

# The History of the Twentieth Century

## Episode 38

### “The Politics of the Future”

#### Transcript

[music: fanfare]

“Poverty blights whole cities; spreads horrible pestilences; strikes dead the very souls of all who come within sight, sound or smell of it. What you call crime is nothing: a murder here and a theft there, a blow now and a curse then: what do they matter? They are only the accidents and illnesses of life: there are not fifty genuine professional criminals in London. But there are millions of poor people, abject people, dirty people, ill fed, ill clothed people. They poison us morally and physically: they kill the happiness of society: they force us to do away with our own liberties and to organize unnatural cruelties for fear they should rise against us and drag us down into their abyss. Only fools fear crime: we all fear poverty.”

George Bernard Shaw. *Major Barbara*.

Welcome to *The History of the Twentieth Century*.

[music: opening theme]

Episode 38. The Politics of the Future.

Keir Hardie was born in Lanarkshire, in Scotland, in 1856. His family of two adults and nine children lived in a one room cottage. The family’s economic necessity forced him to get his first job at the age of seven, working as an errand boy for a baker, for the sum of four shillings sixpence a week. A formal education was out of the question under these circumstances, although somehow his mother taught him to read and write in the evenings. His stepfather worked for a shipbuilding company, and in the course of a labor dispute, the shipyard went on a six month lockout. His mother’s ability to work during this lockout was impaired because she was pregnant, and then because she had just given birth. The family had had to sell everything that they owned, there was no food in the house, and little Keir’s four and sixpence a week was the family’s only income.

One Friday morning, Keir walked the two miles to work in the rain, which made him fifteen minutes late for the second day running. The clerk at the bakery sent him upstairs to the living quarters, telling him the master wanted to see him.

Keir found himself at his master's breakfast, dripping wet and with an empty stomach, as the master and his family sat around a table of dark tropical wood decorated with lace, drinking hot coffee out of fine porcelain cups, enjoying bacon and sausage and eggs and fresh rolls from the bakery downstairs, and listened patiently while the master explained to him that he was fired for being twice tardy. The master went on to tell the boy that in order to impress upon him the importance of punctuality, he was imposing a fine upon little Keir of four and sixpence, his entire pay packet for the week. "Someday you will look back on today and thank me for the lesson," the master told him. The maid showed him the way out, expressing her sympathy for the little boy by slipping him a roll.

Keir went to work in a mine when he was ten years old. By the age of twenty, he was an experienced miner and a lay preacher in the Evangelical Union Church. Because he was educated and an experienced public speaker, other miners turned to him to organize their meetings and represent them in dealings with the mine owners. Hardie would say later in life that "the impetus which drove me first into the Labour movement, and the inspiration which has carried me on in it, has been derived more from the teachings of Jesus of Nazareth than from all other sources combined."

The mine owners saw Keir Hardie as an agitator and troublemaker. He and his brothers were blacklisted from the mines. This idea backfired when Hardie became a union organizer. He also joined the Liberal Party, although over time he came to the view that while the Liberals were happy to solicit the support of working people, they weren't willing to undertake the reforms necessary to improve the lot of the working class.

Hardie stood for Parliament in 1888 as an independent labor candidate in the mid-Lanarkshire by-election. It was regarded as a safe Liberal seat. The Liberals asked Hardie to withdraw from the race, on the grounds that a divided electorate would favor the Tories, and offered him the chance to run as a Liberal in a different constituency in the next general election and afterward pay him a yearly salary of £400 to sit in the Commons. Recall that MPs did not get a public salary at this time, as most of them were men of means. Someone like Hardie, who was not, could only afford to serve in Parliament if a political party or other private organization paid him a salary out of their own funds.

£400 a year was more money than Keir Hardie had ever made before, but he turned down the offer and contested the by-election. The Liberals won, and Hardie got 8% of the vote. But in the general election of 1892, the one that brought the Liberals briefly back into power, Hardie ran and won as an independent labor candidate in West Ham South. The Liberals did not field a candidate in that race, but did not support Hardie, either. When he arrived in Westminster, he came wearing a tweed jacket and a deerstalker, quite different from the frock coat and top hat that was the standard Parliamentary attire at the time, and it was quite a shocker.

Hardie went on shocking the British political establishment by advocating such out-there ideas as free public education, a progressive income tax, the abolition of the House of Lords, and women's right to vote.

