Liberals and Labour

Brendon Jones examines the experiences of the five Manchester Liberal MPs during the 1924 Parliament.

The Manchester Liberal MPs and the First Labour Government

JANUARY 2024 MARKED the centenary of the formation of the first minority Labour government. With only 191 Labour MPs, Ramsay MacDonald was reliant on the support of 158 Liberal MPs, which included five elected from Manchester. This article will focus on their experience during that government. It will examine the reasons that led them to support the formation of a minority Labour government, their opinions towards key issues and policies, the increasing disillusionment that they felt towards the government as the months progressed, and their views towards the issues which prompted the fall of the government.

The December 1923 general election marked a post-war watershed for the Liberal Party in Manchester. For the first time since December 1910, it successfully elected MPs. Thomas Ackroyd in Moss Side, Noton Barclay in Exchange, Charles Masterman in Rusholme, Philip Oliver in Blackley and Ernest Simon in Withington. If Masterman is excluded, as he was a prominent figure in the Liberal leadership, the experience of the other four MPs is instructive of the problems facing the Liberal Party during the 1924 parliament.

From the outset, they faced a difficult situation: the wider electorate had produced an inconclusive result, leaving the Liberals holding the balance of power between the Conservatives and Labour. Having fought an election campaign focused on free trade and against Baldwin's proposals to introduce protection, the course of action which emerged from the Liberal leadership was to support a minority Labour government. The Manchester MPs, along with the Liberal parliamentary party, supported this position. Given that the new government relied on Liberal support, they expected to possess strong influence and control over it, so as to promote greater cooperation between the two sides, allowing the introduction of progressive reforms. They failed to realise that the Labour leadership had no intention of consulting with the Liberals. This lack of cooperation produced a growing feeling of disillusionment amongst Liberals, including the Manchester MPs; concern increased as the government tackled issues in ways the party opposed. The growth of disillusionment was also fuelled by the aggressive stance which the Labour Party adopted towards local Liberal Associations; Manchester provides an excellent example of this. Despite increasing disillusionment, the Liberals were in an invidious position; if they defeated Labour in the Commons a general election would ensue, which the Liberal Party was ill-prepared to fight. This was a major factor in explaining the behaviour of the Manchester Liberal MPs. It was only when

confronted with the issues raised by the Russian Treaty and the Campbell case that Liberal MPs withdrew support, prompting the fall of government.

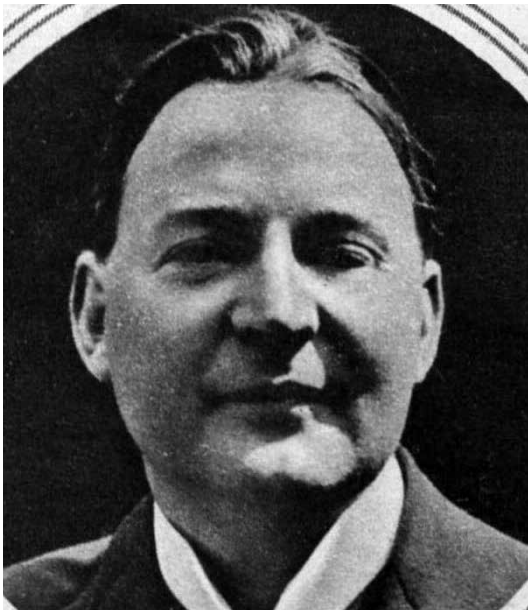
The Manchester Liberal MPs

Thomas Ackroyd (1861–1946) was MP for the Manchester Moss Side division 1923–24. Following an education at the Manchester Mechanics Institute, Ackroyd went into a career in banking. He was actively involved in Manchester politics, serving as a city councillor, and was closely interested in social reform especially social and educational work for neglected children.

Robert Noton Barclay (1872–1957) was MP for the Manchester Exchange division 1923–24. Educated at the University of Manchester, Barclay entered the family business as an export shipping merchant and was closely involved in both the economic and the political life of Manchester. In addition to his spell as an MP, he served as a city councillor.

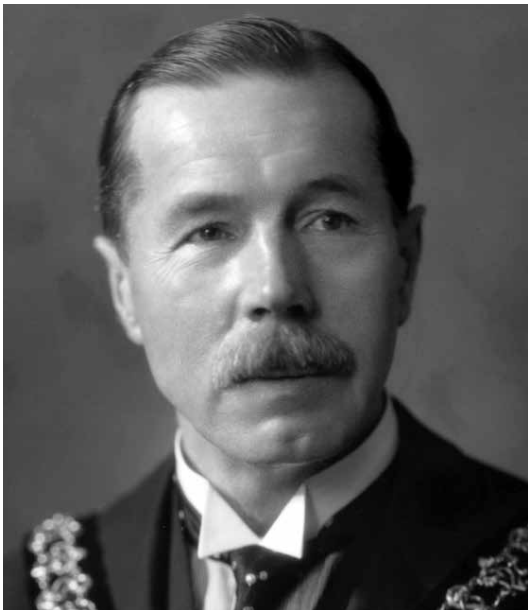
Charles Masterman (1873–1927) was MP for the Manchester Rusholme division 1923–24. Masterman was closely linked to the Liberal leadership, having been a prominent pre-war New Liberal both working with Lloyd George on welfare projects, including the National Insurance Act 1911, and serving in Asquith's government. He developed a close relationship with Manchester Liberalism after 1918, encouraging the radical ideas being pursued by younger radical Manchester Liberals including Philip Oliver and Ernest Simon. This led to an invitation to contest Rusholme in 1923. Masterman's prominence in the party ensured he was part of the Liberal leadership during the 1923–24 parliament and was influential in formulating the views of the other four Manchester Liberal MPs.

Philip Oliver (1884–1953) was MP for the Manchester Blackley division 1923–24 and 1929–31. Educated at Manchester Grammar School and Oxford, Oliver went into a career as a barrister. Returning to Manchester, he became active in local politics, fighting the Blackley division at every election from 1918 until 1945. Oliver was a radical who became actively involved in the early 1920s in the agitation from Manchester to develop a radical policy programme for the post-war Liberal Party which led to the creation of the Liberal Summer School movement and culminated in the publication of *Britain's Industrial Future*, the Yellow Book.



