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Britain After the Great Strike

By Mr. S. K. Ratcliffe.*

President G. H. Sedgewick: Gentlemen, there are one or two of the speakers who come to the club whom we like to see coming every year; and among those there is none who is more welcome to the Canadian Club of Toronto than our guest of today. I am told that he was counting up in Montreal how often he had been there, and they found it was seven times, and they intimated their intention to keep him coming until seventy times seven. I don't know whether he has any strings that he pulls, but, at any rate, each time he comes something has happened in the Old Land that is fresh and interesting, and about which he is competent to speak, and so we are delighted to have him come and speak today about Britain after the great strike.

Mr. Ratcliffe: Mr. President and gentlemen of the Canadian Club, several times in the past few years when you invited me to speak to you, you have chosen the subject of recent events and the outlook in the Old Country. Now and again during my experience with you in reference to that topic the general outlook has been not only interesting but also very stimulating, and it has not been very difficult to give a thoroughly cheerful survey of our national condition and prospects.

I should not say, speaking on the outlook in England today after the very severe experiences of 1926, that an Englishman straight from the Old Country was tempted to make a very optimistic survey, but I think it would be perfectly justifiable to say that I can speak with greater confidence and more decided hope on the outlook at the begin-

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ning of 1927 than in the spring of 1926, and certainly than in the fall of 1926.

I think we should all agree that if there is one characteristic of the British nation as a whole, it is their extraordinary coolness when they are passing through a great national experience, and a very remarkable power of quick recovery after a time of trouble. That has been most strikingly illustrated in the past few months. It is not easy to mention a national crisis more searching than that provided by a great industrial strike lasting for more than half a year, a strike in what is the fundamental industry of the country. It would not be easy to mention anything more searching than that, and I don't think it would be easy to speak of an occasion when national character has been so strikingly displayed and has had so much to say for itself.

In order to get in perspective, as straight a story as I can make it, of the condition in which we came to in 1926 and where we stand today, I will ask you to come back as far as the summer of 1925 when we were confronted with what was obviously a very difficult situation in the industrial sphere. I think it was realized at the close of the war that our most difficult problem would be that presented by the British coal fields. They are a very peculiar province of industry. The problem of their settlement and reconstruction is a very difficult one, and there is no doubt that feeling had been very deeply disturbed through the latter part of the war, and that feeling was not conducive to a friendly settlement. We had a number of difficulties in succession and then, in 1925 in the summer, we were approaching a crisis that seemed to threaten a national stoppage from which there was hardly any possibility of escape.

The industry, as you know, was very urgently in need of national reorganization, but we were clearly, as we should all agree, in need of a large and bold scheme of reconstruction if we were to bring the coal industry of Britain up to the measure of modern needs. In the summer of 1925 a reduction of wages was pending, the closing of old agreements involving a lower scale to the miners. The Government was notified that any such step would lead to a national stoppage, and the industry was demanding assistance

from the Government in the shape of a Government subsidy in order that it might go on and profits be maintained and the existing wages scale upheld.

Now, Mr. Baldwin and the Conservative Government announced to begin with that the policy of a national subsidy from the Government was impossible. It could not be entertained. But at the end of July in that year Mr. Baldwin found it necessary to change his view. The national stoppage was almost upon us. And then he announced that the Government had revised its opinion and that a subsidy would be given to the industry for a limited period, that limited period being for the purpose of giving the mine owners on the one hand and the labor unions on the other an opportunity of approaching the question once again and making for a settlement by consent. This was the close of July, and the subsidy was to be granted month by month to the end of April, 1926, thus giving the industry a clear nine months to provide themselves with some form of policy, whether concrete or otherwise.

In the meantime, Mr. Baldwin announced that he would follow the example set by Lloyd George in 1919 of appointing a special commission to enquire into all the facts of the coal industry as quickly as possible and provide a practical basis of settlement if possible. Mr. Baldwin nominated a smaller commission than usual, acting on the belief that a smaller body of men on an occasion like that was more likely to do the job quickly and more likely to provide a program. The commission of four did a remarkably quick job. The commission came out with its decision in March, and I don't think Mr. Baldwin would have acted on the report of the salary commission if it had been possible to get unity of public feeling. For that report did not gain the adhesion of the coal owners or miners, the great objection of the miners being this: There were two main questions, one the question of the standard working day and the other of the standard wage. The commission did not recommend a lengthening of the working day, but did come to the conclusion that a reduction in wages was entirely necessary if the industry was to be saved.

