

THE GENERAL ELECTION AND BRITISH FOREIGN POLICY

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THE results of the British General Election are likely to mean a change in the whole international situation.

British and French reaction have been the firm basis on which European reaction was built. That basis is now shaking, and the election results reveal its approaching fall.

Internally, the results mean that Britain is no longer in proud and secure isolation unshaken by the currents agitating Europe, but that Britain is now reduced to the same situation of chronic parliamentary crisis, party deadlocks, shifting combinations, and all the time the growing working-class challenge. Britain is made part of Europe and social and revolutionary politics begin in Britain.

Externally, the results are immediately even more important. The whole fabric of British foreign and imperial policy is profoundly shaken and an entirely new set of forces is likely to come into play. How immediate will be the changes will depend on conditions: but there is no doubt that a change of immense significance for European history is about to take place. The full force of this change affecting the whole line of development of world capitalism demands to be understood in relation to the whole position of British capitalism after the war.

British Capitalism After the War

British capitalism has been in a position of extreme difficulty since the war. The triumphant crushing of the hated German rival, and the apparent establishment of the British Empire on a basis of undreamt of strength, very soon turned out to be a barren victory. In the place of the German rival, two new rivals were found to have arisen, each more formidable and unyielding than the German: on the one hand, the French hegemony of Europe;

on the other, the American hegemony of the world. At the same time the British Empire was weakened by internal divisions and the growing strength and independence of the Dominions.

In consequence, since the war, immediately after the elation of the boom of prosperity that first succeeded to the war and then burst like a bubble, the British bourgeoisie has been engaged in a desperate struggle in four great spheres.

First, in relation to the Empire and the world leadership of finance.

Second, in relation to the Empire and the formidable disruptive tendencies within it.

Third, in relation to France and the leadership of Europe and the Near East.

Fourth, in relation to the Labour Movement at home and the threat of revolutionary tendencies.

In three of these spheres—America, the Empire, and the Labour Movement—the bourgeoisie has succeeded for the moment in maintaining its position at a heavy cost. In the fourth, Europe, it has failed.

In relation to America, Britain has succeeded in maintaining its financial credit at a terrific cost, though the old financial hegemony and the old naval supremacy is lost. The pound still keeps near the level of the dollar, though of late months it has begun to fall. The price has been the ruinous debt settlement, involving the payment of thirty millions a year tribute for sixty years and the stagnation of British industry paralysed by dear money and resultant high export prices, and consequently now beginning to rebel and demand the path of inflation.

In relation to the Empire, the governing financial groups and military bureaucracy have succeeded in suppressing the universal war of revolt that swept through all the subject millions and in reaching some kind of an accommodation, however limited and insecure, with the growing self-assertion of the colonial bourgeoisie. The highest point of disruption was reached in the Chanak crisis, when some of the Dominions refused to answer the call of the London Government for war, and in the American-Canadian Treaty immediately after, which was signed with the deliberate exclusion of Britain. The patched-up settlement, based on no common

positive policy, but only on an undefined negative unity, and the immediate concession of limited economic and financial advantages, was reached at the Imperial Conference which has just concluded.

In relation to the Labour Movement, the ruthless capitalist offensive, which has cut wages by 50 per cent. and brought down standards far below the intolerable pre-war conditions, has succeeded with such fatal completeness in destroying for the moment all effective opposition as to have dealt a heavy blow to British industry by the virtual annihilation of the home market, with the result that a considerable section of the employers are themselves calling for a reversal of policy. The unconscious character of the working-class movement in this country, bred in the stable conditions of British monopolist industry without knowledge of the revolutionary class struggle, and the consequent combined corruption and stupidity of the Labour bureaucracy, made the workers, despite their instincts of resistance, an easy prey for the scientific capitalist offensive. Only in the last year has the tremendous growth of the Labour Party, and the first beginnings of a serious Communist movement, brought within view once more a real approaching menace from the working class.

But in relation to Europe, the British bourgeoisie, already thus heavily occupied in other directions, has met with complete and unmitigated failure.

Britain versus France

French diplomacy rapidly seized the character of the post-war period: the rule of military and economic force, the collapse of democracy, the dominance of the issue of revolution and counter-revolution, and the possibility, through the union of counter-revolution and the ruthless subordination of all normal prudential considerations to one objective, of the establishment of an economic, military, and political hegemony in Europe.

By the occupation of German territory and the assiduous demoralisation of the German Government and the establishment of a ring of client States beyond Germany France could establish effective control of almost all the coal and iron resources and a great proportion of the railways of Central Europe. By judicious subsidies and military missions, she could establish financial and strategic

leadership of the new States. On this basis she could establish a virtual dictatorship in Europe, based on a series of subordinate petty dictatorships, such as to-day, when it is complete, constitutes a system of power unparalleled in European history since the Napoleonic times—and with this difference from that period, that whereas the Napoleonic system was a system of the revolutionary bourgeoisie, unchaining the forces of bourgeois nationalism in Europe, this is a system of the bourgeoisie in decay, laying its dead hand upon the rising forces of the proletariat.