Charles Masterman in 1923

Ernest Simon (1879–1960) was MP for the Manchester Withington division 1923–24 and 1929–31. Educated at Rugby and Cambridge, Simon went into the family business, Simon Engineering, following university. He became a Manchester city councillor in 1912 and established his radical credentials campaigning for smoke abatement and housing improvements. As chair of Manchester's housing committee, in the early 1920s, he played a key role in tackling the post-war housing shortage and later bought the Wythenshawe Estate to donate to the city council for the building of a satellite town to tackle slum clearance.




Robert Noton Barclay in 1930 (© National Portrait Gallery, London); Thomas Ackroyd

Following the First World War, he became increasingly active in national Liberal politics, agitating for the party to adopt a radical policy programme, which he helped to frame, and which included a key role in the production of *Britain's Industrial Future*, the Yellow Book. After a period outside of active party politics he joined the Labour Party in 1947 and accepted a peerage from Clement Attlee in the same year.

The formation of the Labour government

Initially, the electoral success of the reunited Liberal Party in the December 1923 general election disguised the difficult position that the result had placed the party in; with 158 MPs they held the balance of power. The new Manchester Liberal MPs had to address the question of whether to support a minority Labour administration or not. Before analysing the position that they adopted, and the arguments that they deployed to justify it, it is important to consider the party leadership's position, which was a central factor in the viewpoint adopted by most Liberal backbenchers. Once it became obvious that Baldwin did not intend to resign immediately but to wait and face the Commons, there was considerable debate amongst the Liberal leadership regarding the course of action the party should take when the Commons met in January 1924.[1] Asquith addressed the Liberal parliamentary party on 18 December, making clear that he had no intention of obstructing the formation of a Labour government. He asserted he could not support a minority Baldwin administration which favoured protection after fighting an election campaign in defence of free trade, especially as a majority of the electorate had supported candidates favourable to free trade. Asquith argued that, if a Labour government was to ever hold office, 'it could hardly be tried under safer conditions',[2] believing the Liberal Party would be able to control a minority MacDonald government. He argued that, whilst Labour would be in office, 'it is we, if we really understand our business, who really control the situation.'[3] Asquith failed to appreciate that MacDonald was prepared to govern with Liberal support


Philip Oliver; Ernest Simon in 1926 (© National Portrait Gallery, London)

but had no intention of consulting the Liberal leadership on government business and priorities. MacDonald's behaviour was arguably intensified by the aloof and arrogant attitude that Asquith adopted from the outset and throughout the government in believing that the Liberals would have the upper hand owing to their previous experience of government and Labour's need for their parliamentary support.

The approach adopted by Asquith and the Liberal leadership was a central factor in defining the stance followed by the Manchester Liberal MPs. The views that Lloyd George expressed to C. P. Scott – who, as editor of the *Manchester Guardian*, was a major influence on and leader within Manchester Liberalism – regarding the position of the Liberal Party in relation to a minority Labour government, were also influential in the formulation of their opinions. Lloyd George pressed the potential that existed for progressive reform if the Liberals supported MacDonald in the lobbies. In correspondence with Scott, at the end of December, Lloyd George argued, 'if Ramsay were tactful and conciliatory I feel certain that the Party as a whole would support him in an advanced Radical programme.'[4] Lloyd George developed this in conversation with Scott a few days later, maintaining 'that the only possible course, under present conditions, for the Liberal party was to back the Labour party whole-heartedly to the full extent open to it, and in concert to reap a full harvest of Radical reform.'[5] He recognised that this course would have its opponents within the Liberal Party, and would have practical problems, in that cooperation would not be enough: active consultation would also be needed. However, he maintained that this was the only alternative if radical reform was to triumph, concluding that it could work as there was no difficulty on policy: 'There was an ample field common to the two parties.'[6] The emphasis that Lloyd George placed on the possibility of cooperation between the two parties would have had a strong influence over Ernest Simon, Philip Oliver and Noton Barclay, who had played a central role in pressing for Liberalism to be redefined along progressive lines, in the early 1920s, which had led to the formation of the Liberal Summer School movement.

The arguments that the Manchester Liberal MPs used to justify defeating Baldwin in the Commons and then supporting a MacDonald government reveal the degree to which their views had been influenced by the Liberal leadership. Apart from Masterman, who had played a role in formulating the line of the Liberal leadership, it is significant that the other four members adopted different approaches to defend their proposed course of action.

Ernest Simon, not surprisingly given his radical viewpoint, pursued the need for cooperation between the two parties most forcefully, arguing for support for a minority Labour government with positive collaboration in the Commons between the two parties. In early January, at a dinner held by the Manchester Liberal Federation he argued, 'that it would be a great misfortune if Liberal and Labour men could not cooperate on the great body of progressive measures on which they were agreed.'[7] There was a great deal of room for collaboration, with both sides in agreement on many of the reforms that needed to be introduced.

The election result had produced a large progressive majority in the Commons. For Simon, this majority had to consider 'the interests of the country as a whole, rather than the sectional interests of any particular party and will therefore cooperate successfully in passing much fruitful legislation on the lines desired by the electors during the lifetime of the present House of Commons.'[8] Simon's argument to justify his support for a Labour government should be qualified. Although most of the electorate had rejected protection in favour of free trade, it is more tenuous to argue, as Simon did, that they had voted for a progressive agenda. Most Liberal and Labour candidates had pursued the threat to free trade as the central issue of their campaigns, with little attention being given to progressive reform. Given the influence of Fabian socialism, through his friendship with the Webbs and R. H. Tawney, combined with his

The first Labour cabinet, 1924 (© National Portrait Gallery, London)

political career as a city councillor, in which he had championed better cooperation between the two parties, which had culminated in the election of a progressive majority of Liberals and Labour councillors in 1919, sweeping away thirty years of Conservative hegemony in Manchester, it is not surprising that Simon developed the argument. Whilst Simon's arguments mirrored those of Lloyd George, he also described the speech which Asquith had made in mid-December as 'splendid' and voiced strong support for the lead Asquith had taken.[9] Simon further articulated the reasons that underpinned his decision to support Labour in the immediate days before the formation of the government. He noted in his diary that, if the Liberals failed to support Labour, this could produce an increase in Labour's vote at the next general election as they would be able to present it 'as a capitalist conspiracy to keep them out of power.'[10] In his maiden speech during the debate on the King's Speech produced by Baldwin Simon focused on housing and his experience of it in Manchester. With a hung parliament, he believed that cooperation between Labour and the Liberals could be fruitful especially regards housebuilding, as had occurred in Manchester.[11]