When that declaration went out, those who knew any-

thing of labor movements in England saw there could be no settlement immediately on the basis of the coal commission's report, and so it proved. We came to the close of the period of grace, and there was agreement on all sides except the miners, supported by the definite recommendation of the coal commission, that the subsidy was an evil thing in itself, was based on a wrong principle and that it must not be renewed after April 30. Now, that clear recommendation on the part of the coal commission practically meant that we were in for a national stoppage from the first of May. As we look back on it now, we can see that only something in the nature of a miracle in national leadership could have prevented the national stoppage.

Well, now, look at the policy on the labor side. The miners declared that they could not consider accepting a lengthening of hours and a reduction of wages, and therefore the agreements would come to an end on the last day of April. Now for several years the general tendency in the labor world of Great Britain has been toward, I will not say a general strike—that requires a little explanation—but has been toward a wide, sympathetic strike. On the last occasion when we came to a difficulty of that kind we seemed to be within an ace of a general strike, but in that year, 1921, the agreement between the transport workers, railwaymen and the miners was not actually fulfilled. They found the understanding between these three bodies of workers could not be brought about and from that day to the beginning of the general strike, May 2, 1926, it would be accurate to say that there was a heavy cloud over the industrial world of Great Britain. It was regarded as a menace to the whole national life of Britain that this possibility of a general national strike was a matter of policy and intention in the labor movement.

Now, by the end of April, 1926, these things were clearly shaping themselves. If the mining stoppage was allowed to begin with the opening of the month of May, then everybody recognized that things had come to such a pass that virtually nothing could stop the outbreak of something like a national strike in support of the miners. Now, I am convinced myself that if the leaders of the labor world

could have looked a little ahead they would not for a moment have considered the calling of a national strike. If they had felt that the miners had a good case, they would almost certainly have allowed the miners' strike to begin with the promise of all the support they could get from the other unions to help the miners. But conditions were such that in the last days of April everything seemed to be driven in the direction of the general strike and during the last hours of the negotiations between the labor leaders and the Government certain things happened which have led many people in England to believe there was more or less of intention on the part of the employers, with a dominant section of the Conservative Government, to allow the general strike to happen if the labor leaders continued to go in that tone. For several years the peril of a general strike had been a positive menace in Great Britain. Roughly speaking, the world of the large employers believed that danger was there. Everybody was agreed that it was a great handicap in the industrial world, the use of capital was being held up, enterprise was being checked because so many people in my position believed that the policy was going to be put into effect and, until that danger could be removed it would be impossible to look forward with any hope to a real revival of trade.

It is not difficult to believe that at the close of April there was a powerful body of opinion among the employers, in Parliament and the Government, that it would be better to have a definite showdown in order that the attitude of the labor leaders might be declared, and Britain could come to see whether that was or was not a positive danger to be faced. Now, it was a very vast situation indeed. There is no doubt at all in the mind of anybody that the Conservative Prime Minister, Mr. Baldwin, was all for conciliation and settlement. He quite rightly and wisely, I think, took upon himself in the latter hours of negotiation practically all the responsibility for conducting these negotiations and it was only at the very close of that period that Mr. Baldwin, thoroughly tired out, for one thing, was in such a position that some of his colleagues took hold of the situation and negotiations were closed suddenly on the Sunday evening when the labor leaders were caught at a disadvantage.