Against this system, the growth of which was viewed by British eyes with growing apprehension, the British Government found itself powerless to intervene, because it had no weapon. The only effective course for Britain to contest the French system in Europe was open alliance with Germany and Russia. But the British ruling class shrank from such association with the latent and actual forces of revolution and the class consequences that such a union might bring throughout Europe. Britain remained tied to the heels of France in more and more unwilling partnership.

The most versatile of British politicians, Lloyd George, increasingly recognised the necessity of such a course. He gave signs of this recognition at a very early period after the Armistice, and finally in 1922, when British industry was already in a desperate position, he staked all upon the attempt in the Genoa Conference. But the mass of British bourgeois opinion, not yet equally alive to the realities of what was happening on the Continent, was hostile to the attempt. He failed, partly through the obstacles placed in the way by the French Government, partly through the concealed opposition of the Conservative forces on whose support he had to rely. When this failure was followed by the still more resounding failure in the Near East through the victory of Turkish Nationalist arms over the British protégé, Greece, Lloyd George fell. The Conservatives took over the Government under Bonar Law with Curzon continuing as Foreign Minister, now no longer under the very interfering thumb of Lloyd George.

Conservative Policy

The new Conservative Government immediately revised the whole Lloyd George - Balfour foreign policy. Through the

Chancellor of the Exchequer, Baldwin, they effected an immediate unconditional settlement of the American debt on terms that aroused bitter and indignant comment even from its negotiators, without any attempt to use it as a bargaining weapon in relation to the European situation and inter-Allied debts and reparations. This was a surrender, out of which Lloyd George made heavy capital in the election campaign.

At the same time, in relation to France, the threatened Ruhr occupation, which Lloyd George had staved off so far by protracted diplomacy, alternating with threats, was at once passively allowed to take place to the accompaniment of mild expressions of benevolent neutrality and polite agreement to differ on the part of Bonar Law.

In place of these directions of policy, the Conservative Government, and particularly Curzon, yielded themselves up to their most cherished objective—war on Russia. All forces were concentrated on this objective and a tremendous propaganda campaign prepared: but the skill of the Soviet diplomacy robbed them of this prey.

In consequence, within a few months the Conservative Government found themselves faced with failure in all fields of their foreign policy. In Western Europe all initiative was surrendered to France, thus destroying British credit in Germany. In the Near East the Lausanne Conference witnessed the humiliating surrender by Curzon of Britain's traditional rights and privileges to the Turkish Nationalists they had despised. The offensive against Russia crumbled to nothing, and the representative Rakovsky had to be received, even though the fastidious Curzon refused to meet in person the hated symbol of Russian success.

British prestige had now fallen to a low ebb. Defeat followed defeat. Italy, the faithful barometer of European politics, turned against Britain and openly defied her over Greece and the occupation of Corfu. Britain tried vainly to invoke the League of Nations, only to the disastrous discrediting of both. Never, it was currently commented, had British authority in foreign policy fallen so low since the days of Charles II.

The Premier, Bonar Law, was an invalid cruising in foreign waters to recover his failing health. His successor, Baldwin, was a new man without experience or authority. Curzon was—Curzon.

By August the menace to British industry through the French occupation of the Ruhr was so serious that the British Government attempted to take action. A Note was dispatched, informing France of the illegality of her action and its certain failure, threatening separate action by Britain, and reminding her of the debt on which no interest had been paid.

This attempt came to nothing. Whatever the causes, which are still obscure, whether through pressure of the Conservative forces at home, or uncertainty as to the next step to be taken, or expectation of the impending French success in the Ruhr and hopes of participation, Baldwin met Poincaré and publicly "made it up" with him on no basis whatever.

Immediately after came the German surrender and the French victory, which recently received its culmination in the agreement with the German industrialists. British attention now speedily forgot that it had ever officially declared the Ruhr adventure "doomed to failure" and began to concentrate on how to get a share in the proceeds.

One more attempt at intervention was made on the basis of the American President, Coolidge's, repetition of the Hughes offer for an impartial conference of inquiry on reparations. French determination, undeterred by Baldwin's pathetic entreaties to think "once, twice, and thrice," rapidly defeated this offer.

The Liberal Attack

The discomfiture of British policy was complete. The Lloyd George camp, the National Liberals, and the National Conservatives (if the latter name may be used for the Birkenhead-Chamberlain-Balfour combination that allies with Lloyd George-Churchill), as also the Independent Liberals, lost no opportunity to make capital out of this failure. Britain has suffered "a sorry rebuff," declared Lloyd George. "It is the Empire snuffed out of Europe." "It almost seems," declared Asquith, "as if Great Britain has ceased to count among the Great Powers of the world."

