

1906: 'BLISS

Lecture on the 1906 election and the government that followed; by Kenneth O. Morgan.

A hundred years ago to the very day, the crofters and fishermen of Orkney and Shetland made their way through the darkness to cast their votes in the general election. The constituency had not elected a Conservative since the general election of 1835 so it was no surprise when 79 per cent of the voters cast their vote for the Liberal, J. C. Wason. What was totally astonishing was that he was (according to my calculations!) the 401st Liberal MP returned.



Kenneth O. Morgan, who delivered the lecture reprinted here, hosted by the Corporation of the City of London (together with the Liberal Democrat and Labour History Groups), Guildhall, 7 February 2006.

Spread out over four weeks, the excitement began on 11 January with two Liberals elected for Ipswich ('Ipswich leads the way' read the placards). A sequence of Unionist (i.e. Conservative) disasters followed thereafter. The 'Portillo moment', the Southgate of 1906, came very early with the defeat on 13 January in North Manchester of Arthur Balfour, only five weeks previously the Prime Minister; he had to find sanctuary in that citadel of unregenerate Conservatism, the City of London. In fact, the Liberals captured all eight seats in Manchester, including Winston Churchill, a recent convert, in North West Manchester. Only three members of the former

Unionist Cabinet survived – Akers-Douglas, Arnold-Forster and Austen Chamberlain. To the Liberals' 401 should be added the 29 members of the newly-formed Labour Party and 83 Irish Nationalists, so the effective normal government majority was over 350. The Tories lost 245 seats and ended up with only 157. It is impossible to assess the swing with any precision – there were 114 uncontested seats, and there had been 245 in the previous election, the 'khaki' election held during the South African War in October 1900. Where there is a comparable result, the swing seems to have been around 12 per cent, greater than those of 1945 or 1997. Peter Snow, thou shouldst have been living at that hour!

SUCCESSFUL DAWN'?

Contemporaries noted that something really dramatic was happening. Many of them focused, as would have been natural in 1906, on religion. The 1906 election, with over 200 nonconformists returned to parliament, was the greatest triumph of the chapels over the Church of England since the time of Cromwell. Great chapels like Whitefield's Tabernacle on the Tottenham Court Road became in effect Liberal committee rooms, with charismatic organisers like Whitefield's Congregationalist minister, Silvester Horne (father of a famous radio comedian). For the chapels, it was not so much an election as an epiphany. There was much talk of Children of Israel and the Promised Land, with particular reference to church schools and 'Rome on the rates'. Religion had a particular impact in nonconformist Wales, where the much publicised 'revolt' of the county councils, led by Lloyd George, against the 1902 Education Act, was reinforced by the huge religious revival of 1904–5, 'y diwygiad mawr' in Welsh, a media-conscious event of messianic intensity. In Wales, the Unionists, like a famous British entry in the Eurovision song contest, scored *nul points*.

But the nonconformists were to be disappointed clients of the Liberal victory. In the longer term, much the more significant aspect was that the general election marked the first great direct impact of the working class in British politics. Balfour saw the Liberal Prime Minister, Sir Henry Campbell-Bannerman, as 'a mere

cork dancing on a torrent which he cannot control ... It is an echo of the same movement which has produced massacres in St. Petersburg and riots in Vienna ... ' A few days later, on 12 February 1906, there followed what was clearly the most important outcome of the general election. The Parliamentary Labour Party was formed. Its twenty-nine MPs consisted very largely of trade unionists, many of Lib-Lab views, but also included important socialists like Ramsay MacDonald, Philip Snowden, Fred Jowett and Keir Hardie, the member for Merthyr Boroughs who had brought the Labour alliance into being six years earlier. Hardie was elected chairman by fifteen votes to fourteen. In January 1909, after a vote amongst the Miners' Federation, the twenty-nine were joined by a further fourteen miners' MPs, elected in 1906 as 'Lib-Labs'.