During the Saturday and Sunday it seemed almost any hour that the Prime Minister's effort for peace might succeed. Those efforts were closed late Sunday evening, and the nation woke up to recognize that peace was not possible and that we were called on to go through the experience of the general strike. I don't think it was quite accurately described. It was not a general strike as they have had it in some of the countries of Europe. It was a strike of a large body of workers in sympathy with the miners. You and I, I think, would agree that those who believe in the weapon of the general strike always have in mind that it should be a sudden holdup of society as complete as you could make it. But it was a very notable thing about our nine days' strike that there was no such attempt, but on the contrary the labor union leaders adopted tactics which virtually showed they could not win. They did not call out all the workers who were subject to the strike policy at once, but decided to call out a great body on the first day and further bodies on the second and third days. I think they found in the retrospect if they were going to try a general strike they could do it by means of a swift strike which would prove whether their policy was practical or not. Was that policy practical? As you know, the remarkably swift organization of the country for the continuance of supplies showed what a tremendous power there was in England for resisting a danger of that kind, and also showed how sound is the country's organization. But not only was it proved to be a practical matter because the maintenance of supplies was kept up from the beginning, but it was impossible in England because the men who were on strike in the general strike did not believe in it, and I think one has to admit today that no men in England would have been more thoroughly distressed if the general strike as a weapon had succeeded.

Now, let us see if that is not so. There were some twenty or two dozen men on the General Council of the Trade Union Congress which managed the strike. I believe that every one of those two dozen men, with possibly two exceptions, was actually on record against the policy of the class war and general strike. They were all regular labor

leaders. They nearly all belonged specifically to the Parliamentary side of the labor movement, and since they were on record against the weapon, you cannot be surprised that the energetic section of the Cabinet, led by Winston Churchill, which was convinced that it would be better to have a showdown, should have met with success in their manoeuvres on the last day of April.

After all, you must remember that the trade union world of England is moderate in opinion and sentiment. The great majority of these men come from the ordinary working world of England. For example, it would surprise you to know how there has been a close connection between the labor leaders and the non-comformist churches in England. It is a fact of history of the nineteenth century that our non-conformist churches have supplied a lot of leadership in the trade union movement. Tracing from that side, where the revolutionary Communist can be regarded, this means belonging to the side that is moderate in opinion and policy. Suppose the general strike could have succeeded as it began. Well, it would have been a victory for the revolutionary side, and the labor world and those men who believe in labor union tactics and who believe in labor representation in the House of Commons, would not these have been abolished by the revolutionary movement? That movement does not have any strength in England, and there was never a stronger demonstration of that than during the nine days strike, when the foreign observers, looking upon it in London, were struck dumb with what they saw. What kind of people was this, they were asking, that could conduct an experiment in industrial warfare like this, that could keep its temper and could, while the strike was going on, be playing football with members of the police? It seemed to them a ridiculous display of national good temper and good humor.

Well, there was a celebrated editor of a New York paper there, and I met him, and he said, "What an astounding country this is. Why, in every city of the United States, before the dawn of the second day the dead would have been lying about the streets."

What came out of it was a very great confidence in

the sanity and self-confidence of the British people, and the power of their voluntary organization against danger. You remember the way it ended, and you will recall the attitude of Mr. Baldwin following the surrender of the trade union leaders. There came then a sharp controversy over the question of the policy the Government was to pursue. The trade union leaders felt they had secured a pledge from the Prime Minister when they decided to end the struggle. Mr. Baldwin was able to reply that he had arranged the terms of surrender without committing himself. It certainly was very astute on the part of the Prime Minister. He waited there until the leaders came to state the strike was at an end, and the conversation, extremely friendly, closed without the Prime Minister having made any definite promise with regard to what would follow, with this exception, that he was in favor of a general settlement and he was very decidedly in favor of no reprisals and of working together in arriving at an industrial settlement. That proved to be a virtually impossible thing, and there was just one thing at the close of the general strike worth commenting on. A great many people felt that it had not been a bad thing from the point of view of the miners. That is to say, labor members returning to London went back to Westminster and said in the mind of the rank and file of the working public, "This has not been what they regard as a downright defeat," but they were also saying that "we do not agree with the general strike, but as it has worked out, it is going to bring better terms for the miners than if a settlement had been reached at the end of April," Mr. Baldwin made the striking statement in the House of Commons that the two sides in the dispute were so far apart that they could not make peace between themselves and therefore the Government would propose fresh terms. That seemed to be the moment at which Mr. Baldwin's power was at its highest, illustrated by a noteworthy speech by Ramsay MacDonald, who pointedly appealed to Mr. Baldwin to take charge of the negotiations himself. He virtually said, "You are the best peacemaker in England at the moment and the people of the country generally will applaud you if you take this step and propose terms to both sides." I think the world

recognized at that moment the Prime Minister had a higher personal standing than any Prime Minister ever had. At any rate, judging him by the power he seemed to wield and the remarkable tributes of members which he was receiving for what had happened, that seemed the case.