After Simon, it was Noton Barclay who articulated explicitly the factors which prompted his support for a Labour government through correspondence in the *Manchester Guardian*. His views concurred with those of Asquith. The central consideration for Barclay was the question of Free Trade; it was impossible for him to support Baldwin who had advocated Protection and been defeated. This would mean the 'Liberals were keeping in power a Government discredited by the country, and, quite rightly, we would be accused of betraying a great body of the electorate, for if one thing emerges clearly from the election it is the defeat of the Conservatives and their policy.'[12] He had pursued this theme at the Manchester Liberal Federation dinner in early January, expressing his opposition to Baldwin.[13] He recognised the advent of a Labour government caused concern, but echoed Asquith's argument that it would be 'dependent on the support of Liberals to carry through any legislation' meaning no extreme measures were initiated.[14] For Barclay these were the best circumstances to put Labour in office, 'Could they do so under safer conditions than when, as now, they are dependent on other parties for support?', he asked.[15]

Philip Oliver stressed that the Liberal Party held an influential role after the election. His speeches addressed the benefits of the three-party system which had emerged. Oliver advanced the role that Liberalism could play in the new parliament by moderating the policies pursued by a Labour government. At a dinner, in mid-January, he pursued the pivotal position which the Liberal Party occupied, noting that it 'might fulfil a mission he had often felt belonged to it, that of liberalising the other parties.'[16] This was proved by the way the Liberal Party had succeeded in influencing Labour since the election. He argued that, 'Judged by Mr Ramsay MacDonald's London speech, nine tenths of which was Liberal, they had already done something to liberalise the Labour party'.[17] MacDonald had addressed a crowded Labour movement demonstration, in the Royal Albert Hall, on 9 January, during which he combined the lofty ideals of utopian socialism with a pledge that in power Labour would pursue a pragmatic line. Oliver appears to have failed to recognise that MacDonald was following a line designed to attract Liberal support for a Labour government.

In post-election speeches, Thomas Ackroyd pursued the need for greater social reform, with little reference to the questions raised by the electoral arithmetic. At the Manchester Liberal Federation dinner in early January, he did not confront the questions which would determine his support for a MacDonald government, but analysed the need for social

reform.[18] Although Ackroyd was not discussing the issue directly by choosing social reform, he was indicating that he would support a Labour government in the lobbies given that it was more likely that a Labour government would pursue social reform as a priority. In early February, at a meeting in Moss Side, Ackroyd outlined the reasons he had voted to defeat Baldwin. The central consideration was the campaign Ackroyd had fought; he had consistently attacked the Conservatives, and if he had acted in any other manner he would have been disloyal to the wider electorate: 'The electors declared they had lost confidence in the Conservative administration, and as the Labour party had been returned with the next largest number of members they had the perfect right to be asked to take the government of the country.'[19]

The early months

Having contributed to the defeat of Baldwin's King's Speech, which resulted in the first minority Labour government coming into power on 22 January, the Manchester Liberal MPs voiced their satisfaction with the way Labour exercised power in the initial months of the new government. This vindicated their earlier decisions and provided evidence of the influence they could exert over Macdonald's government. This was voiced by Oliver and Ackroyd at a meeting in early February. The King's Speech produced by Labour, according to Oliver, was 'a modified and diluted policy … As for the programme of the Labour party, the capital levy was vanishing into the distance, that nationalisation of which they heard so much was postponed to the indefinite future, and the actual programme now before the country was one of Liberalism, not of Socialism.'[20] Ackroyd echoed similar sentiments, noting that the reliance of Labour on Liberal votes had ensured that the government had not introduced extreme legislation: 'So far as it sought to carry out the measures outlined by Mr MacDonald in his great speech at the Albert Hall … he believed it would have the support of every Liberal in the House of Commons.'[21] At the annual meeting of the Withington Divisional Liberal Association, Simon addressed the influence that Liberal ideas played on the new government:

> Until now, he said, the Government had shown a real desire to avoid impractical and Socialistic legislation and to concentrate on practical social reform along Liberal lines … In other words, they were acting almost on the lines of a Liberal Government.'[22]

Simon developed this point in a general letter that he circulated to the electors in his constituency in mid-March, pointing out that the government had produced nearly eighty bills and 'practically the whole of these bills, which, with certain modifications the Liberal Party could accept and of which, in general, they would approve … So long as they keep this up we shall support the Government, as soon as they introduce Socialist measures we shall oppose them.'[23] Barclay voiced similar views, in early March, at a dinner of the Exchange Division Liberal Association. He argued that the reliance on Liberal support had moderated the actions of Labour in office noting:

> The present Government was determined to introduce legislation which would effect many of those very reforms for which Liberals had fought in years past … This they could only accomplish with the aid of the Liberal vote. More they could not do.'[24]

The Manchester MPs were initially satisfied with the conduct of the Labour government, believing that their support was influential in restraining it and with a feeling that there was the potential that many of reforms introduced by the 1906–14 Liberal government might be continued and developed. However, it was early days; the way the government handled

several key issues, notably the Poplar question and the construction of five new cruisers, combined with the failure of the Labour leadership to consult the Liberals, and the increasingly aggressive position adopted towards local Liberal Associations by their Labour opponents, produced a feeling of disillusionment as 1924 progressed.

In the first month of the new government, controversy raged owing to the decision of the minister of health, John Wheatley, to rescind an order instigated by Sir Alfred Mond in 1921 against the Poplar Poor Law Board of Guardians. The board had given spending priority to local needs, refusing to use their insufficient resources to meet a London County Council precept that would contribute to the funding of boroughs in a better financial position than Poplar. In response, Mond had issued a statutory order severely limiting the scale of unemployment relief that the Poplar board could operate. This did not solve the problem, with the Poplar guardians defying the order, going to prison, and making the Mond order inoperable by referring vast numbers of special benefit claims up to the Health Ministry. In November 1923, Joynson-Hicks, the successor to Mond, threatened to suspend the board and place surcharges on them for the illegal rates of unemployment benefit they had been paying, along with the £4 minimum wage they had sanctioned as local councillors for employees of the borough.[25] After receiving a deputation from the Poplar board in early February, Wheatley resolved to rescind the Mond order and cancel the surcharges. This prompted immediate controversy. The Liberal parliamentary party put down a motion of censure on Wheatley, for debate on 26 February, which Wheatley survived by defending his actions and making a tactical change of ground.