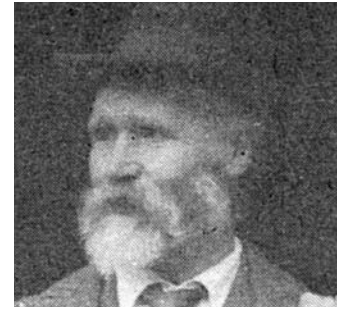
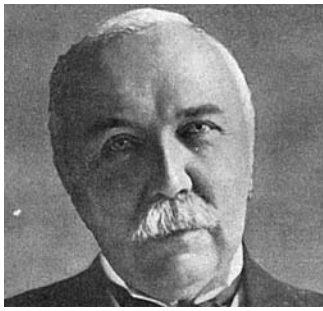
It has been rightly pointed out that the advent of Labour was hugely assisted by the secret election pact or 'entente' with the Liberals in 1903 under which Labour had a free run against the Unionists in around thirty seats. It was a pact much helped by the existence of two-member seats where Labour could run in double harness with a Liberal, as MacDonald did in Leicester, Snowden in Blackburn and Hardie in Merthyr Tydfil. But too much has been made, in my view, of excessive Liberal generosity. With the growing strength of Labour in 1903, with Arthur Henderson winning Barnard Castle against a Liberal, the Liberal whips had not much choice

but to do a deal. The outcome benefited both sides, financially and politically, and created the pre-war Progressive Alliance.

The background to the election was one of deep national anxiety. The dismal war in South Africa in 1899–1902 proved to be, as Kipling famously wrote, 'no end of a lesson'. It demonstrated diplomatic isolation overseas, growing poverty, class division and inequality in the cities at home. The gospel of Empire was irretrievably tarnished by the deaths of at least 28,000 Boer women and children in British concentration camps on the Rand. The memorial plaques of hundreds of tiny children, perishing under the age of five, on the walls of a former concentration camp near Pretoria, which I saw in 2000, are a permanent stain on the name of Britain. Henry Campbell-Bannerman described these camps as 'methods of barbarism' – three words that changed the politics of a generation. There is an interesting parallel with the Progressive reform movement in the United States at this time. There, too, after an imperialist war with Spain in Cuba in 1898 and the cruel suppression of 'insurgency' in the revolt in the Philippines, Americans turned inwards from the vainglorious imperialism of a 'splendid little war' to political corruption and social injustice at home. The great American 'muckraking' journalists and writers, like Lincoln Steffens, Ida Tarbell, Ray Stannard Baker or Upton Sinclair, paralleled the British journalism of exposure at the same period.

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The victors of 1906: Campbell-Bannerman, Asquith, Lloyd George, Hardie.

The brash façade of Edwardian baroque barely concealed this anxiety. It was a time of explosive cultural and intellectual energy that went far beyond the nationalist confines of Elgar's pomp and circumstance. Edwardian literature was galvanised by social protest – especially with problems of the city and the status of women. H. G. Wells is an outstanding example here in novels such as *Tono Bungay*, *The New Machiavelli* and *Ann Veronica*. Shaw, Galsworthy and many others also illustrate the social concerns of the Edwardians. It was also a heyday of the 'higher journalism' in the great weekly and fortnightly reviews and the national press. The 'two Hobs', Hobson and Hobhouse, are the great exhibit here. J. A. Hobson, later to join the Labour Party but at the time a leading New Liberal ideologue much admired by Lenin, helped to detach the idea of collectivism and an empowering state from the tarnished creed of empire. L. T. Hobhouse, for many years a leader writer on C. P. Scott's *Manchester Guardian*, was a pioneer of modern sociology. It was the high noon for the political public intellectual and man of letters. Literary giants like John Morley, James Bryce and Augustine Birrell were actually in the Liberal cabinet. The 401 Liberal MPs included eminent authors like Hilaire Belloc and A. E. W. Mason of *Four Feathers* fame, and the distinguished historian, G. P. Gooch, member for Bath.

At the same time, we should not overdo the high-minded elitism of the Liberal victory. There was also much low-level populism in the Liberal campaign, long before Lloyd George laid into the

House of Lords as 'five hundred ordinary men chosen at random from amongst the unemployed'. There were highly personalised attacks on Joseph Chamberlain and 'sleaze' linked to the arms deals of the South African War – 'While the Empire expands, the Chamberlains contract'. There were rhetorical attacks on 'Randlords' and 'Landlords', and on the 'small loaf' that would result from Tariff Reform. It was claimed that the Tories would drive us back to the Hungry Forties. Most discreditable of all was the racism – the Liberals' campaign against 'Chinese Slavery' (indentured non-union Chinese workers on the Rand) made much use of Oriental stereotypes. It chimed with trade-union fears of capitalist bosses bringing in non-unionised 'free' blackleg labour at home and the role of freebooting employers like the appalling Lord Penrhyn in his slate quarries in Caernarfonshire.

