

Labour in the Liberal Era, 1906-14

GUESSAR Souad, Tahri Mohammed University Béchar

Abstract:

In 1899 the annual Trades Union Congress (TUC) discussed a resolution, proposed by the Amalgamated Society of Railway Servants (ASRS), calling on the parliamentary committee of the TUC to organise a shared conference with socialist and cooperative bodies to debate Labour representation in Parliament. The conference met in London on 27 February 1900 and agreed to put a different Labour group in Parliament, who shall have their own whips, and agree upon their policy; to support it financially through affiliation fees; and to elect Ramsay MacDonald, a leading member of the Independent Labour Party (ILP), as the secretary of the new organisation, which was to be known as the Labour Representation Committee (LRC) and the Labour Party after the 1906 general election. This study will discuss the development of the Labour Party from 1906 until the outbreak of the First World War.

الملخص:

في عام 1899 ناقش مؤتمر النقابات العمالية السنوية (TUC) في بريطانيا قرارا اقترحته جمعية من الموظفين للسكك الحديدية (ASRS)، حيث دعى اللجنة البرلمانية للمؤتمر نقابات العمال (TUC) إلى تنظيم مؤتمر مشترك مع الهيئات الاشتراكية والتعاونية لمناقشة تمثيل العمال في البرلمان. عقد المؤتمر في لندن يوم 27 فبراير 1900، واتفقوا على وضع مجموعات مختلفة من أطراف العمال في البرلمان، و من مختلف الإيديولوجيات، واتفقوا على سياسة موحدة. لدعمه ماليا من خلال رسوم الانتساب. وانتخب رامزي ماكدونالد، العضو البارز في حزب العمال المستقل (ILP)، أمينا للتنظيم الجديد. كان يعرف هذا التنظيم باسم لجنة تمثيل العمال (LRC) واكتسب اسم حزب العمل بعد الانتخابات العامة 1906. ستناقش هذه الدراسة مراحل تطور حزب العمل البريطاني من 1906 حتى اندلاع الحرب العالمية الأولى.

The 1906 election was a landslide victory for the Liberals, who secured 400¹ seats. The Conservatives fell out under Arthur Belfour over the issue of tariff reform.² In Parliament, under the Liberal Prime Minister, Campbell-Bannerman (and after 1908, Asquith), the Labour and Liberal parties worked in concert. The first fruit of these couple years was the Trades Disputes Act of 1906³, which ruled that unions could not be considered liable for damages because of strikes, which Taff Vale had thrown into doubt.

Despite the Liberals ideology of free market and Laissez- faire, they now accepted that they needed to introduce social reform in order to deal with some of the most serious problems of the day. Under the influence of Joseph Chamberlain, the Liberal Party had begun to re-consider its placement on social reform in the 1870s. The 'New Liberalism'⁴ attempted to create an interventionist role for the state while still keeping a devotion to private enterprise. By the conclusion of the nineteenth the Liberals realised that to win they had to develop this aspect of their policies. Despite the new vision, the Liberal Chancellor, Lloyd George avoided making any specific commitment regarding welfare reform.

Labour played a part in the implementation of social reforms in response with the Liberal government, and the latter introduced a series of welfare reforms between 1906 and 1914, such as the introduction of school meals, which enabled local authorities to provide free school meals, and was not made compulsory until 1914 - the extension of the scope of workmen's compensation that granted compensation for accidents at work, and a slight increase in expenditure on unemployment relief works. Old Age Pensions were introduced in 1908, and in 1909, a system of voluntary labour exchanges was established to help the unemployed. A National Insurance Act in 1911 made it compulsory for both employers and employees to contribute to a government fund from which benefit could be paid in the event of sickness or unemployment.

But bigger projects made much less progress. In 1907 the Party deposited its 'Right to Work' Bill, which called on the government to increase expenditure at times of slump in order to offset increased unemployment. In 1908, the Minority Report of the Poor Law Commission, written largely by Fabian Beatrice Webb and Labour MP George Lansbury, made suggestions for sweeping changes in social policy, including the abolition of the Poor Law and the prevention of poverty through comprehensive social reforms.