Unfortunately, that proved not to be the way to peace. The Government did not succeed in furnishing terms that could be accepted, and we had to face the fact that we were in for a very long struggle between miners and mine owners. That lasted for six months or more, and I am afraid it needs to be said that it did not end as a permanent settlement.

The miners were beaten. They had to accept lower wage scales decided in the districts instead of a national basis. The owners demanded the power to make district settlements. The miners claimed they must have a general wages settlement over the whole country, but they lost in wages, hours, and the district settlements, with the result that the long struggle did end with a very great measure of discontentment in the working class world.

I think there has been a widespread feeling that the great peril of a national stoppage has now been removed. Whatever else we do we shall not proceed by extreme measures of that kind, and certainly there is a feeling that altogether the events of 1926 have led to a great strengthening of the constitutional side of the Labor movement. Today you will find the revolutionary element is very much in defeat, whereas the regular constitutional leaders are perfectly confident that their position has been strengthened and that henceforward the political battle will go forward in a much healthier atmosphere. I think that is a fair statement of the general results and both sides, I believe, are looking forward as a consequence of these events to a considerable strengthening in the situation as regards parliamentary labor. I don't think anyone denies that from now on to the next general election, possibly in 1928, the labor party will have a considerable number of victories. They will be stronger in the House of Commons. They will make a stronger appeal to the people on the constitutional movement. That, I think, is the line along which we shall proceed in the immediate future, but if you ask me whether I

think that in the longer view the events of 1926 are going to tell in favor of the Parliamentary labor party and a political policy like that for which Ramsay MacDonald stands, I think I should modify my own judgment.

I have been continually saying to my labor friends during the last few months. "It is quite true that your position is stronger, but it must be remembered a fight of that kind leaves very bitter feelings on both sides, and in the end those feeling may tell against the political labor party." In the meantime, there is undoubtedly a strengthening of the political labor party, but until we can deal with the grievances of the labor bodies in England, lowness of wages and badness of conditions, we shall not be getting at the roots of working class discontent, and where that exists there is a danger to parliamentary conditions.

I believe that a great many people have now come to the conclusion that our party system has gone through a very severe period of re-organizing for the past twenty-five years or so. We have had three parties. The labor party, independent of the other two, ever since 1923 has been a great force in the House of Commons. Down to the election of 1924 the Liberals were still a political element in our lives, and remembering they have always appealed largely in the constituencies, they maintain that a political Liberal party is an essential thing in British public life, and we shall never come to a point when the two parties will be Conservative on the one hand and Labor on the other. But I am bound to say that events of the past two years have not been in favor of the Liberal hopefuls. In 1923 they recovered a great deal of their strength. In 1924, when it was a Labor election, the Liberals were very nearly destroyed, although they can claim they had a very large voting strength. This will be the state of the Liberal party for a good many years, and you can only say something about the Liberal party with direct reference to the career and personality of Mr. Lloyd George. Well, I suppose it seems a very peculiar thing that David Lloyd George has not been leader of the Liberals until now. When he became war Prime Minister it was a Conservative Government and from the end of the war until 1922 he was managing a very difficult situation indeed because he had to get most of the things done that he tried to do with the help of the Conservatives rather than Liberal support.

During the last few months he has been going through a very severe trial indeed. Never leader, he has been for some time past Chairman of the party in the House of Commons and confronted with the difficulty of his own leader, Mr. Asquith, now Lord Oxford. He is a man who has had tremendous power as party leader and, in spite of his advanced years, and the fact that he was losing hold of the Liberals, he has said again and again that he would not retire. A few months ago he did retire, and then the question arose, what about the anomolous position of Lloyd George. He was Chairman of the party, but there was a very strong divided opinion among the Liberals throughout the country as to whether he should be accepted as party leader. This important question was complicated by the matter of funds. When a party has to fight a succession of general elections, it usually means very little money is left in the exchequer. Lloyd George has been in the very fortunate position of being a prominent political leader virtually without a party, but with very potent material in his hands.

