of exports and hoped merely that there would be more sale for British steel if foreign supplies were reduced. For once, he took the initiative and learnt from his failure not to take it again.

Protection involved a general election in order to shake off Law's pledge of a year before. The cry of Protection certainly brought the former associates of Lloyd George back to Baldwin. This was more than offset by the resentment of Free Trade Conservatives, particularly in Lancashire. Defence of Free Trade at last reunited the Liberal party, much to Lloyd George's discomfiture—though this was hardly Baldwin's doing. With Free Trade the dominant issue, Lloyd George was shackled to the orthodox Asquithian remnant. Asquith was once more undisputed leader; Lloyd George, the man who won the war, merely his unwilling lieutenant. It was small consolation that the Asquithians had their expenses paid by the Lloyd George Fund.

The election of December 1923 was as negative as its pre­decessor. This time negation went against Protection, and doing nothing favoured the once-radical cause of Free Trade. Though the overall vote remained much the same— the Conservatives received about 100,000 less,3 the Liberals 200,000, and Labor 100,000 more—the results were startlingly different. The Conservatives lost over ninety seats, the Liberals gained forty, and Labor fifty.4 The dominant groups of 1918 were further depleted, relatively in one case, absolutely in the other. The trade unionists, once all-powerful, were now a bare majority in the Labor party (98 out of 191). The National (Lloyd George) Liberals, already halved in 1922, were now halved again, despite the Liberal gains. There were only twenty-six of them. Their former seats nearly all went to Labor, evidence that they had formed the Liberal Left wing. The outcome was a tangle: no single party with a majority, yet the Liberals barred from coalition by their dislike of Protection on the one side, of socialism on the other.

FIRST LABOR GOVERNMENT

It was obvious that the government would be defeated when parliament met. Then, according to constitutional precedent, the king would send for the leader of the next largest party, Ramsay MacDonald. Harebrained schemes were aired for averting this terrible outcome. Balfour, or Austen Chamberlain, should take Baldwin's place as Conservative premier; Asquith should head a Liberal-Conservative coalition; McKenna should form a non-parliamentary government of 'national trustees'. None of these schemes came to anything. Asquith was clear that Labor should be put in, though he also assumed that he would himself become prime minister when, as was bound to happen soon, they were put out. In any case, George V took his own line: Labor must be given 'a fair chance'. On 21 January the Conservative government was defeated by seventy-two votes.1 On the following day MacDonald became prime minister, hav­ing first been sworn of the privy council—the only prime minister to need this preliminary. George V wrote in his diary: 'Today 23 years ago dear Grandmama died. I wonder what she would have thought of a Labor Government!'; and a few weeks later to his mother: 'They [the new Ministers] have different ideas to ours as they are all socialists, but they ought to be given a chance & ought to be treated fairly.'2

MacDonald was a man of considerable executive ability, despite his lack of ministerial experience; he had also many years' training in balancing between the different groups and factions in the Labor movement. On some points he consulted Haldane, who became lord chancellor, principally in order to look after the revived committee of imperial defence. Snowden, MacDonald's longtime associate and rival in the I.L.P., became chancellor of the exchequer. MacDonald himself took the foreign office, his consuming interest; besides, he was the only name big enough to keep out E. D. Morel. The revolutionary Left was almost passed over. Lansbury, its outstanding English figure, was left out, partly to please George V, who disliked Lansbury's threat to treat him as Cromwell treated Charles I. Wheatley, *a.* Roman Catholic businessman who became minister of health, was the only Clydesider in the government; to everyone's sur­prise he turned out its most successful member. Broadly the cabinet combined trade unionists and members of the U.D.C. It marked a social revolution despite its moderation: working men in a majority, the great public schools and the old univer­sities eclipsed for the first time.

The Labor government recognized that they could make no fundamental changes, even if they knew what to make: they were 'in office, but not in power'. Their object vas to show that Labor could govern, maybe also that it could administer in a more warm-hearted way. The" Left did not like this tame out­look and set up a committee of backbench M.P.s to control the government; it did not have much effect. The Labor ministers hardly needed the king's exhortation to 'prudence and sagacity'.1 All, except Wheatley, were moderate men, anxious to show their respectability. They were willing to hire court dress (though not knee-breeches) from Moss Bros. It was a more serious difficulty that they lacked experience in government routine. Only two (Haldane and Henderson) had previously sat in a cabinet. Fifteen out of the twenty had never occupied any ministerial post. Inevitably they relied on the civil servan:s in their depart­ments, and these, though personally sympathetic, were not run­ning over with enthusiasm for an extensive socialist programme.

EDUCATIONAL REFORM

Wheatley was the only minister with a creative aggressive outlook. His Housing Act was the more surprising in that it had no background in party discussion or programme, other than Labor's dislike of bad housing conditions, Unlike Neville Chamberlain or even Addison, Wheatley recognized that the housing shortage was a long-term problem. He increased the subsidy;2 put the main responsibility back on the local authori­ties; and insisted that the houses must be built to rent. More important still, he secured an expansion of the building industry by promising that the scheme would operate steadily for fifteen years. This was almost the first cooperation between govern­ment and industry in peacetime; it was also the first peacetime demonstration of the virtues of planning. Though the full Wheatley programme was broken off short in 1932 at the time of the economic crisis, housing shortage, in the narrowest sense, had by then been virtually overcome. Wheatley's Act did not, of course, do anything to get rid of the slums. It benefited the more prosperous and secure section of the working class, and slum-dwellers were lucky to find old houses which the council tenants had vacated. The bill had a passage of hard argument through the house of commons. Hardly anyone opposed its principle outright. Men of all parties were thus imperceptibly coming to agree that the provision of houses was a social duty, though they differed over the method and the speed with which this should be done.