So the election campaign was not a model of moral rectitude. But it was also a great and momentous event to which the historian should respond. It embodied what Karl Marx called the sense of historic necessity. It is right that we should celebrate it tonight. Perhaps we shall celebrate it again shortly when the statue of Lloyd George is placed next to that of Winston Churchill in Parliament Square. Just as Churchill's statue was once targeted by anti-capitalist demonstrators, it is nice to think that Lloyd George's may be at some time by the pheasant-shooting branches of the Countryside Alliance.

Are there similarities between the election victories of 1906 and of 1997? (I set 1945 aside since

it was conducted in the special circumstances of wartime.) Of course, there are clear differences. In 1997 Tony Blair emphasised personal leadership and the cult of the 'new'. His first major speech as party leader in 1994 used the word 'new' thirty-seven times. In 1906, by contrast, the Liberals campaigned as a team, and took up distinctly Old Liberal themes – free trade, Little-Englandism, the rights of nonconformity, the "unholy trinity" of the bishop, the brewer and the squire'.

Again in 1997 the forty-four-year-old Tony Blair emphasised that he and his country were 'young' (a theme now picked up by the forty-year-old David Cameron). In 1906 the Prime Minister, Campbell-Bannerman, was sixty-nine and spent several weeks, if not months, of the year taking the waters in the agreeable German spa of Marienbad. In fact, 'C.B.' was at first a forceful and decisive leader. He led his cabinet from the left of centre and with much confidence – 'if the tail is wagging the dog, the party is the dog and I am the tail'. He crushed Balfour at the outset in debate in 1906 with his memorable rebuke, 'Enough of this foolery'. He pushed for early self-government in South Africa (in fact, a highly disadvantageous move as far as the blacks of Cape Colony and Natal were concerned, as Hardie and the Labour Party pointed out). He endorsed the Labour Party's view on trade union reform, rather than the opinion of his own Attorney-General. The result was the 1906 Trade Disputes Act, the so-called Magna Carta of labour, guaranteeing them financial immunity from damages in industrial action

and which, after being reinforced by Michael Foot at the employment department in 1974–5, survived largely intact until the regime of Mrs Thatcher.

But there were also clear similarities between 1906 and 1997. First, in each election there was a background of Conservative division and decline. In the 1990s it was all about Europe. In 1906 it was about Empire. The moral impetus of Empire was severely diminished, as Kipling himself pointed out. 'Methods of barbarism', a phrase suggested to Campbell-Bannerman by that wonderful woman, Emily Hobhouse, who documented the evils of the concentration camps in South Africa, created a new mood of revulsion, though it was the methods of the war rather than its ostensible purposes that generated most criticism, unlike Iraq in 2003. In addition, Joseph Chamberlain in 1903 destabilised his party with his crusade for protective tariffs and imperial preference. In response, free trade, the gospel of Cobden and Bright and Gladstone, embraced the whole range of Liberal (and Labour) values – cheap food and raw materials for consumers, full employment for workers, a vision of world prosperity and peace.

Secondly, in both 1906 and 1997 there was a uniform swing all over the country. There was a big swing to the Liberals in Lancashire, which had been since the 1870s a stronghold of Protestant Toryism. Even in Chamberlainite Birmingham, where all the seats were just about held by the Unionists, there was a 12 per cent swing. Fifteen of the twenty-two Unionist-held seats in London were captured. Rural seats in England, hardly ever, or never, Liberal before, were won. Celtic pluralism was much exploited. There were big Unionist losses in Scotland, the one area to swing to the government in the khaki election of 1900. In Wales, there was a clean sweep, with the Conservatives losing every seat, as in 1997 and 2001. The Liberal cause here, as we have noted, was boosted by

the great religious revival and also perhaps by the ever famous rugby victory over the New Zealand All Blacks at the Arms Park on 16 December 1905, which evoked fanciful comparison with the Welsh bowmen at Agincourt.