When he ceased to be Prime Minister the funds which were at the disposal of the Coalition Government were divided. The part that went to the manager of the Conservative party, Lord Younger, was promptly placed in the fund of the Conservative party, whereas Mr. Lloyd George, taking the larger portion of that fund, argued that he was not entitled to put that money into the Liberal party funds. Other people would have expressed it in a different way and would have said the argument ought to have been that he was compelled to put the money into the Liberal party funds. For these reasons, a good part of the money was contributed by personal adherents, some was contributed by Liberals and another considerable section contributed by men without political interests at all and the contribution, as Mr. Lloyd George names, was for value received. It is not less than about six or seven million dollars, and Mr. Lloyd George does not see why a considerable portion of

that money ought to be given his colleagues unless there is a precise agreement about the measure of support to be given him.

Lloyd George, as you know, is never standing still. He is always inventing new programs and fresh appeals to the electorate. There is one thing about him, he is a man of extremely lively and inventive mind. He is convinced that you cannot run politics unless you have ideas and new ideas. Lack of that has been his chief cause of complaint. He has policies, he has programs; he always has, and during the past few years he has devised a new land policy to take the place of the one he was unable to fulfil before the war; and in addition to that, he has had an elaborate enquiry into industrial and commercial conditions and has a new policy in process of being shaped.

It has to be admitted that the new land policy was not favored by a considerable and important body of the old Liberal party, and he was not going to surrender any of his fund unless he could be assured of support especially in regard to the land policy. I think it has to be said that the active members of the old Liberal party following Lord Asquith made a very grave mistake. They never hid their objection to Lloyd George as a party leader. Some of their leaders virtually stood up on the platform and said, "We do not think you ought to have control of the money. We need it for party purposes, but we do not want you." Well, you can see that is a very weak position indeed, and you would understand that Lloyd George would make the very utmost of the position when it was presented to him. And when last summer the old Liberal leader took exception in a letter published all over the world to Lloyd George's position on the general strike and practically told him he had ceased to be a Liberal, you can see that once again the tactics were all on the side of Lloyd George. Given a situation of that kind, you can put your money on that thing, that Lloyd George will play his antagonists off the step.

"Well, now, Mr. Lloyd George knows perfectly well that the situation for Liberalism in England today is very gloomy. In imagination he does not see now how the Liberal party can come back unless the course of events

should give that opportunity before the next election. He, as you know, is not only equal to the provision of new policies, he is always confident of the return of further opportunities. He rather reminds one of the tale about the devoted husband who made a birthday present to his young wife of a fine thoroughbred hunter, and he said, "I'd better try this horse for you." He mounted, was thrown and immediately killed, and when the shock of the tragedy was over the lady's friend said, "I'll buy that horse from you." "Certainly not," she said, "I might want to marry again." Well, desperate expedients of that kind are never quite foreign from the mind of Lloyd George in the political game.

Please do not expect me to make any predictions. About ten years ago I wrote an article in the Century Magazine. The situation might have been obscure from this side of the Atlantic, and writing in June, 1916, I said quite clearly Lloyd George was going to become Prime Minister of a Coalition Government with more Conservatives than Liberals. That was published in October, and the Coalition Government came out in December. I had a certain effectiveness as a political prophet. I would like to see the man who would draw the curve of political leadership in England during the next two or three years. We have this three-fold situation. The most devout Conservative, I do not think, would say that Mr. Baldwin's authority is what it was at the end of the general strike. He was getting through on the basis of his fine personal character, his sincerity and his regard. We did not then know what an extremely difficult thing it would be to steer the way through the shoals of rocks of 1926, and it would not, I think, be denied today that Mr. Baldwin's position is not what it was nine months ago, although his personal character and intentions stand above all challenge. And, in the meantime, there are difficulties in the Conservative party. Mr. Baldwin is a very moderate Conservative, and I think it would be agreed that the dominant section of his Cabinet who are shaping the policy of the Government today belong to the old Conservative group, and they are resolved that the Conservative Government shall first of all deal with the question

