

Naval expenditure had risen sharply during the past few years from slightly over £24 000 000 in 1898-9 to £31 869 500 for 1906-7.¹⁶⁴ However, perturbed by the announcement of new German naval construction in mid-November 1907, the Sea Lords proposed their own ship-building programme in December which ran to over a million pounds over the previous year's estimates. Before describing the radical reaction, it is necessary to discuss *why* the Sea Lords should have perceived the new German programme as a threat to British security. The reason was that the strategic situation by late 1907 made Germany the most likely future opponent in a war.

This had not been the case at the turn of the century. Selborne, then First Lord of the Admiralty, had advocated a 'Two Power' standard of British naval superiority based on the enemy fleets being France and Russia. Since then the cordial relations with those powers, including the *entente* with France in 1904 made this scenario less likely. The 'standard' had not been dropped, but the German fleet was known to be directed against Britain.¹⁶⁵ Moreover, given the anti-German bias in the Foreign Office,¹⁶⁶ and the famous memorandum by one of its officials released in January 1907 identifying Germany as the most likely enemy,¹⁶⁷ the alarm of the Sea Lords appears more explicable. Whether or not, as Keith Wilson argues, the Foreign Office deliberately overemphasized the German threat¹⁶⁸ - if anything, Germany feared British attack more than vice versa¹⁶⁹ - the Admiralty was determined to respond to the German programme. From 1908 on, the naval 'race' was underway.

With the Radicals, Asquith and even First Lord Tweedmouth alarmed by the size of the estimates, there was obviously going to be pressure on the Sea Lords to reduce them. During December 1907 CB was recuperating in France, at the coastal resort of Biarritz, and Harcourt wrote to him about the progress made by the 'economists'. The whole Admiralty Board had threatened to resign,

accompanied by F [dmund] Robertson and Lambert!¹⁷⁰ Robertson, with whom I had a talk on the train the other day, seems genuinely convinced that their proposals are the minimum necessary. This rather shakes me as he was always your supporter in opposition against big Navy Estimates. Of course the publication

of the new German programme makes some difference ... 471

The Radicals had, nonetheless, made a good case for reduction of naval expenditure. In November CB had been presented with a paper containing what First Sea Lord Fisher later admitted were incontrovertible facts as the basis for a petition demanding a cut-back on the estimates. The paper was signed by 136 Liberal MPs, and had been supported by the Radical Reduction of Armaments Committee.¹⁷² Early in the new session, the authors of this memorandum - Murray MacDonald and Sir John Brunner - announced their intention to move an amendment to the Address expressing their regret that the Government had not acted on the issue of arms reductions. The amendment was to be debated on Wednesday, 5 February. At an emergency meeting held the day before, the Cabinet decided unanimously to reduce the estimates by £1 340 000 to bring them below the 1906-07 figures. There was good reason for haste.

If the MacDonald-Brunner paper presented to CB in November were made the subject of a division in the House then the Government would be in a minority, for the first time since coming into office. A Cabinet subcommittee comprised of Harcourt, Lloyd George and McKenna was appointed to put the resolution into effect. The account of what followed was related by Admiral Fisher to Esher, and illuminates how disjointed the efforts of the Radical 'economists' were, even during the very first crisis over annual estimates. At 6 pm, a few hours after the Cabinet meeting, Fisher received a note from Harcourt asking him to go to his room in the Commons to discuss 'very grave and urgent business'. (He was asked to go via the Ladies' entrance to avoid detection.)

When Fisher arrived Harcourt said they had known each other for a long time, so he would be very frank. He explained that at the Cabinet held that afternoon it had been estimated that if MacDonald's motion were presented the Government would be outvoted by 100. Balfour, at Brighton, had asked the Unionists to vote for the Government but it was known that the Opposition MP's would vote for the amendment.¹⁷³ The Government had therefore decided to reduce the Estimates. Fisher objected that the Board had already agreed to a reduction of £750 000, and the Cabinet had already approved the figures. According to Fisher, 'Harcourt then adopted a tone which was arrogant and almost uncivil, intimating plainly that either 5 members of the Cabinet or the Board of Admiralty would have to resign'. To Fisher's argument that it would be hard to replace the Board, Harcourt retorted

that Lord Beresford was willing to accept the office of First Sea Lord. In that case, Fisher declared, since it seemed that everything had been settled, he had nothing more to do and would return to the Admiralty.