Thirdly, both the Liberals and New Labour won three elections, the Liberals also winning both elections in 1910, though far more narrowly. They stayed in office as a single-party government for nearly ten years, until the first wartime coalition emerged in May 1915. Both the Liberals in 1906 and Labour in 1997 established not just a government but a hegemony.

And finally, both governments were dominated by two men. Today it is Tony Blair and Gordon Brown. Then it was Herbert Asquith and David Lloyd George. There were other big figures in the 1906 government, of course: Sir Edward Grey, the Foreign Secretary, R. B. Haldane, Secretary for War, John Morley, Secretary for India. There were also one or two makeweights like 'Lulu' Harcourt and John Burns. But Asquith and Lloyd George were the giants. They were certainly not socially or educationally on the same wavelength. It was a contrast between a wealthy product of City of London School and Balliol College, Oxford, and a relatively poor product of the shoemaker's home in Llanystumdumwy who never went to university and left school at fourteen. This contrast is reflected in Roy Jenkins's suitably patrician biography of Asquith, the work of another Balliol man, of course. Asquith did not greatly like either Lloyd George himself or the Welsh in general – 'I would sooner go to hell than to Wales' he once observed. L.G. would sometimes make derisive comment on Asquith's addiction to brandy and women, though he also spoke often with affection of his old leader. As someone once said to me about another powerful partnership, Jim Callaghan and Michael Foot, 'they were not best buddies' personally. Asquith was

a convert to Anglicanism, Lloyd George was a Campbellite Baptist, an outsider in religion as in politics. There was also a much greater political gulf between them than between Blair and Brown today, with Asquith the Liberal Imperialist in 1900 and Lloyd George the 'pro-Boer'.

But what a tremendous partnership they were, and over so long a period! It is a great error to read back the split between them in 1916–18 to the pre-war years. Lloyd George and Asquith were not Bevan and Gaitskell, still less Cain and Abel. Their great qualities were complementary – Asquith judicious and clear-headed, Lloyd George charismatic and visionary. Asquith foreshadowed his government's reform programme while Chancellor with his budget of 1907 and its new taxation of unearned incomes, and he also introduced old age pensions, which Lloyd George carried on to the statute book. His famous words, 'wait and see', implied a threat to his opponents, not a symbol of indolence. In April 1908, when Campbell-Bannerman left office to die, and Asquith became Prime Minister and Lloyd George his Chancellor, the pace and tone of public life changed dramatically. Asquith went along with all Lloyd George's radical reforms. They worked together in brilliant combination over the 1909 People's Budget and the 1911 Parliament Act which permanently clipped the powers of the Lords. There was no serious political gulf between them until the coming of military conscription in the winter of 1915–16. The key moment came with the Marconi scandal in 1912, when Lloyd George (along with Rufus Isaacs, shortly to become Lord Chief Justice) was seen to have bought shares from a wireless telegraphy company in contract with the British government. Lloyd George, who actually lost money on the Marconi shares transaction, could well have gone with ignominy. But Asquith backed him up to the hilt. He fought Marconi hard on totally partisan lines. Asquith

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wanted to remain Prime Minister, he despised the Tories, he recognised Lloyd George as his greatest asset, and he played to win. The Liberals, with their Labour and Irish allies, took a tough partisan approach throughout (none more so than Lloyd George's close ally, Winston Churchill) and Lloyd George survived, eventually to supplant Asquith himself. Nor were Lloyd George's sexual peccadillos a political problem; in any case, Asquith, with his remarkably frank disclosures to Lady Venetia Stanley, was hardly less vulnerable on that ground himself. Tabloid revelations belonged to a later age.

There was one great difference between the two governments of 1906 and 1997. Gordon Brown has said: 'We are at our best when we are boldest'. In fact, on most issues, the government of 1906 was much the bolder, almost recklessly so. Setting Iraq on one side, the Blair government has clearly been the bolder on overall constitutional policy, with Lord Irvine's influence of central importance. Both governments had to grapple with the problem of the House of Lords. Asquith in 1911 limited the powers of the Lords over delaying or blocking government measures, but ignored its composition. (Lloyd George actually feared a remodelled House of Lords dominated by the reactionary 'glorified grocers' of Liberalism.) Tony Blair's government has done the reverse. Overall, Labour since 1997 has had a far more sweeping programme of reform, especially over Scottish and Welsh devolution. In 1906 devolution was not significantly on the agenda: though a Scottish home rule bill did make sluggish progress, the main emphasis was on working through an expanded Scottish Office. In Wales, the main theme was disestablishment of the Church of England, but (unlike Ireland in 1869) disestablishment was an alternative to home rule, not a precursor to it. Welsh and Scottish national sentiment focused on greater equality within the Empire, not exclusion from it, as was the case in Ireland.