Liberal opinion (followed as usual by the Labour leaders) declared openly for a break with France and for association with America to win France. "Our problem," declared Keynes, "is not how to co-operate with France but how to defeat her." "We

cannot extricate ourselves," declared the National Liberal Fisher, "without the Washington Government's aid." Lloyd George went on a triumphant tour to America invoking American aid for a war with France. "The time is coming," he declared, "when the principles of Lincoln will be fought for again. When that time comes the American and British flags will be rallying centres in that struggle." Already, months earlier, the sixty-seven Labour M.P.'s had sent their cable to America to intervene "as the one hope of saving Europe": and resolutions against "French militarism" were the order of the day at Labour meetings.

The campaign on armaments which accompanied this war propaganda is notable. Against the Conservative policy of heavy battleships and the costly dock preparations at Singapore, obviously directed towards Empire sea routes and potential war in the Pacific with Japan and America, the Liberal campaign was all for aircraft and submarines—the two weapons in which France excelled. The old redoubtable Liberal strategists, Lord Fisher and Sir Percy Scott, pounded away at the folly of the heavy battleship and called for submarines, more submarines. Birkenhead, Lloyd George's ally in adventurist politics, specialised in the Air Peril and called for more aircraft to match France's equipment. Birkenhead also visited America on a triumphant tour, and found that "the one glimmer of hope in Europe's dark situation was the growing spirit of co-operation between the American and English peoples."

The Election Plunge

In this situation Baldwin was faced with a dilemma. He had to do something, and yet there was nothing that he could do. The Conservative policy in foreign affairs, of alliance with France, had come to a standstill, and yet the dominant forces of Conservatism still supported it, as the Plymouth Conference showed. A crisis in British industry with the fourth year of unemployment was approaching and there was no sign of a remedy. The industrialists were expressing open discontent. Working-class discontent was rising. Lloyd George was about to return from America and enter on a big offensive campaign. Every stage of delay and discrediting was playing into the hands of the Labour Party and the approaching menace of a Labour Government.

Faced with this intractable situation, Baldwin plunged. He called a short, sharp election—to catch his opponents before they were ready. He called it nominally on tariffs ; but that this was only secondary in his mind is shown by the extreme slowness and hesitation with which he proceeded later to define what he meant by tariffs. Tariffs might be useful as a bargaining weapon against France to secure a share in the proceeds of the Ruhr; tariffs might enable something to be done towards meeting the colonies' desire for Imperial Preference; tariffs might help to fight the American Fordney tariff. In any case, tariffs afforded a line on which to hold an election and claim absolution for all his failures and mistakes. So Baldwin went to the country—while Curzon remained at the Foreign Office—"owing to the urgency of the issues."

The Liberals immediately seized on the dissolution to attack in full force, and concentrated on the failure in foreign policy. The question of Protection and Free Trade compelled, in view of past associations, a temporary split of the National Liberals from the National Conservatives, but it is already clear that this split will turn out more apparent than real. But the united Liberal manifesto spent its whole preamble on foreign policy. "Co-operation with America" was its keynote; "prompt settlement" of reparations and "full relations" with Russia. Lloyd George gave his new militant campaign full play.

"You do not want protection against French mills," he declared, "but against French militarists."

And again, "Lord Derby said last night that French statesmen preferred to deal with Baldwin. I am sure they do." (Laughter.)

And again, "Mr. Baldwin has admitted that he cannot bring peace to Europe for some years. Then let him chuck up his job and make way for someone who can."

Against this the Conservatives' spokesmen declared that they could see no intention in the Liberal programme save war with France. "From the tone of the Liberal criticism," declared the Foreign Under-Secretary, Mr. McNeill, "it is evident that if that Party is returned to power the principal effect will be a breach with France." Whether that meant an alliance with Germany he did not know. In contrast to such a policy, "I shall endeavour to

maintain intact our friendship and alliance with those great nations by the side of whom we fought."

The Outcome of the Election

Thus the alignment of forces on the morrow of the election is for the moment comparatively simple and clear; and it is in the light of this alignment that the results are of exceptional interest.

The Conservatives stand for maintaining the French alliance while endeavouring to establish some recognition of British claims, by tariff or other means; for an anti-Russian policy; for Empire trade and development; for heavy battleships and naval bases, implying preparation for war with America. At home they stand for endeavouring to develop certain home industries by tariffs and for a hypothetical subsidy to agriculture; but in all else for a passive policy, continuing the present currency position, restricted unemployment relief, &c.