After his return, he received an invitation from Churchill to dinner. Lloyd George also came along and used the same argument as Harcourt, though in a more conciliatory manner. But Fisher stood firm, despite being told that Beresford was standing by and prepared to reduce the estimates by £2 million. He repeated that the 'irreducible' minimum had been reached. Next day, 5 February, he was informed by Lord Tweedmouth in a note that a special Board meeting was to be held at midday. Two hours before the meeting, Lloyd George's private secretary came over to request Fisher's presence at the Board of Trade. On arrival Lloyd George told him that if he agreed to a reduction *this* year he could have any sum he wished the following year. Fisher asked if Lloyd George would come over to explain the situation to the Board, and the Welshman agreed.

Back at the Admiralty again, Fisher advised the Sea Lords not to force the government's hand by threatening to resign, but the Board decided once more to adhere to the 'irreducible' minimum. Fisher then asked Robertson, who was on very good terms with CB, to explain the situation to the Prime Minister and to show him how 'impossible' it was to cut the estimates any further. CB duly heard Robertson out, then sent for Asquith, giving him the gist of what Robertson had said, in the latter's presence. CB announced that the estimates would stand, and Haldane would have to cut £300 000 off his figures instead. It was, as Esher rightly noted in his journal, 'a most curious episode'. It seems typical of Radical lack of *esprit de corps* and coordination that, as Fisher believed, the members of the Cabinet committee had made their efforts independently. Nor did Fisher mention to Lloyd George or Churchill his earlier interview with Harcourt.¹⁷⁴

Despite CB's decision the matter did not rest there, and it was finally agreed that there would be a compromise reduction of £400 000, with the estimates presented on an instalment basis. Eventually the Radical amendment was presented by MacDonald, on 2 March. It was rejected by a large majority, due to the anxiety caused by the new German naval programme. Yet there was still a great deal of sympathy for the Liberal 'economists' both in and out of the Commons. The problem was how

to effectively pool and direct these sympathies. In the event, it was never done. Despite his high hopes for the success of the Hague disarmament conference in 1907, CB had seen nothing come of it. Nor did he have any time left for any major contributions to the promotion of peace, at home or abroad. His speech in the Commons, and the Cabinet meeting on 13 February were to be his last.

Another heart attack confined him to the Prime Minister's residence, and he never fully recovered. CB resigned on 3 April, and Harcourt sent his condolences, noting that

... those who share your views will not fail to uphold your policy ... I shall always treasure as a most precious memory your many and unspoken kindnesses to me and mine, and your example will be an encouragement and inspiration to me in the future.¹⁷⁵

For the Gladstonian Liberals, the future was in fact uncertain. 'I am clear now', Charles Hobhouse admitted, 'that we cannot directly oppose Asquith for the present'.¹⁷⁶ Asquith, the former Liberal Leaguer, was widely tipped to be CB's successor.

Harcourt had no doubts about this. When he met his old friend Reginald Brett¹⁷⁷ on 28 January he expressed his conviction that

... Asquith, and only Asquith, is a possible successor to CB. Grey, according to him, has little influence in the H of C., and none in the country. Loulou is a reliable judge of public form.¹⁷⁸

On 29 April 1908 Asquith's leadership of the Liberal Party was formally ratified at the Reform Club, a week after CB's death. It was strongly hinted by the Radicals present at the Club that there would be strong opposition to sizeable increases in naval and military expenditure in future,¹⁷⁹ but the Cabinet reshuffle on 12 April had not materially tilted the balance of power in their favour.