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But in all other domestic areas, the 1906 Liberals pressed on with the greater radicalism. They had said very little about social reform in the general election. But under Asquith's regime from 1908 there was far more momentum. Indeed, Asquith's third term, from December 1910, was actually the most radical and effective since it saw, among other things, the passage of both the Parliament Act and the National Insurance Act in 1911. This radical impetus was almost wholly due to David Lloyd George. He had little to say on social matters in 1906 and the Labour leader reasonably observed that he had 'no settled opinions' on them at the time. He told the Welsh National Liberal Federation then that the workers were quite as much interested in church disestablishment and temperance and land reform as they were in social reform. But by the summer of 1908 there was a mighty change, and he transformed the public agenda. He had until the end of 1910 a tremendous ally in Winston Churchill, almost his disciple and a humane and reforming Home Secretary with a keen interest in such unfashionable topics as prison reform and the treatment of juveniles. But most of Asquith's government – McKenna, Runciman, Simon, Harcourt, various peers – were pretty much of a dead loss on social welfare. Lloyd George stood alone as a unique link between the Old Liberalism of civic equality and the New Liberalism of social reform. He alone recognised the need for more radical momentum and the ways in which this might be achieved.

The turning point was his visit to Germany in August 1908 to look at Bismarckian welfare programmes (a great episode, to be contrasted with his catastrophic later visit to Germany in 1936 to see Hitler at Berchtesgaden). In the autumn and winter of 1908–09 he discussed a planned strategy with Churchill and C. F. G. Masterman, author of *The Condition of England*. There was an immediate need to deal with a financial shortfall – a crisis in local

government finance, funding old age pensions and the expensive construction of Dreadnought battleships. But he also sought a new platform for social welfare in the long term.

He aimed boldly to seize the initiative from the tariff reformers. On welfare, the Tories said that 'the foreigner will pay' through tariffs being levied, an idea which Churchill effectively ridiculed. Lloyd George, and his radical journalist friends, replied that 'the rich will pay', echoing the egalitarian argument of Leo Chiozza Money's *Riches and Poverty* (1905). There was, therefore, a commitment to redistribution through the taxation system, unusual, almost unique, in our history. Its new direct taxes, not the land taxes, were the most important feature of his 1909 People's Budget. He and Churchill, with other colleagues, pressed on with labour exchanges for the labour market, trade boards for 'sweated' trades, a minimum wage for miners and others, and policies for children in relation to health and nutrition.

Above all there was his epoch-making National Insurance Act of 1911, a comprehensive system of health insurance and a preparatory system of unemployment insurance. It aroused controversy – Labour members like Hardie and Lansbury did not endorse its contributory method and called it a poll tax. But it offered a new vision of social policy, indeed of social citizenship, and it was the launch pad of Attlee's welfare state forty years later.

This was a distinguished, if angry and often confused, phase of policy-making. Of course, spin-doctors and media figures were in Downing Street in 1911 as they were in 1997 – Lloyd George, with his close links with editors and journalists in Fleet Street, was the most media-conscious figure of his time. But there were also great intellectuals and planners like Seebohm Rowntree, the Webbs and William Beveridge, a key man in the agenda for social policy in 1908 as he was to be so memorably in 1945.

There was something else underlying Edwardian progressivism and Lloyd George's policies – fear of Labour. After all, the Liberals were capitalists, for all their humanity. They were backed by coal-owners and ship-owners and textile magnates. They feared the long violent strikes of 1910–12 with the use of military and the loss of life in places like Tonypandy and Llanelli. There was an underlying fear of the growth of trade union power anyway, violent or not. This was a great worry for the Labour Party too. Keir Hardie himself, always on the left, urged that they should use the state, not destroy it. Even so, accommodating Labour, through protecting the unions' political levy, the payment of MPs, a miners' minimum wage and other measures, was a continuing priority for the Liberal government. Lloyd George declared that if they did not continue to promote an advanced social programme, they would play into the hands of the socialists of the ILP.