of labor unionism and introduce legislation for the purpose of reducing the political power of the labor unions and protecting the worker who is not a unionist. Mr. Baldwin is ever taking a cautious line because he knows that is an extensively delicate business in British politics. Mr. Baldwin does not need any instruction with regard to the difficulties of that course. But his colleagues are determined that legislation shall go through, and that will be the main battleground in home affairs during the present session of Parliament. It will probably increase the difficulties of the Conservative Government because if there is one aim Mr. Baldwin keeps before his own mind, it is the aim of bringing, during his time as Prime Minister, a large measure of peace and settlement in the realm of industry, and he knows if the other course is taken that hope will disappear.

Difficulties at home and difficulties abroad, for instance, in the Far East, may easily bring a situation that Lloyd George might manipulate. The leader of the Labor party is recognized as Leader of the Opposition in Parliament. That brings me to the personal standing, the parliamentary standing, of Mr. Ramsay MacDonald. I know nothing more peculiar in England today. Two years ago I had the opportunity of explaining how the Labor party came into office and how Ramsay MacDonald was dealing with that position. His leadership has been subject to talk from virtually all sides. From his own party it has been subjected to very sharp talk. There is a considerable body of labor members out of sympathy with him, but his position as leader is unassailable. There is no other leader in sight. Nobody suggests that anyone is there in the Labor party who could possibly take his place, and I think his power with the party in the country is much greater than his standing in the House of Commons. From time to time when there is something effective to be said from the opposition side in the House of Commons, it is said not by Mr. Ramsay MacDonald, but by Mr. Lloyd George, and you have the peculiar sight of the Labor members in the House of Commons, who are determined not to work with Lloyd George, finding their job in Parliament done better by him than by themselves. It is a further illustration that his astonishing

parliamentary talents will always appeal. I suppose the second in popular appeal is Ramsay MacDonald himself, but it is always the striking parliamentary gift of Lloyd George that will tell. Here again the difficulties of prediction in the immediate future are very great.

I will end with just one word on the complication in the Far East, because the crisis in China is not only of enormous importance to all citizens of the British Commonwealth, but might at any time create a situation too difficult for a Government to go through with. Things this morning are much more encouraging. Here is the main point, as it seems to me, in regard to British policy. We have been made the object of the most continued and varied and vitriolic anti-foreign feeling in China. China, as Austen Chamberlain said, is moving in the direction of a very strong nationalist movement. Eugene Chen, a Chinaman with Western education, Western ideals and Western civilization, is the strongest leader. In his nationalistic movement he takes the same position as the Sinn Feiner leaders in Ireland. The strength of that movement is recognized on all hands, and the settlement of British policy has led to attacks all around the world to this effect: if you means as you say you do, with the energetic, frank statement of the justice of Chinese demands in the main, why were you so late in making it known? Why did you wait until the end of 1926? The answer is very simple and practical, clear and satisfactory. Austen Chamberlain waited until the close of the year to make that frank declaration, but announced that we must have some Government in China to deal with. That declaration was made as a statement of British policy at the end of 1926. If the Baldwin Government could have done what it tried to do, that declaration would have come out last Spring as the expression of a co-operative policy of all the powers interested in the Far East. Mr. Baldwin could not get the agreement of France, Japan and the United States to that policy, and after nearly a year it had to come out as a British policy instead of a harmonious policy of the great powers.

Well, it is greatly to be regretted. The civilized Governments of the west ought to be a unit in dealing with

the difficulties of the Far East. It is not the fault of the British Government that they are not in unity. All the efforts that could be made have been made during the past year, but in the end it was necessary for the British Government to make their declaration of policy because they could not get the support of the other powers; and that, I submit, is a policy of which we may be proud.

The great thing, after all the unhappy events of recent years in the presence of that chaos and peril to Europeans in China, is that the British Government should come out and say in the simplest terms what was agreed to at Washington five years ago as the policy on which we stand. We do not mean war. We mean the greatest possible measure of friendship and co-operation as soon as we can find an authority there ready to co-operate. I think we may be proud of our Government and see in the turn of the last few days a full justification of the steps that have been taken.