It was true that Lloyd George replaced Asquith at the Exchequer, but he was not an 'economist' in the Gladstonian mould, like

Harcourt or Morley.¹⁸⁰ At the Admiralty McKenna, who had himself apparently been instrumental in securing Lloyd George's appointment in 1905,¹⁸¹ replaced the elderly Tweedmouth. Yet the exigencies of the post were also to show that from the 'economists' point of view this advantage was more illusory than actual. Nor did the young Charles Masterman, one of the supporters of Harcourt's small holdings policy,¹⁸² take over the Local Government Board from the unimaginative Burns: He had to be content to be its Secretary. Newly promoted to the Board of Trade, Churchill was initially a very active 'economist',¹⁸³ but again events were to show that this stance was only temporary.

The other former 'Lib-Imps' remained at their posts, while at the Colonial Office it was simply a Whig changing of the guard as Crewe took over from Elgin. Morley and Gladstone also stayed at the India and Home Offices respectively as did Ripon as Lord Privy Seal. Birrell remained Irish Secretary, while Balfour replaced McKenna at the Board of Education. Sydney Buxton remained Postmaster-General, and Sinclair in charge of Scottish affairs. Lord Carrington also stayed put at Agriculture and Fisheries. So, excluding the short-lived alliance between Churchill and Lloyd George on the need for reduction of naval expenditure during 1908, the most vocal opponents of increased naval estimates were Morley, Harcourt and Loreburn the Lord Chancellor.

The new Prime Minister might have had doubts about Harcourt's reliability because of allegations that 'Lulu' had leaked the details of the Cabinet reshuffle to the Daily Chronicle,¹⁸⁴ but it seems more likely that he simply regarded him as a Radical trouble-maker whom there was no reason to promote just yet. Thus Churchill, almost twelve years Harcourt's junior, received preferment. 'Lulu', Asquith bluntly told Esher, 'must wait his turn'.¹⁸⁵ Harcourt showed no pique at having been overlooked. Immediately after CB's resignation he had written to Asquith to express his loyalty and congratulations,¹⁸⁶ and the following Friday he stated that:

I am extremely happy at the Office of Works and am delighted to remain there: I have indeed no claims or pretensions to higher office and have much appreciated the opportunities I have been given for legislative work in the past - mainly owing to your

generosity to me in the matter of the Plural Voting Bill of 1906.

I am afraid you must be tired with your races across Europe and I fear there is not much prospect of rest for you for some time to come.¹⁸⁷

In effect, Asquith was preoccupied with Budget preparation on his return - since although Lloyd George was to replace him at the Exchequer he was still to present the financial provisions for the year himself. Moreover, early in the 1908 session the government had introduced controversial legislation like the Education Bill and Licensing Bill.¹⁸⁸ As promised by Harcourt, Scottish land legislation was to run the gauntlet of the Lords once again - Small Landholders and Land Values Bills. Also in preparation were an Eight Hours (Local Mines) Bill and Old Age Pensions Bill. Harcourt took a keen interest in the latter measure, and had asked to see the memorandum by Asquith on the subject of pensions. Because of his previous Treasury experience he had been allowed to see this memorandum, which had been prepared prior to the opening of Parliament, and was not generally available to the Cabinet.¹⁸⁹

As noted earlier, the Government certainly needed to make a favourable impression on the electorate with as much social reform legislation as possible: in early 1908 the political tide was turning against the Liberals. The trade depression begun in late 1907, the 'Rich Man's Panic', persisted into 1908 with the value of trade declining sharply compared to the previous year's figures. The trades most severely affected were those selling to the United States and shipbuilding reflecting the general contraction of world trade, coal and the cotton industry, whose Indian and Far Eastern markets contracted sharply. Unemployment figures climbed steadily month after month, and the annual average for 1908 - 1.8% of the working population unemployed - was worse than for any year since the depression of the mid 1880s.¹⁹⁰ Under these circumstances it was no surprise that the Government began to suffer electoral set-backs, losing hitherto 'safe' seats and being thrashed in the London County Council elections.