In 1893, at the Trades Union Congress of that year, Hardie successfully campaigned for the creation of the Independent Labour Party. The party platform called for public ownership of the means of production and "to take charge of the revolution to which economic conditions are leading us." In the general election of 1895, the one that brought Lord Salisbury and the Tories back into power, the ILP fielded candidates in twenty-eight constituencies, and lost every race, including Hardie's own. One of Hardie's trade union critics, John Burns, who had opposed the formation of the ILP, described the effort as "the most expensive funeral since Napoleon's."

But the lesson Keir Hardie took from the general election of 1895 was that the ILP would need to reach out, beyond labor unions and embrace other left-leaning organizations, most notably the Fabian Society.

The Fabian Society was founded in London in 1884. The Fabians were socialists who rejected revolutionary socialism in favor of a gradual transformation of society. They take their name from the Roman general Fabius Maximus, who, you may recall, if you have listened to the *History of Rome* podcast as many times as I have, led the fight against the Carthaginians under Hannibal by using the so-called Fabian strategy of gradually wearing down the enemy through hit and run tactics, as opposed to a head-to-head confrontation. The Fabian Society saw in their advocacy of gradualism the modern equivalent of the Fabian strategy of old.

The Fabian Society quickly attracted some of the leading political and intellectual figures of the day, including H.G. Wells, Ramsay MacDonald, Bertrand Russell, the women's suffrage leader Emmeline Pankhurst, and George Bernard Shaw, from whose 1905 play *Major Barbara* I quoted at the top of the episode.

In 1895, the Fabian Society founded the London School of Economics, a university established for education and research in economic and social sciences. The LSE continues to this day, and it is a top-ranked university, regarded as one of the world's leading research institutions in the social sciences.

So in 1900, the International Labour Party, the Fabian Society, and others joined forces to create the Labour Representation Committee. As you may recall, the Salisbury government called a general election that year—the so-called "Khaki Election"—when they were riding high after the fall of the Boer states in South Africa. The election came too soon for the fledgling organization to campaign effectively. They only managed to field candidates in 15 constituencies, and only two of those made it to Parliament. One of them was Keir Hardie.

[music: Mouret *Fanfare-Rondeau*]

To be an upper class Englishman at the dawn of the twentieth century was amazing. Every pleasure the world can supply is available to you. Anything that can be grown, mined, or manufactured is probably available somewhere in the Empire, and can be brought to you on a British ship. The price of most things is going down every year, as the Industrial Revolution brings about greater efficiencies. Best of all, a small army of servants is available to do all the menial chores none of us would ever want to do if we could get someone else to do it for us. Cooks, maids, gardeners, valets, drivers, washing women, stablehands, footmen, housekeepers, butlers, governesses, and on and on.

A gentleman of the upper class, or even the middle class, could afford servants because of the wide disparity of income. The poor and working classes were accustomed to salaries that were a tiny fraction of what the upper class earned. The servants who worked in the home of a well-off London solicitor or merchant banker might each earn one percent or less of their employer's salary, so the well off could afford to hire squads of servants. The landed gentry were better off than that. They had companies of servants.

The standard of living of the upper classes contrasted remarkably with the poverty of the unemployed and working classes in Britain. In the early years of the twentieth century, multiple studies were published. Studies from academics and royal commissions and the Fabian Society that all pointed to the same problem. The greatest nation in the world had built its prosperity on the backs of the one-third of its population that it kept in chronic poverty.

In English country villages as well as in the slums of London or Glasgow, the poor lived, packed eight or nine to a room, lacking basic nutrition, sanitation, or privacy. Children grew up stunted from lack of food, with rotting teeth, uneducated or unable to take advantage of their educations owing to malnutrition. During the Boer War, the British Army had to reduce the minimum height for a British soldier from five foot three to five feet even, because there weren't enough young men eligible to serve under the old requirement.

The workers at the Shawfield Chemical Works in Glasgow were paid 3d. an hour for a twelve hour workday, seven days a week. There were no lunch hours; you ate while you worked. If you took Sunday off, you were fined your next day's wages for it, and sometimes you spent a day in jail for it. Lord Overtoun, the owner of the Shawfield Chemical Works, was a noted philanthropist who gave thousands of pounds a year to charity. One of his favorite charities was the Sunday Rest Society, a religious organization founded, yeah, to promote observance of the Sabbath. Hypocrisy, thy name is Overtoun.