But, aside from old-age pensions, which were introduced in 1908, this too was mostly neglected by the Liberal regime. The Liberals were certainly not being pressured to enact legislation by the Labour Party.

The 'new Liberalism' of the period after 1906 carried with it many of the social attitudes of the 'old Liberalism'. There was, for instance, the same insistence that the working class consisted of two different groups—the respectable working class and the rest. The reforms were designed at the 'respectable' working class. The Old Age Pensions, for example, were not to be paid to anybody had failed to work for his own maintenance. Also excluded were those who had been imprisoned for any offence in the ten years prior to their claim. This included anyone imprisoned because of involvement in strikes and political activity, and was aimed as a control device on working class behaviour. In the same way, the introduction of national insurance was directed at the workers, but did nothing for the unemployed. In general, the aim of the reform was to save the 'respectable' worker, and to detach him from the appeal of the Labour Party. For example, in 1909 Winston Churchill, President of the Board of Trade in the Liberal Government explained the thinking behind workmen's insurance:

“The idea is to increase the stability of our institutions by giving the mass of industrial workers a direct interest in maintaining them. With a 'stake in the country' in the form of insurance against evil days these workers will pay no attention to the vague promises of revolutionary socialism”.⁵

With only 30 MPs, and the Liberals in reforming mood, the new Labour Party found it very difficult to make a distinctive mark on the House of Commons after the initial successes of 1906. Labour distinguished itself from the Liberals, not so much by its policies, but rather by its ability to see things from a working class perspective. Despite their Lib-Lab MPs, the Liberals remained a predominantly middle-class Party with values and attitudes to equal.

The real problem for the Labour Party, between 1906 and the outbreak of the war in 1914 lay in translating this distinctive working class viewpoint into a clear political programme. In fact, up to 1914 there had been few differences between the policies of both the Labour Party and the Liberals.

The consequence was that many Labourites became discontented with the PLP's performance. The importance to the young Party of retaining the

support of moderate trade unionists militated against the adoption of overtly socialist policies. Only the matter got a source of intense debate inside the Labour Party. A further sign of discontent came in 1908, with the publication of a Ben Tillett's hostile pamphlet *Is the Parliamentary Labour Party a Failure?*⁶ Unemployment was rising rapidly and, for Tillett, it was here that the Party had to make it stand, on moral and political grounds. Nevertheless, the Labour Party resisted the calls to adopt a more clearly socialist stance. With the affiliation in 1909 of the Miners' Federation with its Lib-Lab traditions⁷, the Party went further away from socialism.

In whatever instance, the Party was going even more union-dominated at this point. TUC membership rose in the first decade of the twentieth century by 38.5 per cent to 1 662 133, and the percentage of members affiliated to the Party also increased. Since mid-decade the membership of the socialist societies was rising, the unions formed 97.5 per cent of Labour Party membership in 1910 as opposed to 93.9 per cent at the formation of the LRC in 1900.⁸

The most significant development in this field concerned the miners. The MFGB was the largest union in the country, with over half a million members by 1908.⁹ The weakness of the new Party, with little funding provided by the unions, was demonstrated by the Osborne Judgement of 1909.¹⁰ During this year a Liberal trade unionist and member of the Trade Union Political Freedom League, W. V. Osborne, with the full backing of the employers, took legal action against the Amalgamated Society of Railway Servants for using its funds for political purposes. After success in the Appeal Court, the issue was brought to the House of Lords. The Law Lords upheld the appeal, and declared in the Osborne Judgment that it was illegal for trade unions to finance Labour candidates or indeed any political objective, yet another example of legal interference in trade union affairs. At this time, there was no individual membership of the Labour Party, which relied overwhelmingly on affiliated union fees. The judgement threatened one of Labour's main funding sources, served to paralyse the Party's activities, whilst exiting the other parties virtually unscathed. This was particularly damaging to the Labour Party as its patrons were mostly shorter than those of political parties.

To build things worse, Labour was soon confronted with a general election. The 1906 Parliament, with its massive Liberal majority, might have

been expected to run until 1912 or 1913, but in 1909, David Lloyd George, who had succeeded as Chancellor of the Exchequer when H. H. Asquith had succeeded Campbell Bannerman as Premier the previous year, introduced the "people's budget" which had designed to pay for the Liberal welfare reforms to limit the veto of the Upper class, Asquith dissolved Parliament.