The reaction against the Liberals was as strong in middle class, working class and rural constituencies - only the Celtic fringe seemed

to remain loyal to the Government, anticipating the passing of licensing and education bills. There was a disturbing possibility from the Liberal point of view, that the adverse economic conditions would breathe new life in what Harcourt had once described as the 'hydra-headed monster' of tariff reform.¹⁹¹ In the earlier part of the session Harcourt spent considerable time ranging across the country to explain and defend the government's policies, and to defend free trade. In helping to defend an embattled ministry, he was perhaps more active on the platform than at any other time in his career, with the exception of the 'Budget' election of 1909/10.

Harcourt's speeches underlined, once more, his continued commitment to the preservation of free trade via his attacks on tariff reform. They also emphasized his unchanged attachment to the Newcastle Programme, the reforms of which he regarded not as an inspiration but an intention.¹⁹² At the annual meeting of his constituency's Liberal Council he was particularly vehement in his support of the Government's Licensing Bill - he saw drunkenness as a source of crime, poverty, misery in the home, and leading to the 'bestial degradation of mind and soul' and hence welcomed the Bill as a means of 'social regeneration'.¹⁹³ On the issue of the first major 'social' legislation - the Old Age Pensions Bill - Harcourt approved the non-contributory scheme pending an overhaul of the antiquated Poor Law.¹⁹⁴

Harcourt was a competent speaker, but was not considered to be one of the Liberal demagogues. Complaining about the paucity of effective Unionist speakers, one Conservative journalist wrote after the 1906 election 'What had we to set against Asquith, Grey, Haldane, Lloyd George or even Winston?'¹⁹⁵ Although Harcourt spoke at meetings rather more often than usual in 1908, his regular duties at Works still took up most of his time. He was spared the responsibility of having to administer the operation of his 1907 Bill. In a letter to CB he claimed that the Bill was going 'like wild fire' in the counties, and certainly there had been applications for land - 160 000 acres by March 1908,¹⁹⁶ but the successes were not unqualified.

There were over 14 000 small holdings created between 1908-14, and yet there was a net loss of holdings less than 50 acres in size during that period primarily because of urban encroachment.¹⁹⁷ As Offer

has pointed out, the lack of subsidies made it difficult to obtain holdings, and landowners, farmers and county councils did not make it any easier for would-be small holders. Free trade in land, as it amounted to, had only a limited impact. Very different from Harcourt's approach was the Development Fund Lloyd George incorporated in his 1909 budget. The Fund was to be financed by the Government and involved a far greater degree of State intervention in rural affairs. Moreover, to finance this fund he was prepared to dip into the Sinking Fund - something Sir William Harcourt had advocated only in time of 'great emergency'.¹⁹⁸

As yet, disagreements over this and other aspects of Lloyd George's Budget still lay in the future, and off-duty Harcourt proceeded to introduce some small holdings on his own estates, as well as restoring Nuneham's gardens to something of their former eighteenth century glory. His success was testified to by Lord Esher, who wrote to the King in 1907 that '[the] place [is] almost unrecognizable'. Orchard Lea, the beautiful Windsor home of the Eshers, was almost 90 minutes from Nuneham by car. Respected by the leaders of both major parties for his political knowledge and influence with the King, Esher formed part of what has rightly been described as the close-knit society which acted as a conduit for the transmission of political data, apart from its purely social function.¹⁹⁹

The car now made contact between off-duty ministers easier. Although not a minister, Esher was a member of the 'inner circle' and described a typical visit to Nuneham after a drive through Henley and over the Chilterns, the scene of large-scale military manoeuvres some three years earlier:

The Prime Minister was staying with Loulou and a large party - We [Maurice Brett had accompanied Esher] went through the gardens with Loulou. After luncheon they all started to motor up to Huntercombe for the inevitable golf. Possibly golf and bridge combined may help us to succumb to the Germans when the day of trial comes.²⁰⁰