One other landmark was set up by the Labor government, again almost unnoticed. Trevelyan, at the board of education, was armed with a firm statement of Labor policy, *Secondary Education for All,* drafted by the historian R. H. Tawney, who provided much of the moral inspiration for Labor in these years. Trevelyan largely undid the economies in secondary education which had been made by the Geddes axe, though he also discovered that Labor would be effective in educational matters only when it controlled the local authorities as well as the central government. More than this, he instructed the consulta­tive committee of the board, under Sir Henry Hadow, to work out how Labor's full policy could be applied, and he deserves most of the credit for what followed even though the committee did not report until 1926. The Hadow report set the pattern for English publicly maintained education to the present day. Its ultimate ideal was to raise the school-leaving age to 15. Failing this (and it did not come until after the second World war), there should be an immediate and permanent innovation: a break between primary and secondary education at n.1 Hence the pupils at elementary schools, who previously stayed on to 14, had now to be provided for elsewhere or, at the very least, in special 'senior classes'. Here was a great achievement, at any rate in principle: a clear recognition, again imperceptibly accepted by men of all parties, that the entire population, and not merely a privileged minority, were entitled to some educa­tion beyond 'the three R's'. It was less fortunate that the new system of a break at 'eleven plus' increased the divergence be­tween the publicly maintained schools and the private schools for the fee-paying minority where the break came at 13.

The reforms instituted by Wheatley and by Trevelyan both had the advantage that, while they involved considerable expenditure over a period of years, they did not call for much money in the immediate future. This alone enabled them to survive the scrutiny of Philip Snowden, chancellor of the ex­chequer. Snowden had spent his life preaching social reforms; but he also believed that a balanced budget and rigorous economy were the only foundation for such reforms, and he soon convinced himself that the reforms would have to wait until the foundation had been well and truly laid. His budget would have delighted the heart of Gladstone: expenditure down, and taxes also, the 'free breakfast table' on the way to being restored,1 and the McKenna Duties—pathetic remnant of wartime Protection —abolished. No doubt a 'Liberal' budget was inevitable in the circumstances of minority government; but it caused no stir of protest in the Labor movement. Most Labor men assumed that finance was a neutral subject, which had nothing to do with politics. Snowden himself wrote of Montagu Norman: 'I know nothing at all about his politics. I do not know if has he any.' Far from welcoming any increase in public spending, let alone advocating it, Labor had inherited the radical view that money spent by the state was likely to be money spent in­competently and corruptly: it would provide outdoor relief for the aristocracy or, as in Lloyd George's time, undeserved wealth for profiteers. The social reforms in which Labor believed were advocated despite the fact that they cost money, not because of it, and Snowden had an easy time checking these reforms as soon as he pointed to their cost.

UNEMPLOYMENT

The Labor government were peculiarly helpless when faced with the problem of unemployment—the unemployed remained at well over a million. Labor theorists had no prepared answer and failed to evolve one. The traditional evil of capitalism had been poverty: this gave Labor its moral force just as it gave Marxists the confidence that, with increasing poverty, capitalism would 'burst asunder'. No socialist, Marxist or otherwise, had ever doubted that poverty could be ended by means of the rich resources which capitalism provided. Mass unemployment was a puzzling accident, perhaps even a mean trick which the capitalists were playing on the Labor government; it was not regarded as an inevitable outcome of the existing economic sys­tem, at any rate for some time. Vaguely, Labor held that socialism would get rid of unemployment as it would get rid of all other evils inherent in the capitalist system. There would be ample demand for goods, and therefore full employment, once this demand ceased to be a matter of 'pounds, shillings, and pence'. The socialist economic system would work of itself, as capitalism was doing. This automatic operation of capitalism was a view held by nearly all economists, and Labor accepted their teaching. Keynes was moving towards the idea that un­employment could be conquered, or at any rate alleviated, by means of public works. He was practically alone among pro­fessional economists in this. Hugh Dalton, himself a teacher of economics, and soon to be a Labor M.P.,1 dismissed Keynes's idea as 'mere Lloyd George finance'—a damning verdict. Such a policy was worse than useless; it was immoral.

Economic difficulties arose for the Labor government in a more immediate way. Industrial disputes did not come to an end merely because Labor was in office. Ramsay MacDonald had hardly kissed hands before there was a strike of engine drivers—a strike fortunately settled by an intervention of the T.U.C. general council. Strikes first of dockers, then of London tramwaymen, were not dealt with so easily. The government planned to use against these strikes the Emergency Powers Act, which Labor had denounced so fiercely when introduced by Lloyd George. It was particularly ironical that the proposed dictator, or chief civil commissioner, was Wedgwood, chancellor of the duchy of Lancaster, who was generally held to be more an anarchist than a socialist. Here was fine trouble in the making. The unions provided most of the money for the Labor party, yet Labor in office had to show that it was fit to govern. Both sides backed away. The government did not actually run armed lorries through the streets of London,2 and Ernest Bevin, the men's leader, ended the strikes, though indignant at ‘having to listen to appeal of our own people. The dispute left an ugly memory. A joint committee of the T.U.C. general council and the Labor party executive condemned the government’s proposed action. MacDonald replied that ‘public doles, Poplarism, strikes for increased wages, limitations of output, not only are not Socialism, but may mislead the spirit and policy of the Socialist movement.