About 40 of Labour's 78 candidates were victorious, more than in 1906, but a net loss of five seats on its pre-dissolution strength. Significantly, only one of Labour's successful candidates faced Liberal opposition. Overall, the Liberals lost heavily, emerging with 275 seats to the Conservatives' 272. But Labour did not really hold the parliamentary balance of power. There could be no question of them allying with the Conservatives, so they were forced, willy-nilly, to back the Liberals; and, still more significantly, the Liberals had the greater strength of the 82 Irish Nationalists to back them.

A second election soon followed. The budget was passed, but the government was eager to deal with the House of Lords as well, and could only do so with a fresh electoral mandate. At the December 1910 election, Labour, more strapped than ever by the Osborne Judgment, could field only 62 candidates; it emerged with 42 seats. The other parties' positions scarcely changed — the Liberals emerged with the same number of seats as the Conservatives, but were safe in power because of Irish and Labour support.

Labour's position in the period between the end of 1910 and the outbreak of the First World War just over three-and-a-half Years later did not suggest that the Party was about making a major leap forward. Performance in by-elections was poor; indeed, Labour lost four seats. Three of these were north Midland mining seats where there had been no Liberal candidates in 1910 but where Lib-Labbism remained a potent force. In eight other seats, Labour put up candidates where it had not done so in December 1910, all came last. Evidence from local government elections offers a somewhat less bleak picture. In some areas, at least, Labour was capable of gaining votes from the Liberals. In every year between 1909 and 1913 Labour made a net gain of seats, with especially strong performances in 1911 and 1913.¹¹ But still the image remains of a third Party struggling with no great success to establish a greater presence in most parts of the country.

Of course, not all working men were entitled to vote: some 40 per cent was still disenfranchised by the registration clauses attached to the Reform Act of 1884¹² in which Gladstone introduced his proposals that would give

working class males the same voting rights as those living in the boroughs. This measure gave the counties the same franchise as the boroughs. Nevertheless, the harsh reality for Labour in this period was that most working people who possessed the franchise still voted for the other two parties, and mostly for the Liberals. Labour's weakness in Westminster derived from this fact.

When Barnes fell ill in 1911 MacDonalld retired from the Party secretary ship in favour of Henderson and took over the chairmanship from Barnes. This was a development of considerable significance. MacDonalld was a man of charisma and style, a fine orator and had clear electoral appeal. Also, he was a master of organisation and strategy and had a coherent ideology. His aim was to stress the points of contact between an evolutionary form of socialism with, on the one hand, the trade unionists who made up the mass of the Party and, on the other, those 'progressives' who were still in the Liberal Party but who, on many matters, were close to the Labour perspective.

Labour's consolidation was helped out by two parts of legislation passed in reaction to the Osborne Judgment. The first, in 1911, Labour now found itself relying on the Liberals to legislate against the ruling- the Osborne Judgment. In 1911, the Liberals introduced an Act to provide salaries for MPs for the first time,¹³ which removed a burden from sponsoring organisations mainly unions which previously had to find the money for MPs' wages. This went towards rectifying the problem; the second was the Trade Union Act of 1913 that the Labour had been waiting for a long time overturned the Osborne Judgement in 1913.¹⁴ All of this reinforced Labour's parliamentary dependence on the Liberals.

Many Liberals hoped these complexities would create an obstacle for Labour, but, in fact, the Act now clarified the relationship of the Labour with its partners. The clarification of the legal financial relationship between Party and unions was especially important given the considerable expansion of trade unionism during this period. TUC-affiliated unions had had 1 200 000 members in 1900. This rose by 37.3 per cent in the next ten years, and then by a further 62.8 per cent between 1910 and 1914, when membership stood at almost 2 700 000.¹⁵ This increased rate of expansion after 1910 was due to two main causes. First, it was a period of trade prosperity. Second, many members were recruited around the time of the major industrial disputes of the period. These included, among others, a short national railway strike in

August 1911, which resulted — at last — in the recognition of the rail unions of the railway companies, and a national miners' strike early in 1912. This expansion benefited the Labour Party. Its trade union affiliated membership rose by a third to 1 858 178 between 1910 and 1912. The immediate effect of the 1913 Trade Union Act, of course, was to reduce this figure somewhat, given the 'contracting out' clause. Even so, membership was still over 1.5 million in 1914. But trade unionists were still only a minority of workers.