This extract from the Esher journals gives a rather misleading impression of indolence, since there was no shortage of work for ministers

although they made the most of their leisure hours. As Harcourt knew the 'administrative grind', as Morley had put it, was the least attractive aspect of parliament. All the same, he wholeheartedly assisted in the debates over the government's Old Age Pensions bill. In his budget, introduced on 6 May, Asquith had made provision for pensions of five shillings a week for those of seventy and over. Sir Frederick Banbury was not the only Unionist who professed to be unimpressed by a non-contributory scheme which they questioned the State could afford. Lloyd George pointed to their successful introduction in Germany, but Banbury retorted that a 'foolish precedent' could be found for anything in the Commons. (Later, during the committee stage of the bill, Harcourt made the telling point that paupers could hardly have been brought into the scheme if it had been contributory.) When the order was made for the Second Reading on 15 June, Lloyd George vigorously argued against separate contributory and non-contributory schemes.²⁰¹

The Committee System which Harcourt had praised when it was used for his 1907 Bill did not prove as swift this time. The Committee stage began on 23 June, and because of the numerous amendments suggested - almost 200 - the guillotine had to be used time and again to speed up matters. Harcourt did not play a major role in the Committee stage, but did propose minor changes in wording, and sought clarification of the status of paupers in terms of the Bill. He objected to their not receiving aid on the grounds that they were disfranchised. The important thing for the sake of the paupers, and particularly the infirm paupers who stood to gain from the new legislation, was to determine their status in terms of the Poor Law Commission, which had yet to present its findings.²⁰²

While the Old Age Pensions bill was being dissected in committee, the Cabinet struggle over the annual Army Estimates came to a head. In terms of CB's earlier ruling the search for 'economy' would necessarily have to move in Haldane's direction since the Radicals had been unable to reduce the naval estimates to the extent they had hoped for. To placate the Radicals, Asquith had agreed to the formation of a Cabinet committee to review where further military 'economies' could be made - the trouble was, Haldane was not disposed to chop his estimates to the extent that the committee wanted. Its members were comprised of Lloyd George, Churchill and Harcourt. This seemingly formidable trio was, however, as in the case of the 1907-08 navy estimates, defeated once again.

On this occasion Churchill was Haldane's most relentless opponent, tirelessly collecting statistics to bolster his case for a considerable reduction in the estimates of 1909/10. For the opposing camp Charles Harris, Haldane's financial adviser at the War Office, undertook the defence of his chief's 'extravagance'. The lengthy memorandum produced by Churchill was debated in Cabinet on 22 June, and a few days later Haldane submitted his own, equally detailed, case for maintaining an adequate expeditionary force in case of emergency. Apparently it came down to a decision by a neutral arbiter. According to Harris:

In the upshot a Treasury man was told off to follow me back to the War Office and see if he could not pick holes in my figures. If he could not Haldane had won, and in fact we made good our case.²⁰³

For the Radical 'economists' there was still worse to come. When McKenna had assured Harcourt that there would be no increase to the 1907/8 estimates,²⁰⁴ he had not expected the Sea Lords to ask for such a large sum. This time, in the crisis over the estimates for 1909/10, he accepted the Sea Lords' estimate of the German capability to match British Dreadnought construction. Moreover, by early 1909, he had won Asquith over to his belief.²⁰⁵ Spearheaded by the formidable James Garvin, who had joined the Observer in 1908, Lord Northcliffe's newspaper empire was to produce its most concerted effort in support of the 'big navy' men prior to the Great War.²⁰⁶ Well before the start of the Unionist press campaign, the Radical pacifists in the Cabinet suspected the worst.

As early as December 1905 Loreburn had pointed to the 'inflammatory' articles indulged in by sections of the press in both Britain and Germany as a source of international friction which was as dangerous as the increasing expenditure on armaments.²⁰⁷ During the 1907-08 crisis Harcourt had referred to his detection of symptoms of a 'manufactured panic' which he had urged his constituents to ignore because of the overwhelming strength of the British navy.²⁰⁸ In one of his major foreign policy speeches at Rawtenstall, in his constituency, on 2 October 1908 Harcourt inveighed against the 'blatant sensationalism' of the 'yellow press', with its 'half-craven, half-chauvinistic claims'.