To the Tories, all this was, as we would say nowadays, a feature, not a bug. A ready pool of cheap labor was essential to keep the economy going. To the Liberals, something needed to be done, but what? Liberals don't believe in government intervention in the private economy, and anyway, the business and professional classes were the backbone of the Liberal Party. It could hardly propose legislation against the interests of its core constituency.

Some working men, like Keir Hardie, sought a political solution. Working class representation in Parliament. Others, like John Burns, favored the private sector solution: labor unions, representing the workers to negotiate better terms from employers, striking when necessary.

But in 1901, the House of Lords, hardly a friend to the working class, effectively abolished the right of labor unions to call strikes in the United Kingdom. The Amalgamated Society of Railway Servants had struck against the Taff Vale Railway. The strike was eventually settled, but then the railway company sued the trade union for profits lost during the strike. The House of Lords, sitting as Britain's highest appeal court, overturned existing law and ruled that the union was liable to reimburse the company for profits lost.

Workers across Britain reacted to the decision with outrage. And the John Burns argument, that labor's business should be conducted on the picket line and at the negotiating table and not in Parliament, suddenly didn't look so clever. The *Taff Vale* case needed to be overturned, which would require an Act of Parliament. And that would mean ousting the Tories from government. Workers mobilized. In 1902 and 1903, Labour candidates won three by-elections, a sign of things to come.

As you may recall, Queen Victoria passed away in 1901. Her son, King Edward VII, now sits on the throne. Lord Salisbury resigned from government following the Boer peace treaty in 1902. He passed away in 1903. His nephew, Arthur Balfour, is now Prime Minister, and it is a time of crisis for the Conservative Party.

The so-called Khaki Election of 1900 was held when things were looking pretty good in South Africa. The Conservatives and their Liberal Unionist allies were returned to government with a healthy majority. But the Boer War ground on for 18 months longer in frustrating guerilla combat, and British concentration camps became a national scandal.

And then there were the Chinese miners. I alluded to this earlier, but the mines in South Africa found they had a shortage of men willing to work in the mines. I guess another way of saying that is, men willing to work in the mines at the wages the mine owners were willing to pay. So they prevailed upon the Tory government to allow indentured laborers from China to be brought to South Africa to work in the mines.

The result was another uproar among the working class in Britain. It wasn't that so many British workers were keen to emigrate to South Africa to mine diamonds. But at a time of grinding poverty and unemployment in Britain, what was the government doing importing workers from foreign countries? And if this year the Chinese could be brought in to mine diamonds in South Africa, maybe next year they would be brought in to mine coal in Wales.

Ordinary Britons had been told for decades that the Empire was good for the British economy and good for them. But that claim was becoming harder to swallow. The suspicion grew that the Boer War had been fought not for Queen and Empire, but for gold and diamonds, much as later

in the century, some Americans would wonder whether US military involvement in the Middle East wasn't really all about the oil. Some openly proclaimed that the British Empire was in fact nothing more than a welfare program for the aristocracy.

The Liberals, still smarting from the Conservative slogan "Every seat won by the Liberals is a seat won by the Boers" during the Khaki Election, were all too ready to turn the tables on the Tories. One political cartoon of the time showed the ghosts of slain British soldiers pointing to the Chinese indentured miners and asking, "Is this what we died for?"

As if that wasn't enough for Mr. Balfour to deal with, another court decision in 1901 threw another hot potato into his lap. The Cockerton Judgment questioned the legality of the system of school funding then in use in Britain, which provided public money to educate children from the ages of 5 to 12. In 1902, the Balfour government introduced an Education Act to remedy this problem, and also to provide public funding for the education of children over 12. Britain was behind its competitors in providing public education, so this was a welcome reform, but the Tories wanted to undo previous Liberal reforms and send public money to Anglican and Catholic schools. Nonconformists, who were an important Liberal—and Liberal Unionist—constituency, were up in arms. Methodist ministers wrote angry letters to the editor, and protesters banded together to sign pledges to refuse to pay their school taxes. This was deeply embarrassing to Joseph Chamberlain, the leader of the Liberal Unionists and himself a Nonconformist, who gloomily predicted that Nonconformists would abandon the Liberal Unionists in droves.

Chamberlain himself, meanwhile, in his capacity as Colonial Secretary, had an idea. An idea he hoped would bolster the British economy against increasing competitive pressure from Germany and the United States as well as appeal to British patriotism and strengthen the Conservative-Liberal Unionist alliance against the challenges the Liberals were mounting.