Evidence exists which reveals the views of Simon and Oliver towards the Poplar controversy. Whilst condemning 'Poplarism' as illegal, they recognised the wider problem, namely the need for a better system of social insurance, which explains why Wheatley's tactical move in the censure debate had appealed to Liberals. Simon raised the Poplar question whilst addressing a meeting of the newly formed Withington branch of the League of Young Liberals a few days before the debate. He denounced the concept of 'Poplarism', insisting that, 'If the Labour party showed itself to be deliberately in favour of Poplarism then the Liberal party would have no alternative but to vote against what would virtually be a piece of Socialism.'[26] Simon would support the government if Wheatley and MacDonald made it clear that, 'the Government did not favour indiscriminate and extravagant relief, and that they would take into consideration the long overdue reform of the Poor Law.'[27] Wheatley fulfilled both these criteria in his speech, which explains Simon's ultimate support. Oliver adopted a similar approach at a meeting of the general council of the Blackley Divisional Liberal Association a few days before the debate. Although he was concerned at the actions Wheatley had taken, he believed Liberals 'should approach it in a spirit of construction rather than in a spirit of criticism.'[28] He recognised the need for Wheatley to defend his actions, but noted that, if the government repudiated illegal actions

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and recognised the need for 'an extended system of social insurance' which Poplar had revealed, he would be able to support the government.[29] Again, Wheatley met Oliver's conditions in his Commons speech allowing the latter to support the government.

Although Poplar was controversial, it was quickly overshadowed by the uproar which surrounded the government's decision to construct five new cruisers and two destroyers, provided the measure gained parliamentary approval. The proposal immediately produced opposition from the Liberal ranks. This was voiced from two quarters within Manchester – the *Manchester Guardian* and Philip Oliver. The former carried a highly critical leading article, in which it strongly argued the case against construction:

> On the merits there is not much to be said for the construction at this time of five new and more powerful cruisers ... It can hardly be pretended that they are needed for the purpose of defence.[30]

It continued by pointing out the obvious link between the decision and the problem of unemployment, attacking the government for using armaments as a means to tackle the problem:

> The real reason, as everybody knows, is that the Labour Government being concerned above all else with the question of unemployment, feel that it simply cannot afford to forgo this opportunity of relieving it. That is a weakness... To use armaments as a remedy for unemployment is about as bad as expedient as can be imagined for that purpose. [31]

This forceful criticism from the influential *Manchester Guardian* was a significant blow for the government.

Oliver's interest in the question can be explained by his frequently voiced support for the League of Nations and his involvement in the League of Nations Union. He developed three angles to oppose the government's decision: the present strength of the navy did not require the construction; they would not replace present cruisers but add to their number; and, finally, if money was to be spent on defence, it would be better spent on increasing the size of the Air Force. He was careful not to pursue a pacifist stance which would have left him open to attack. After he had voted against the proposal, he achieved this in two ways. He stressed in all speeches he made on the issue that, 'it is our duty to see that effective steps are taken to provide for the defence of this country.'[32] He developed this by insisting that it was the Air Force which needed to be enlarged, maintaining that this was the first line of defence for the United Kingdom. There was no question 'that when the Estimates for the Air Force come along you will find me voting for an increase in our squadrons in the air.'[33] He defended his action by applying the same considerations to the navy; he argued that if it could have been proved that the new cruisers were required for the country's defence, he would have supported the proposed construction. He argued there was no justification to build new cruisers: 'we have more of these cruisers than the next three greatest naval powers put together.'[34] This, combined with the fact that the new ships would not replace current ones in service but add to the size of the navy, meant there was no way he could have voted for the proposal.

The Liberal Party widely supported Philip Snowden's April Budget in which he proved his free trade credentials by reducing the sugar duty, halving duties on tea, cocoa, coffee, and chicory, lowering the entertainment tax and, more importantly, abolishing the McKenna duties. Indirect taxes were reduced by £29 million and direct taxes by £145 million. Asquith voiced 'extreme satisfaction' with the measures introduced, in the Commons, adding, 'There is nothing in the Budget, so far as I know, in which principle is concerned,

to which a single one of us sitting on these benches will not heartily subscribe.'[35] The Manchester Liberal MPs gave a broad welcome to Snowden's proposals which is not surprising given the context of the strong free trade tone set by the Budget. Simon considered it to be 'a good, progressive Budget, and probably as nearly as possible what a Liberal Chancellor of the Exchequer would have done.'[36] Ackroyd expressed similar sentiments, describing it as 'a very fine Budget, and one that will appeal to Liberal as well as Labour members. It is a Liberal Budget, of course, and I hope it will help to conciliate the strong feeling that already exists among some sections of the Liberal and Labour parties.'[37] Barclay delivered his maiden speech during the Budget debate, warmly endorsing it, noting:

> As a Liberal Free Trader, I welcome most heartily the Budget which the Chancellor of the Exchequer has presented. It is a sound Free Trade Budget, and one which any Liberal Chancellor of the Exchequer would have been proud to bring before this House.[38]

Creeping disillusionment

Despite Snowden's budget, the spring of 1924 witnessed the increasing growth of disillusionment among the Manchester Liberal MPs towards the government. This resulted from the total disregard that the Labour Party, within parliament and in Manchester, exhibited towards the Liberal Party. From MacDonald downwards, 'The same petulant rage against the Liberals for continuing to exist was apparent among Labour backbenchers, and in the country Liberal MPs were subject to a spontaneous assault by Labour organisations, especially in constituencies which Liberals had narrowly captured from Conservatives in the absence of Labour candidates.'[39] Having contested Blackley in November 1922, Labour had allowed Oliver a free run in December 1923, in April 1924 the local party resolved to stand in the seat at the next general election. Although Oliver accepted Labour could stand, he was concerned 'at the way in which the Labour party was carrying on an intensive campaign against them, while they were doing their best in the House of Commons to support a Labour government.'[40] Oliver's annoyance was intensified by the fact that he had received the news when he was in the Commons lobbies supporting the government, along with Simon and Barclay, whilst the seven Labour MPs from Manchester and Salford were attending a rally in the Manchester Free Trade Hall.