He made it clear that he referred to the press agitation

against Germany by insisting that Anglo-German relations had never been better during the last ten to fifteen years than they then were - in the commercial, colonial, political and dynastic spheres. The 'pariah curs' who maintained otherwise were the 'footpads of politics' and the 'enemies of the human race'.²⁰⁹ In its own way, this speech represented a Limehouse-like declaration against the 'big navy' faction in both the press and political world. The speech made a favourable impact in Germany, and Chancellor Bülow made a reciprocal speech expressing his similar view of the friendly state of Anglo-German relations, and provided the pro-Unionist Standard with the text of it.²¹⁰

During this same speech Harcourt had shown his belief in the 'Blue Water' theory of national defence - namely, that the navy would suffice to repel any threat of invasion. In view of his conviction of British superiority, he believed that any naval construction programme should be spread over a number of years. Yet it was precisely by what he described as a 'perfectly rational' proceeding that the 'big navy' lobby in the Cabinet by-passed the Radicals' opposition. Because of the importance he attached to the navy as the principal means of national defence, it is important to note that Harcourt did not oppose what he considered to be necessary construction. He was well aware of the non-military aspects of naval construction.

At a time of high unemployment, naval construction provided many with work. In late November, at a crowded Liberal meeting at Glasgow's St Andrew's Hall, Harcourt alluded to the £600 000 worth of destroyers launched on the Clyde. He then revealed that within the next few days the Admiralty would be placing orders for an additional £900 000, bringing the total to £1 500 000. This earlier announcement of the Government's naval programme was, he told his audience, part of its policy to serve both national defence and national employment. The intention was to provide relief for the locally unemployed.²¹¹ Not very much later, in December, McKenna presented the Cabinet with the Admiralty calculations of the future rate of German naval construction. Not unjustifiably, the 'little navy' men distrusted the figures.

These projections were based on the assumption that Germany could match Britain's Dreadnought capacity, and that by the spring of 1912 it would have at least thirteen ships of this class in construction, and maybe even twenty-one. By demanding eight Dreadnoughts for 1912

the Admiralty was maintaining a 16 to 10 superiority over the German navy. As Keith Wilson notes, the significance of this new 60% standard, which was not made public until 1912, was the abandonment of Selborne's 1901 Two Power standard based on superiority over the Russian and French navies. By defining 'naval supremacy' as supremacy over Germany, the Admiralty had effectively abandoned the British attempt to maintain universal naval superiority.²¹² At the time, however, the seriousness of the Cabinet struggle obscured such considerations.

Grey, McKenna, Runciman, Crewe and Haldane, the 'big navy' faction, were prepared to reduce the Admiralty's demand to six Dreadnoughts. The 'economists' would not accept more than four ships. This group was comprised of Lloyd George, Churchill, Morley, Loreburn and Harcourt. But it was not as powerful as it seemed because the latter trio did not coordinate with the Chancellor or Winston. Thus not only was the Cabinet itself divided, but so were the 'economists' who should have been working in unity. By the end of January, well before the opening of the 1909 parliamentary session, the public had become aware of the state of affairs in the Cabinet. In contrast to Haldane, Asquith was unperturbed.