Chamberlain's big idea was a new tariff scheme: Imperial Preference. In other words, tariffs would be increased on imports from outside the Empire, places like, you know, Germany or the United States, but with reductions for imports from the Empire. This would create tax incentives for British businesses and consumers to "buy Empire," rather than foreign goods. In Chamberlain's view, this would simply be Britain enjoying the natural fruits of its Imperial possessions. It would stimulate inter-Empire trade and boost the prosperity of the Empire, and have the fringe benefit of bringing Britain and her colonies closer together, demonstrating to everyone the benefits of their association.

Britain was already partway there. In 1902, the government had had to increase tariffs to pay off the costs of the Boer War. The President of the Board of Trade, Gerald Balfour, the Prime Minister's brother, was already recommending tariff exceptions for the colonies. Chamberlain declared tariff reform "the politics of the future." The future of the Empire, and the future of his political alliance with the Conservatives.

But it was not to be. Free trade was not only a Liberal touchstone, but after decades of a free trade policy that had made Britain the richest country in the world, even many Conservatives were sold on free trade dogma, and not very interested in Chamberlain's idea. Among them was the Chancellor of the Exchequer, Charles Thomson Ritchie, who was staunchly opposed. The Chancellor of the Exchequer, by the way, is the British Cabinet equivalent of what in the US is called Secretary of the Treasury and in most other countries is the Minister of Finance. In other words, the guy in charge of taxation and economic policy. You aren't likely to get your tariff reform as long as this guy is against it.

The Prime Minister privately agreed with Chamberlain, but he was obligated to stay above an intra-Cabinet debate. But several of the most ardent free traders in the government, including Ritchie, resigned in protest over Balfour's machinations on Chamberlain's behalf. Chamberlain resigned from the government, too, so that he would be free to speak out publicly in favor of his new pet project. Balfour appointed Chamberlain's son, Austen Chamberlain, now a Member of Parliament himself, the new Chancellor of the Exchequer, and of course he became the principal spokesman for his father's tariff reform within the Cabinet.

But tariff reform, the policy that was supposed to have the political benefit of boosting the government, was splitting it instead, and boosting the Liberals, who remained as opposed to tariffs as ever. The most prominent member of the freshman class of Conservative MPs, friend of the podcast Winston Churchill, bolted the party and became a Liberal over the tariff issue. And possibly also because he could tell which way the wind was blowing.

The Prime Minister tried to hold his increasingly fractious coalition together, publicly favoring neither free trade nor tariff reform, but his leadership was satisfying no one.

A mutual concern for Conservatives and Liberals was the growing strength of Labour and the string of by-elections that they had won. The Conservative government appointed a Royal Commission on Trade Disputes to review the *Taff Vale* holding and report on the advisability of passing legislation to restore the right to strike. The government even let a Trade Disputes Bill, which would have reversed *Taff Vale*, out of committee and onto the House floor, but did not allow it to get as far as a final vote.

The Liberal opposition was increasingly convinced they would take control of the House after the next general election. But there was a fly in the ointment: the rising power of Labour. In British parliamentary elections, the candidate with the most votes wins, regardless of whether or not that candidate got to 50% of the vote. This method is often called "first past the post." If Labour candidates were going to force three-way elections, Conservatives might win seats without winning majorities. And so, in 1903, Herbert Gladstone, the Liberal Whip and son of the former Prime Minister, cut a secret deal with Ramsay MacDonald, the secretary of the Labour Representation Committee. The Liberals would agree not to contest 35 seats where Labour was

expected to do well, and in return, these Labour MPs would support the formation of a Liberal government.

Also in 1903, Emmiline Pankhurst, who I mentioned earlier, founded the Women's Social and Political Union. There had previously been more moderate groups agitating for women's right to vote, most notably Millicent Fawcett's National Union of Women's Suffrage Societies. But although bills to grant the right to vote to women had come to the floor of the House of Commons multiple times, they had been defeated every time. Pankhurst intended her new organization to be more militant—that was her word—as patient reasoning with the existing political parties, even Labour, had gotten women nothing. “Deeds, not words,” she said, would be the motto of the new group.

In December 1905, an increasingly frustrated Arthur Balfour resigned the premiership, prompting the King to ask the Liberal opposition leader, Henry Campbell-Bannerman, to form a minority government and force a general election, which was held over two weeks, as was then the custom, in January 1906.

Balfour expected the Liberals to flounder, and the Conservatives to be given a mandate to continue to govern. The result instead was a historic Liberal victory. The Conservative-Liberal Unionist alliance lost 246 seats, including Balfour's own, as well as his brother's and the seats of other members of the Conservative Cabinet. This was the first time in British political history a sitting Prime Minister failed to hold his own seat, and it remains to this day the only time.