At any rate, there was plenty of energy within the government down to the late spring of 1914. Lloyd George's 1914 budget, with its rating of site values and higher direct taxes, was the most radical and redistributive of the lot. It ran into severe procedural difficulties in the Commons which dented his reputation as a minister, but it still emerged as a bold, redistributive measure which focused on the unearned income and the residual estates of the rich, idle and otherwise. He continued to work with radicals like Masterman, C. R. Buxton and C. P. Scott, editor of the *Manchester Guardian*. Seebohm Rowntree was his great intellectual policy adviser. An important political ally was Dr Christopher Addison, a famous university medical professor in earlier life, along with Addison's fellow East End MP, William Wedgwood Benn, father of Tony Benn, of course. Both later joined the Labour Party. If one considers Isaac Foot alongside Wedgwood Benn, it may indeed be seen how the modern Labour left was liter-

ally the child of Edwardian progressivism. With Addison, Lloyd George worked on areas left out in earlier social reform measures – education, including technical education, housing reform, the rural poor, and extending health centres in a way that might have anticipated Nye Bevan's National Health Service. He told Addison they should dream dreams, though base them on existing realities. The government's ninth year in power was one of its most creative.

George Dangerfield's famous book, *The Strange Death of Liberal England*, has seen this government as fundamentally doomed. Certainly it was brought to a shuddering halt by the advent of war. Dangerfield, however, highlights domestic issues – the campaign of the suffragettes for votes for women, the great labour 'unrest', the crisis over Ireland. His book is brilliantly written and highly entertaining. But very few historians pay much heed to its argument now. The suffragettes were surely declining in political impact in 1914 through their own divisions, even if things would change fundamentally later on. The industrial relations troubles seemed even more a problem for the Labour Party, committed as it was to constitutionalism, and were anyhow petering out in 1914. Irish home rule was undoubtedly intractable, perhaps insoluble, an abiding commitment for Lloyd George thereafter, until he achieved the longest-lasting settlement there in the Irish Free State treaty worked out with Sinn Féin in December 1921.

In the long term, in my view, Edwardian Liberalism was likely to decline. The electorate was going to expand, bringing many more poorer voters on to the register along with all women, and this might well have disadvantaged the Liberals fatally. They were already struggling politically. Their tally of seats had fallen from 401 to 272 by the end of 1910 and by-elections had reduced it further since then. No one much suggested PR then – usually the demand of losing parties. There

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were serious losses to the Conservatives, or Ratepayers, in local government such as the serious loss of the London County Council by the Progressives in 1907. Arguments for traditional free trade would be harder to sustain as the economy changed and relied less on exporting staple industries like coal, textiles and shipbuilding. Nonconformity, even to a degree in Wales, was now something of a fading force. More generally, Liberals, champions of the free market, could not ultimately accommodate the politics of class.

But these things hadn't happened yet. The Tories under Bonar Law might have been favourites to win a 1915 general election, but they still had their troubles over food taxes and Irish home rule. The Liberals' electoral pact with Labour was still in being and there were even suggestions that Ramsay MacDonald might enter a Liberal government. There was still a mood of prosperity and peace. The economy looked robust with 1913 a particularly strong year for coal and record exports from Cardiff and Newcastle. There had been no war. The 1906 Liberal government had not invaded other countries. Lloyd George was still their greatest asset, still dominating political life.

At the Mansion House on 17 July 1914, two and a half weeks after the assassination at Sarajevo, he spoke of the world scene with guarded optimism: 'the sky has never seemed more relatively blue'. Eighteen days later, Britain engaged in a world war, following the invasion of Belgium. Progressive Liberal England suddenly collapsed for ever. The Liberals were to be a supreme casualty of total war. No longer would they be a party of power. It would never be glad, confident morning again.

Lord Kenneth Morgan has been one of Britain's leading modern historians for over thirty years, and is known especially for his writing on Welsh history, Lloyd George and the Labour Party; he was made a life peer in 2000.