On 20 February, five days after the King's speech opening Parliament once more, the Prime Minister wrote to his wife Margot that 'The economists are in a state of wild alarm' but there was 'no real danger in the Cabinet - both J. Morley and Loulou for various reasons being very disinclined to make common cause with the others. They go about darkly hinting at resignation', which he dismissed as a bluff, and added that 'there are moments when I am disposed summarily to cashier them both'.²¹³ As Churchill wryly put it, by the usual policy of 'compromise' on the naval estimates issue, it was eventually decided to build four Dreadnoughts at once, with the option of another four later if needed. The outcome was certainly influenced by the great naval 'scare' manufactured by the Unionists to derive political benefit from the Cabinet deadlock.²¹⁴

The Navy Estimates for 1909/10 were made to serve the Unionists as the Liberals had used Chinese labour in 1906. There was a receptive climate for such tactics, as proved by the flourishing 'invasion' literature, including Erskine Childers' Riddle of the Sands.²¹⁵ Every conceivable means of marshalling public opinion was employed.²¹⁶ The Unionist George Wyndham coined the slogan 'We want eight we won't wait',²¹⁷

and at a by-election in Croydon in March 1909, the Unionists increased their majority by 3 000. Factors aiding the Opposition's offensive were workers' belief that armament construction benefitted the working-class by providing employment - a belief Harcourt had encouraged - and the absence of conscription.²¹⁸

The final spur which prompted the Radical opposition in both the Cabinet and the back-benchers to agree to a 'contingency' plan - four Dreadnoughts at once and another four when needed - was the announcement in April 1909 of Austrian and Italian Dreadnought programmes. The Cabinet agreed to the building of another four Dreadnoughts on 21 July, by which time attention was focussed on the 'People's Budget'. So, in the end, the four 'contingent' battleships did form part of the 1909/10 programme despite Harcourt's memorandum,²¹⁹ and together with the five Dreadnoughts for 1910/11 this made a total of thirteen. By 1912, the Germans had built only nine Dreadnoughts. The 'economists' had lost all along the line.²²⁰ The outcome of the 1909/10 crisis therefore only exacerbated the unusually large peace-time deficit for the coming fiscal year, which Lloyd George estimated at £15 762 000.

The Chancellor was reluctant to spend more on the navy in the face of hostile public opinion,²²¹ but the general bellicosity created by the subsequent 'scare' had eliminated that factor from consideration. For the Radical pacifists the long-term means of stopping the accelerating naval rivalry now seemed to be via a political agreement with Germany, and the main Radical effort was thereafter channeled in this direction.²²² For Lloyd George, the immediate short-term problem was how to find the funds to prove that free trade finance could cope with the dual burden of enormous naval estimates and expensive schemes of social reform. Also, as he was well aware, he was presenting his first budget at a critical moment in the history of the Liberal Party.

Critics and sympathetic observers alike awaited the Chancellor's response to these challenges with great interest. The seriousness of the situation was outlined by a Liberal back-bencher who described himself as a 'friend and disciple' of the late Sir William in a letter to his son:

You [the Government] staked 10 millions on the Old Age

Pensions - 'on Tick' - and now it has to be met out of a bad year, with a Treasury weak in budget craft and a non-financial Chancellor of the Exchequer. I am really sorry for Lloyd George landed in so fearful a difficulty. Nothing but a direct intervention of Providence can save him or his Budget.²²³

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Lloyd George had no intention of leaving the outcome to 'providence'. The Budget he presented to the Commons on Thursday, 29 April 1909 took six months to prepare and had been closely examined by a generally hostile Cabinet for over a month beforehand. 'I have had to fight and bully and badger my way against everybody', he declared afterwards.²²⁴ This was not quite true: although illness forced him to miss most of the discussions, Lord Carrington thoroughly approved the Budget, and Asquith himself provided support in addition to having paved the way in the fiscal sphere, in his own budgets.²²⁵ Moreover, the Budget represented the implementation of Asquith's dictum in 1907 that the Chancellor 'ought to budget, not for one year, but for several years'.²²⁶ Yet, if in the end Lloyd George's colleagues let his Budget pass without major changes, this was because they had no alternative to offer: a 'tame' Budget was equivalent to political suicide.²²⁷