The Liberals gained 214 seats, giving them an absolute majority. The Irish Parliamentary Party gained 5 seats, bringing their number to 82, and the Labor Representation Committee elected 29, who organized themselves in Parliament as the Labour Party, and chose Keir Hardie as their first party leader.

Arthur Balfour was upset by the election results, of course, but quickly recovered his aplomb. “The election of 1906 inaugurates a new era,” he wrote shortly afterward. “What has occurred here has nothing to do with any of the things we have been squabbling about for the past three years.” He also wrote that the new Prime Minister, Henry Campbell-Bannerman, was “a mere cork dancing on a torrent which he cannot control” and that the UK general election was “of the same movement which has produced massacres in St. Petersburg, riots in Vienna and socialist processions in Berlin...it will end, I think, in the break-up of the Liberal Party.”

The sixty-nine year old Campbell-Bannerman would be Prime Minister for only two years before handing off the job to Herbert Asquith. But the Liberals were back in power after a twenty-year run of Tory government interrupted by only a two-and-a-half-year Liberal interlude in the 1890s. But Arthur Balfour was quite correct. The Liberals would split, and this would be the last time the party would hold an absolute majority in the House of Commons.



But for now, the Liberals would have their way, and a spate of Liberal legislation is coming. Arthur Balfour, who would return to the Commons after the next by-election and resume his place as Conservative leader, would try to compensate for the Tories' lack of leverage in the Commons by relying on Conservative support in the House of Lords. This controversial, not to say unprecedented, move would lead Liberal MP David Lloyd George to deride the House of Lords as "Mr. Balfour's poodle," spark a debate on the role of the House of Lords in British government, and precipitate a constitutional crisis, which would be blamed for the death of a King. In the end, the Tories were unable to control the forces that were transforming British society. But the rise of the Labour Party raises the question of whether even the Liberals can manage the changes to come.

But that is a story for another time. We'll have to stop there for today. Next week, on *The History of the Twentieth Century*, we'll set aside British domestic politics for a while and focus on foreign affairs. We saw Britain and France agree to the Entente Cordiale back in episode 25. That happened during the Balfour government, but the new Liberal government will fully support the agreement. With most of the government occupied with getting its domestic policies through Parliament, the Liberal foreign secretary, Sir Edward Grey, will have a lot of leeway to do things his own way. That, plus the ill will that Germany's naval buildup is engendering, will lead to a Britain increasingly taking sides in disputes between France and Germany, and will lead Europe that much closer to the coming war. That's next week, on *The History of the Twentieth Century*.

Oh, and one more thing. 1905 was also the year that Norway became fully independent from Sweden, so now might be a good time to say a few words about that. Before the Napoleonic wars, Norway was ruled by the King of Denmark. But Denmark and Norway had supported France. In 1814, Sweden, which had recently lost Finland to Russia, invaded Norway and forced her into a personal union. Under this arrangement, Norway had its own constitution and laws, but its monarch would be the King of Sweden, and all foreign relations of both nations would be handled through the Swedish foreign ministry. As Norway grew to become a wealthier country with an increasingly liberal government, and in particular, as its shipping industry grew, leading to ever greater Norwegian interests abroad, Norwegians increasingly chafed at their country's second-class status in the union.

In 1905, the Norwegian Parliament, the Storting, enacted legislation creating a Norwegian consular corps. The King of Sweden, Oscar II, would not approve the bill, which led to the resignation of the Norwegian government and a constitutional crisis. In June, the Storting voted unanimously to dissolve the union with Sweden, a decision that was ratified by a lopsided national referendum in August.

Some hotheads in Sweden favored a military solution and tensions rose throughout the summer, but the peaceful nature of the Norwegian declaration plus the overwhelming support that it had received in the referendum convinced the Swedish government to negotiate a peaceful

dissolution of the union. Norway decided to form a constitutional monarchy, as that was thought to be more acceptable to the great powers of Europe, and offered the throne to Prince Carl of Denmark. The fact that he was the son-in-law of the British King Edward VII probably didn't hurt. Carl took the throne of Norway as King Haakon VII.

Norway has never had an officially designated national anthem, but the song that most commonly fills this role is "Ja, vi elsker dette landet," or "Yes, We Love This Country." So, independence, Norway. Congratulations.