After 1910 another strategic option appeared. The failure of the Liberals to deal with contemporary social problems was reflected in another 'explosion' of trade union activity. This trade union's explosion and the growth of a militant women's movement claiming the right to vote represented the re-birth of direct action. Alongside women prominent at the national level, like Katharine Bruce Glasier, were women at the grassroots, who could play a significant role. For many, socialism was the appeal; for others, Labour seemed the most likely Party to push for women's suffrage.¹⁶ As pressure grew from women's groups for the vote and for greater rights in trade unions, so Labour came to take these issues more seriously. In 1911, when the government introduced a franchise reform bill, which did not include women's suffrage, the Labour Party conference declared that this would be unacceptable. This led to greater co-operation between the Labour Party and the moderate National Union of Women's Suffrage Societies (NUWSS), and many Liberal women began to see Labour as the better bet on this issue. Ultimately, the NUWSS set up a fund to support Labour candidates in by-elections where there was no pro-suffrage candidate.¹⁷

Despite these attacks and difficulties, trade union membership had grown to two-and-a-half million by 1910. This was to result in a growth of syndicalist and semi-syndicalist tendencies in many unions, a rejection of political parties, and the belief that trade union action alone was sufficient to resolve workers' problems known in Labour history as the "Great Unrest".¹⁸ The Liberal Party was inadequate to meet the problems of the British society and the post-war Labour Party was to be the main beneficiary of the Liberals' difficulties after the First World War.

Footnotes:

- ¹R, J. ,White, *A Short History of England*, Cambridge University Press, Great Britain, 1987, p. 276
- ² Juliet, Gardiner, *the Penguin Dictionary of British History*, Penguin Books, England, 2000, p. 653
- ³ A., Mabileau, et M., Merie, *Les Parties Politiques en Grande –Bretagne*, Troisième Edition, Presse Universitaires de France, 1970, p. 23
- ⁴ New Liberalism, most Liberals today believe that, though taxes and regulations, the government must seek to improve the economy and society. M., J., Arquié, R., Henry, C., Poiré, M., Puyjarinet, L., Roesch, & M., Sérandour, *A Glossary of British and American Institutions Politics, Education, Culture, Social Services*, Armand Colin, Paris, 1997, pp. 201-202
- ⁵ David, Thomson, , *England in the Nineteenth Century 1815-1914*, Penguin Books, England, 1991., p. 194
- ⁶ David, Thomson, op. cit., p. 194
- ⁷ Samuel, Beer, *Modern British Politics*, Cambridge Mass, London, 1969, p.114
- ⁸ Ibid
- ⁹ John, Stevenson , British Society 1914-45, Penguin Books, England, 1990,p.50
- ¹⁰ Ibid
- ¹¹ John, Stevenson , op. cit., p. 190
- ¹² Danièle, Frison, Nicole,Bensoussan, & Wesley,Hutchinson, , *Civilisation Britannique Documents Constitutionnels*, Ellipses, Paris, 1993., p.204
- ¹³ David, Thomson, op. cit., p. 197
- ¹⁴ Ibid
- ¹⁵ Ibid
- ¹⁶ Eric, Shaw, *The Labour Party since 1945*, Blackwell Publishers, Oxford, UK, 1996., p. 04
- ¹⁷ Ibid
- ¹⁸ Anthony, Wood, *Nineteenth Century Britain 1815-1914*, Longman Group Limited, UK, 1982., p. 577

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- 1- White, R, J., *A Short History of England*, Cambridge University Press, Great Britain, 1987

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- 9- Shaw, Eric., *The Labour Party since 1945*, Blackwell Publishers, Oxford, UK, 1996.
- 10- Wood, Anthony., *Nineteenth Century Britain 1815-1914*, Longman Group Limited, UK, 1982.