During the spring Barclay and Ackroyd expressed concern at how the Labour leaders treated the Liberal leadership. Barclay complained that, despite consistent support for the government, the Liberals had not received 'courteous treatment' from Labour.[41] He attacked the way Labour eschewed consultation arguing:

> We are in harmony with Labour on a great part of their programme and with that part of their programme which they can carry through in present circumstances. We want to get along with this legislation, and if we can get along there must be some consultation between the leaders of the two parties.[42]

Ackroyd expressed a similar opinion in early May, noting that the lack of cooperation between the two parties was not healthy. He argued, 'with proper cooperation it would be possible to work together for some time, but if this could not be accomplished another general election could not be long delayed.'[43] By the beginning of the summer, there was mounting disenchantment among the Manchester Liberal MPs as the government persisted in ignoring the Liberal leadership. No attempts were made to improve relations between the two parties at the parliamentary level. Following his earlier optimism around the potential of working with Labour

on a progressive reform agenda, Lloyd George expressed his frustration at this lack of cooperation in a speech at Llanfairfechan on 22 April noting:

> Liberals are to be the oxen to drag the Labour wain over the rough roads of parliament for two or three years, goaded along, and at the end of the journey, when there is no further use for them, they are to be slaughtered. That is the Labour idea of cooperation.[44]

In Manchester, the Labour Party became increasingly aggressive towards the party. Having decided to challenge Oliver in Blackley, by July Labour had announced its intention to fight the both the Exchange and Withington seats against Barclay and Simon, having not contested the seats previously.[45]

In this climate of growing disillusionment, the Manchester Liberal MPs had to address how to vote on a Conservative motion of censure around the government's failure to tackle the unemployment problem. MacDonald's government had adopted orthodox and unconvincing means to tackle the unemployment issue. The failure to reduce unemployment was an issue which the Liberals felt strongly about, particularly considering Labour's grandiose election promises. The Liberal shadow cabinet met on 27 May, with most of the leadership, including Lloyd George, John Simon, Pringle and Phillips, urging that the party vote against the government. Asquith wanted to delay a crisis which might threaten an election and proposed putting the question to a meeting of the full Liberal parliamentary party. The feeling at this meeting was less hostile; consequently, the party supported the government, except for Lloyd George and a few of his supporters who abstained. Evidence has survived of the views of Simon and Oliver towards this: both adopted the Asquithian line. They were both concerned at the government's failure to decrease unemployment and justified their votes in pragmatic terms arguing that a general election would be a disaster for the Liberal Party.

The opinions of Simon are the clearest to gauge. He described the mood of the parliamentary party meeting in his diary, noting the strong feelings from Lloyd George, Sir John Simon and Phillips, which amounted to a desire to defeat Labour and turn them out of office. Simon insisted in truculent language that he believed that would be 'absolutely suicidal'.[46] He recognised that Labour had achieved little on unemployment, but the Liberals had been aware when they had put Labour into power that its election promises on the issues were 'all nonsense'.[47] He argued that the Liberals could have achieved substantially more, but the more important point for Simon was the threat of a general election if Labour was defeated. From his experience in Manchester, the electorate appeared to still be favourable to the new government, which prompted him to conclude that 'an election now would be hopeless from a Liberal point of view.'[48] Given time, the electorate would realise Labour's weakness on unemployment, causing the pendulum to swing against them, which would improve the Liberal Party's prospects. Simon's greatest concern was the electoral outlook of the Liberal Party. He also intervened in the Commons debate on 29 May and did not attack the Labour government but appealed for further actions: 'We simply ask for a reasonable increase in the grants which are already being made for work such as this work on main roads, which,

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from the point of view of unemployment, is, admittedly, national work.'[49] The central problem was that the average grant that the government was giving to local authorities in big cities, such as Manchester, only covered one-third of expenses, with the rest falling on the ratepayers; there is no question, he argued, that 'an immediate increase is needed'.[50] He detailed several areas, most notably the better provision of leisure facilities, which could be developed if the government provided two-thirds of the cost to local authorities. He concluded that, within a few years, this 'would do a great deal to revolutionise conditions in our great cities and to relieve unemployment.'[51] Simon's arguments in the Commons show he did not want the government to be defeated, but rather more action taken to tackle unemployment.

Philip Oliver made corresponding points on the day before the Commons debate, speaking in Manchester. Oliver observed that he was dissatisfied with Labour's progress on the problem, but recognised that it was a difficult problem, and hoped that 'Liberals would not be led by any desire to make a mere party score into any action which would delay the real solution of the problem.'[52] Following the debate, he addressed a meeting in Blackley, in which he defended the decision of the Liberal Party to support the government in the vote; he noted it was only fair to allow Labour more time to pursue its policies to reduce unemployment arguing that 'the Liberals should give fair play to Labour and that it would not be playing the game to turn the Government out.'[53] Oliver was clearly motivated by the same concerns as Simon. He wanted greater action from the government but did not want Labour defeated and a subsequent general election. The Asquithian line, which both Simon and Oliver, had pursued, was motivated by pragmatic electoral considerations which trumped their initial principled position. The Liberal Party was not prepared to fight a general election, which was inevitable if MacDonald was defeated. The Labour government had gained a reprieve owing to the fear which dominated Liberal circles regarding the party's electoral prospects.

Ernest Simon's growing disillusionment with the government largely centred around the question of tackling the housing shortage. Housing was a central concern of Simon's; he had been chairman of Manchester City Council's housing committee, playing a principal part in reducing the post-war housing shortage in Manchester. It was clear from the outset of his parliamentary career that he would devote a great deal of his energies to the issue, using his maiden speech to attack the Conservative government for failing to tackle the housing shortage.[54] He recognised the advantage his knowledge of housing issues gave him in the Commons, noting in his diary that his experience was 'invaluable to me as a new member of the House of Commons, in giving me a speciality in which I am recognised as an authority.'[55] He quickly became a critic of the Labour government's weaknesses on the issue.