The Liberals stand for war with France, for alliance with America for this purpose; for recognition of Russia and probable alliance with Germany; for aircraft and submarines. At home they stand for the Federation of British Industries policy of inflation, or, as they term it, "a bold and courageous use of the national credit," to develop the country and the Empire as the solution for unemployment and the industrial stagnation.

In relation to these the Labour Party holds, or should hold, the key position. They alone are in a position to raise the class issue which dominates all others, to challenge the whole existing system, and to present a clear alternative. The working-class challenge and the issue of a Labour Government was the dominating issue of the election: and wherever it was to the front, all other issues of Free Trade, Protection, Liberalism, Conservatism, &c., were put in the background or openly coalesced in one bourgeois front.

But while the Labour Party is thus recognised as the representative of the working-class challenge and therefore an unknown, dangerous, and even revolutionary factor, in its actual expression it still follows its traditional policy of clinging close to Liberal lines. With the Liberals it calls for a break with France; with the Liberals it calls for the co-operation of America; with the Liberals it calls for the recognition of Russia; with the Liberals it proposes veiled

inflation. Its only distinctive proposals, the Capital Levy—confined to the redemption of debt—and the nationalisation of mines, railways, and electric power, are not immediate and have already been recognised as practically shelved for the present.

Thus in actual practice Labour and Liberal policy on immediate issues represent a single force (despite the complete divergence of the elements they represent, which prevents coalition even though the leaders on both sides have shown themselves not ill disposed to it). Nowhere is this more clearly the case than in the most typical expression of capitalist policy, the sphere of foreign affairs, where both make strongly for hostility to France and alliance with America. Labour expressions on both these points have been more emphatic than any. It was the group of sixty-seven Labour M.P.'s which sent the cable to the American President to intervene to "save Europe." It was on the very morrow of the election that the Leader of the Labour Party delivered his interview to the French public in which he informed them that "the British people are not well disposed towards France, and nothing would be easier than to rouse opinion against her," and proceeded to remind the French people of their debt to Britain. This interview, which aroused a storm on the Continent, repudiations from Vandervelde in the name of the Second International, and consequent statements in correction which changed nothing from MacDonald (as for the Second International, "we never have agreed, and we never will agree, to anything which victimises Great Britain in the interests of any other State"), was a significant warning to Europe of the future line of a Labour Government.

The result of the election coming upon this situation of the parties brings the issues to a clash. The electors gave a decisive majority for the Labour-Liberal side without yielding any single majority. They destroyed the Conservative majority, but left them the strongest single party. They handed over the proceeds of the Conservative majority to Labour and the Liberals, but divided them almost equally between them. The consequence is a situation without parallel in British Parliamentary history and of extraordinary value and fruitfulness for forcing the pace of political development. It means in effect that there is a decisive majority for change, but no majority for stable government.

In external policy it means that there is a definite majority for a complete change of policy. Whatever the Government that succeeds to the Conservative Government, whether Labour, Liberal, or Coalition, there is no question that that change will take place and will have far-reaching effects on the whole world position. For Germany, for Russia, for France, those results are of great importance. The recognition of Russia, the attempted economic settlement of Germany under the ægis of international (Anglo-American) finance instead of its subjection to France, the possible break and even war with France, all these are involved. But behind these is the impetus given to the working-class forces of Central Europe when once the reactionary fortress of British and French capitalism in the West breaks up, and the disappearance of Curzon, to be followed by the disappearance of Poincaré, and their replacement by Labour or Leftward Governments, diminishes the danger of intervention. Important as the results are for the existing States of Germany, France, Italy, &c., for the balance of power between the working class and reaction all over Europe they are even more important.

In internal affairs, on the other hand, it means a deadlock of forces compelling intensified conflict and forcing to the ground the class issue. The point has now been reached where all the tactics of the bourgeoisie, whether of division or coalition on their own side, whether of opposition or conciliation to Labour, only lead to the same result. Any form of bourgeois coalition strengthens the Labour forces, as the experience after the war abundantly revealed. Any form of co-operation or understanding with Labour only arouses the strongest class antagonism within the Labour forces, and thus intensifies the actual struggle, as the short controversy after the election has already shown. Finally, the admission of the only remaining course—a Labour Government—means the abandonment of the last great constitutional position and the consequent bare confrontation of the workers with the alternatives of either achieving their ends through the weapon thus won or seeing clearly set out before them the last stage in the struggle for power.

In any event, therefore, there can be no question of the significance of the election in the decay of British capitalism. In

world politics it means the turning of the tide in favour of the revolutionary forces, and at the same time the hastening of the approach of war. In home politics it means the first awakening of the workers to consciousness of the struggle for power. In both it means a visible stage nearer to the approaching epoch of revolutionary struggle. The attempt to shore up British society on a basis of pre-war stability has failed. Britain is faster and faster being brought into its place in Europe to play its part in the common revolutionary epoch.