Housing was an urgent priority for the government, and John Wheatley, whose health ministry dealt with the issue. The secondary problem of evictions also needed to be tackled. There were still many landlords making ruthless use of the eviction powers which had been granted under the Lloyd George coalition government's 1920 legislation. This prompted a Labour backbencher, Ben Gardner, to introduce a private member's bill to amend the current law, to protect the unemployed from eviction. The central clause of the bill declared no unemployed worker in arrears should be evicted unless it could be proved that the hardship incurred by the landlord for not evicting him was greater. Simon served on the committee which considered Gardener's Rent Restrictions Bill, and quickly became frustrated at the slow progress of the

Bill arguing that the blame rested with the government because it would not give the Bill official backing.[56] Simon determined to introduce his own private member's bill to tackle the problem – the Prevention of Evictions Bill – as Gardner's Bill, by concentrating on the unemployed, was too narrow in focus and quickly became tied up in debate. He asserted that, 'The only thing of urgent importance is to give protection to those tenants who are being evicted.'[57] which his Bill, which was introduced in March, did by tackling the wider issue. The Bill passed through all its parliamentary stages and became law in July. The length of time this took aroused criticism from Simon. On several occasions, he attacked the government for delaying the measure's progress; he believed that, because it was less controversial than Gardener's Bill, there was no reason to stop it reaching the statute books quickly. [58] The whole evictions question and the hesitancy the government had shown in confronting it clearly concerned Simon.

Wheatley recognised the vital need to tackle the housing shortage. After a full investigation of the problem and negotiations with the key interested parties, most notably the building trade unions, the employers, and local authorities who, with government subsidies, would fund the new building, he produced a Housing Bill. The bill proposed that houses built under the Wheatley scheme would be eligible for subsidies of £9 per annum in urban areas, and £12. 10*s*. in rural parishes, whilst rate contributions were fixed at £4. 10*s*. as a maximum payable by local authorities on each house built. It firmly established the principle of building for letting. The bill, which is widely recognised as a major milestone in inter-war house building received stern criticism from Simon. The principal area he opposed the bill on was its rental clauses. On the question of rents to be charged on houses built under the scheme, the bill sought to return to the principles which had governed Christpher Addison's 1919 Act by fixing rents in relation to those of pre-war houses. These controlled rents were only a basis for an average rent each local authority could charge. This average rent could not exceed the rents of similarly controlled houses unless the annual costs incurred by local authorities exceeded their rate contribution of £4. 10*s*. per annum per house. Local authorities had to keep within this, but otherwise it was left to their own discretion as to what rent would be charged on individual houses. Simon argued this would allow local authorities to create a privileged class of tenants. He was concerned that new council houses would be too expensive for most of the working class. He moved an amendment to ensure the rents of houses built under the bill were the same as those for similar houses already existing in each relevant local authority area, noting in his diary that his aim was 'to reduce the rents of Wheatley houses below those of other houses.'[59] Simon's amendment was defeated largely because the majority of Liberal MPs opposed it.

By the summer recess, there was a general air of disappointment, combined with falling morale, within the Liberal Party. By installing Labour into power, the Liberal Party had become trapped in a position where there was a lack of consultation from Labour but a need to support the government for pragmatic electoral reasons.

Simon gained support from Oliver regarding one part of the bill which both thought to be weak. Simon argued that a fundamental weakness of the bill was it had not been submitted to the building trade and, in his view, 'they are totally free to repudiate it if they want to do so'.[60] This was linked to Oliver's concern that a central obstacle hindering

the scheme's success was the shortage of labour in the building industry and a shortage of materials.[61] Oliver moved an amendment, which Simon supported, making the continued subsidy dependent on an increase in the supply of labour. Again, this amendment failed to gain support from the majority of Liberal MPs, and it also failed. Whilst Simon later gave the Wheatley Act credit for the expansion of house building from 86,210 houses in 1923–24 to 238,914 in 1927–28, his failure to reform the act prompted disillusionment; in a diary entry from late July 1924, he noted that 'the whole thing has been a most disappointing and depressing experience.'[62]

The fall of the government

By the summer recess, there was a general air of disappointment, combined with falling morale, within the Liberal Party. By installing Labour into power, the Liberal Party had become trapped in a position where there was a lack of consultation from Labour but a need to support the government for pragmatic electoral reasons. It was in these circumstances that the Liberal Party was faced with the problem of the Russian Treaty, which, but for the Campbell case, would have probably produced the fall of the government. The issue of the Russian Treaty had its origins in the government's recognition of Soviet Russia, which prompted MacDonald to announce that he intended to negotiate a trade agreement with the Soviet government to restore commercial ties. Negotiations were difficult, particularly regarding the question of the British bondholders who held claims on the Tsarist regime that had been repudiated by the Soviet government. In response to this, the Soviets demanded a loan as part of any commercial treaty, to settle the payment of pre-revolutionary debts. A compromise was reached in August, with a treaty signed between the delegates of the two sides. The treaty was divided into two: the commercial treaty, which was a direct agreement between the two countries, and a wider general treaty, which was a vague deal that would possibly lead, in future, to a full treaty. This second deal proposed more negotiations between the bondholders and the Soviet government. If the outcome of these had the approval of the bondholders, and the remaining outstanding differences were settled, a third treaty would be signed, after which the British government would guarantee a loan. This enraged the Conservative opposition, which prompted MacDonald to agree to a twenty-one-day delay between the signing and ratification of the treaty, to allow parliament an opportunity to voice its views on the agreement. The position of the Liberal Party became vital. If the Liberal parliamentary party opposed the treaty, MacDonald's position would be precarious, and he would be forced to call a general election.

The Liberal leadership, including Masterman, condemned the treaty in general and the provision for the guaranteed loan in particular. As MP for Rusholme, Masterman's opposition was particularly significant given his influence over the other Manchester MPs. Masterman's opposition to the treaty was clarified in a letter he sent to Walter Runciman in mid-September. He asserted that there were no conditions under which the Liberal Party could agree 'to ratify a Treaty which holds out any hope of a British loan or a British guaranteed loan to the Bolshies.'[63] The latter would also mean that the previous actions of the Soviets were justified; the Liberal Party could not 'recognise the right of the Bolshies to confiscate *private* property of British subjects which had been invested in Russia.'[64] Masterman delivered a number of speeches in Manchester in which he pursued identical points to those communicated to Runciman, to defend his resistance to ratification of the treaty. [65]

Oliver was the first of the backbench Manchester MPs to declare his opposition to

the Treaty. In correspondence with Sir John Simon on 12 September he noted, 'I don't like the treaty. Certainly I don't like the proposed guarantee, which seems to me to go altogether beyond the proper function of a government, at any rate as conceived by Liberals.'[66] He asked Simon's advice on what line to adopt at party meetings before parliament re-assembled. No record appears to have survived of Simon's response but his general opposition to the treaty was already on record, and thus it can be reasonably assumed that he advised Oliver to express his concerns openly. Oliver did this in an article in the *Daily Herald*, concentrating his opposition on the proposal for a guaranteed loan, noting: 'I do not believe that it is within the province of a Government to guarantee any foreign loan, and I see no reason why an exception should be made in favour of a Soviet Republic which is prosecuting a grossly imperialistic war against the Free State of Georgia.'[67] He repeated his views at several meetings in Manchester during September.[68]

Ackroyd, Barclay and Simon framed their responses to the treaty following a conference of the five Manchester Liberal MPs held on 20 September to formulate a united reaction to the questions raised by the treaty.[69] They all opposed the treaty owing to the provision for a guaranteed loan. Simon argued at a meeting in Withington on 22 September that, although he wanted to encourage trade with the Soviet Union, he could not vote 'for a treaty which involved the guaranteeing of a loan of an uncertain sum … when there was absolutely no certainty that we should ever get a penny of it back again.'[70] Barclay pursued the same course, speaking in Miles Platting on 22 September, maintaining that the loan was the central obstacle to Liberal support for ratification. He was concerned there was to be no provision for security if the loan was made, prompting him to note, 'We would probably be called upon to meet the interest and the sinking fund – it was not a business proposition without there being some security.'[71] As with Oliver, he did not feel it was the function of the British government to guarantee a loan. Ackroyd also endorsed this opinion, arguing in favour of better relations between Britain and Russia, but expressing concern at the treaty in its current form owing to the arrangements for the loan.[72] The five Manchester Liberal MPs were united in their opposition to the treaty in its present form and, if changes were not made, particularly the provision for a guaranteed loan, before parliament debated it, they would vote against. At a Liberal parliamentary party meeting on 1 October, there was unanimous support for a motion rejecting the guaranteed loan, which in effect served notice to go on MacDonald, who had insisted defeat would be treated as a matter of confidence.

Events overtook this vote, and it was the Campbell case that prompted the fall of the government. J. R. Campbell, the acting editor of the *Workers Weekly*, had published a provocative article on 25 July urging members of the armed forces not to fire on striking workers. Initially, the attorney general, Sir Patrick Hastings, recommended charges be brought against Campbell for inciting mutiny. These were brought on 5 August. Under pressure from Labour backbenchers, who stressed Campbell's war record, and following a letter from Campbell indicating that he was only

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temporary editor, which was considered an apology, the charges were dropped on 13 August. MacDonald had discussed the issues raised by the case with Hastings on 12 August and at cabinet later that evening. The Campbell case rumbled on through the summer with allegations from Labour's opponents of political interference. On 30 September, MacDonald claimed in the Commons that he had not been consulted on the matter, which was a lie. The following day the Conservatives put down a motion of censure. Asquith, still wanting to avoid a general election, decided to put down an amendment calling for a select committee to be created to investigate the issues raised by the case. MacDonald and the cabinet resolved to treat both the motion and amendment as matters of confidence. The Manchester Liberal MPs had concentrated on the Russian Treaty during the summer and there is little evidence on their views about the Campbell case beyond their votes in the debate. On both the Conservative motion and the Liberal amendment, Ackroyd broke ranks and voted with the government. He later justified his votes arguing, 'the issue was altogether too trivial to plunge the country at this time into the turmoil and vast expenditure of a general election' and it would have been better to wait until the Commons had expressed their opinion on the Russian Treaty.[73] Ackroyd's votes made no difference, the other four voted with the majority of Liberals and Conservatives, resulting in government defeats in both votes. MacDonald dissolved parliament for a general election.

Conclusion

The experience of the Manchester MPs during the 1924 parliament typifies the difficulties faced by Liberal Party more widely. The electoral arithmetic produced by the December 1923 general election meant that the party was faced with a situation in which it had to support a minority Labour administration. In this situation, the Manchester Liberal MPs defended their decision in the same terms that the Liberal leadership pursued, arguing that, although Labour was in government, it had to rely on the Liberals for support. This led them to believe that there would be widespread cooperation between the two sides to ensure that a reform agenda, which both parties could agree on, was pursued. In January 1924, the Manchester Liberal MPs assumed that their position would be more influential, which seemed to be vindicated by Snowden's budget, but this subsequently gave way to disillusionment. There was no binding agreement between the two parties, and it quickly became plain that the Labour leadership was not willing to consult the Liberals, which placed them in an invidious position: having put Labour into office, they now had to support it for a reasonable period, or face accusations of not playing fairly. The more Labour did not consult the Liberals, the greater the disillusionment grew with the government, which is clearly demonstrated by the experience of the Manchester MPs. Having achieved government, Labour activists became increasingly aggressive in the country, making plain that they intended to contest many Liberal-held seats at the next general election. This only served to intensify the disillusionment on the Liberal side, and Manchester is an excellent example of this. Although disenchanted, the Liberal Party could not risk a full attack on the Labour government on a fundamental issue, because this was likely to result in MacDonald dissolving parliament with the Liberals in no condition to fight a general election – owing to organisational and financial difficulties, combined with a fall in morale amplified by their treatment at the hands of Labour in parliament and locally. This was a central concern expressed by the Manchester Liberal MPs. It was only when the Liberals were faced with two issues on which they could not compromise – the Russian Treaty and the

Campbell case – that they ended their support for the government. The final word should be given to Ernest Simon who, a few months after the fall of the government, articulated fully the problems that the Liberals had confronted during the 1924 parliament, concluding in almost despair, 'The session as a whole was a tragedy.'[74] It was sentiment that given their experience could have been articulated by any of the Manchester Liberal MPs. ■

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1 The different approaches taken by the various Liberal leaders is fully discussed in C. Cook, *The Age of Alignment, Electoral Politics in Britain 1922–1929* (London, 1975), pp. 184–8, and D. Dutton, *A History of the Liberal Party* (Basingstoke, 2004), pp. 92–4.

2 *The Times*, 19 Dec. 1923.

3 Ibid.

4 Parliamentary Archives, Lloyd George MSS, G17/11/18, Lloyd George to Scott, 27 Dec. 1923.

5 T. Wilson, *The Political Diaries of C. P. Scott 1911–1925* (London, 1970), p. 450.

6 Ibid., p. 451.

7 Report of Manchester Liberal Federation dinner, *Manchester Guardian*, 3 Jan. 1924.

8 Ibid.

9 Ibid.

10 Manchester Central Library, Ernest Simon MSS, M11/16/5 Green (352 parliamentary diary), 21 Jan. 1924. From January to October 1924, Simon kept a parliamentary diary. It provides a full and lucid record of his thoughts on the government and gives a valuable insight into Liberal–Labour relations during the period.

11 Hansard, HC (series 5) vol. 169, cols. 433–8, 18 Jan. 1924.

12 R. N. Barclay to the editor of the *Manchester Guardian,* 18 Jan. 1924.

13 Report of Manchester Liberal Federation dinner, *Manchester Guardian*, 3 Jan. 1924.

14 R. N. Barclay to the editor of the *Manchester Guardian,* 18 Jan. 1924.

15 Ibid.

16 *Manchester Guardian*, 12 Jan. 1924.

17 Ibid.

18 Report of Manchester Liberal Federation dinner, *Manchester Guardian*, 3 Jan. 1924.

19 *Manchester Guardian,* 7 Feb. 1924.

20 *Manchester Guardian*, 4 Feb. 1924.

21 Ibid.

22 Report of the annual meeting of the Withington Divisional Liberal Association, *Manchester Guardian*, 23 Feb. 1924.

23 Ernest Simon's first occasional letter to Withington electors, 15 Mar. 1924, copy in Manchester Central Library, Shena Simon MSS, M14/6/4.

24 Report of the Exchange Division Liberal Association annual dinner, *Manchester Guardian*, 4 Mar. 1924.

25 This is dealt with more fully in I. Wood, *John Wheatley* (Manchester, 1990), pp. 123–6.

26 Report of a meeting of the Withington branch of the League of Young Liberals, *Manchester Guardian*, 25 Feb. 1924.

27 Ibid.

28 Report of a meeting of the General Council of the Blackley Divisional Liberal Association, *Manchester Guardian*, 19 Feb.1924.

29 Ibid.

30 *Manchester Guardian*, leading article, 'The New Cruisers', 27 Feb. 1924.

31 Ibid.

32 *Manchester Guardian*, 1 Mar. 1924.

33 Ibid.

34 Ibid.

35 C. Cook, *The Age of Alignment* (London, 1975), p. 205.

36 *Manchester Guardian*, 30 Apr. 1924.

37 Ibid.

38 Hansard, HC (series 5) vol. 172, col. 1904, 1 May 1924.

39 T. Wilson, *The Downfall of the Liberal Party 1914–1935* (London, 1966), p. 269.

40 *Manchester Guardian*, 8 Apr. 1924.

41 *Manchester Guardian*, 25 Apr. 1924.

42 Ibid.

43 *Manchester Guardian*, 3 May 1924.

44 Dutton, *Liberal Party*, p. 96.

45 *Manchester Guardian*, 21 July 1924.

46 Ernest Simon MSS, M11/16/5 Green (352 parliamentary diary), 28 May 1924.

47 Ibid.

48 Ibid.

49 Hansard, HC (series 5) vol. 174, col. 719, 29 May 1924.

50 Ibid.

51 Ibid.

52 *Manchester Guardian*, 28 May 1924.

53 *Manchester Guardian*, 31 May 1924.

54 Hansard, HC (series 5) vol. 169, cols. 433–8, 18 Jan. 1924.

55 Ernest Simon MSS, M11/16/5 Green (352 parliamentary diary), 2 Mar. 1924.

56 E. D. Simon to the editor of the *Manchester Guardian*, 22 Mar. 1924.

57 Ibid.

58 Simon attacked the government for delaying the debate on the bill until after Easter in the *Manchester Guardian*, 14 Apr.1924.

59 Ernest Simon MSS, M11/16/5 Green (352 parliamentary diary), 22 July 1924.

60 Ibid.

61 Oliver expressed this concern on numerous occasions. Examples include reports of speeches in the *Manchester Guardian*, 17 May 1924, and 22 Aug. 1924.

62 Ernest Simon MSS, M11/16/5 Green (352 parliamentary diary), 22 July 1924.

63 Robinson Library, University of Newcastle-upon-Tyne, Walter Runciman MSS, WR195, Masterman to Walter Runciman, 16 Sep. 1924.

64 Ibid.

65 Examples include a meeting Masterman addressed at Levenshulme Town Hall on 22 Sep. reported in the *Manchester Evening News*, 23 Sep. 1924, and a speech he delivered to a Liberal rally in the Free Trade Hall on 25 Sep., reported in the *Manchester Guardian*, 26 Sep. 1924.

66 Sir John Simon MSS, Bodleian Library, Oxford, 58/193, Oliver to Sir John Simon, 12 Sep. 1924.

67 *Daily Herald*, 15 Sep. 1924.

68 Examples include a question-and-answer session in Oliver's Blackley division as reported in the *Manchester Guardian*, 14 Sep. 1924 and at a public meeting in Blackley reported in the *Manchester Evening News*, 25 Sep. 1924.

69 The *Manchester Guardian* reported that a conference of the five was to be held on 20 September to reach 'agreement on the attitude they are to adopt to the treaty', *Manchester Guardian*, 17 Sep. 1924.

70 *Manchester Guardian*, 23 Sep.1924.

71 Ibid.

72 An example includes a meeting Ackroyd addressed in Hulme on 23 Sep., reported in the *Manchester Evening News*, 24 Sep.1924.

73 Report of Ackroyd's speech at his adoption meeting in Moss Side, *Manchester Guardian*, 14 Oct. 1924

74 Ernest Simon MSS, M11/16/5 Green (352 parliamentary diary), note made in March 1925.