The emotive language - 'wretched', 'mutilated' - the Liberal Year Book for 1909 used to describe the Unionist 'record' to that time expressed general Liberal fury.²²⁸ The Unionist peers' selective use of their veto had driven the Government into a corner. In this sense necessity was mother of invention of the taxes incorporated in the Finance Bill for 1909/10. Lloyd George intended his Budget to stop the electoral rot - the loss of disgruntled supporters - and provide the revenue for social reform by by-passing the Lords' veto, rather than challenging it. Alternatively, should the peers reject the financial provisions for the year, they would finally have 'filled the cup' to the brim and provided the *casus belli* for a general election fought on the cry of 'people versus peers'.²²⁹

• Most of the fourteen Cabinet meetings held between 15 March

and 29 April were devoted to discussion of the Budget, and as Lloyd George subsequently recalled, Harcourt was one of its most persistent critics.²³⁰ From the outset, the main thrust of Harcourt's criticism was directed against the Chancellor's proposals for land taxation, and he also had his own ideas on income super tax. In the Chancellor's original proposals, there was to be a tax of one penny in the pound on the capital value of all land worth more than £50 an acre, and a tax based on one levied in Frankfort, Germany. Essentially, the 'Frankfort' tax was a levy on already valued land which, when resold or leased, was to be taxed on twenty percent of the increment of its value. The tax was also to apply to transfer on the death of the land's owner, and would be paid by the legatee.

Arthur Thring, the Government draftsman, provided Harcourt with details of these proposals in February, before the official Cabinet deliberations over the Budget. The Chancellor had gone largely his own way in drafting the Budget, and Thring was not very impressed by the land value taxes - his calculations indicated that they were 'very illogical' and would not bring in much revenue.²³¹ Three days later, on 26 February, Thring despatched a copy of the clauses of the embryonic Finance Bill, noting that they were still in 'very rough shape'. He hoped that 'some of them will be more intelligible hereafter, if there is any hereafter in store for them'.²³² Insofar as the Chancellor's taxes on the capital value of land were intended to hit landowners, Harcourt also had his doubts.

He did not belong to the Finance Committee set up to help prepare the land value duties,²³³ but had read the letters from three anonymous Liberals passed on to the Committee by Asquith in late January. The writers described themselves as 'loyal and active' supporters of the Government but were not enthusiastic about capital value taxes. The taxes would interfere with existing contracts between tenants and landlords for payment of rates and taxes.²³⁴ More significantly, in relation to Harcourt's own land legislation of 1907, the second major objection was the effects of these taxes on agricultural land. Tax was to be levied on mining royalties, ground rents and vacant land. Improvements of the property, like buildings, were to be exempted.

This meant that the owner of a large country mansion would

only pay the *same* tax as the small holder renting an equivalent site used for agricultural purposes. It was also argued that the rating of agricultural land ran counter to the legislative trend of alleviating the burden of taxation, and would jeopardize the success of the Government's Small Holdings and Allotments Act.²³⁵ In his reply to these and other criticisms, Lloyd George pointed out that the new tax would be treated as part of the property tax, which would exempt most of the country's land. Otherwise, the sum levied would, in individual cases, be very small. The increase of taxation of agricultural land did not form an integral part of his scheme - he had drafted an alternative clause to exempt it from valuation or taxation altogether.²³⁶

During the Cabinet meetings held in March, Harcourt criticised both the proposed taxes on undeveloped land and the expense involved in land valuation. He summarized his objections in a memorandum circulated under the title 'Difficulties of Administration which will be experienced by the Inland Revenue in working Land Valuation Clauses of the Finance Act'. On the capital value tax of one penny in the pound on undeveloped land, Harcourt pointed to the difficulty of distinguishing 'underdeveloped' as distinct from 'undeveloped' land. Even if a 'satisfactory' method of valuation was used, Harcourt objected to the burden imposed on 'senior interests'. This referred to the tax on estates which had increased in value, particularly in a hereditament where the senior interest was responsible for the entire payment.²³⁷

The effect of this method is to attribute land-value to a junior interest only when the total land-value exceeds the total value of the senior interests, and it would operate equitably only if the whole of the land value were prior in the date of its creation to the erection of the buildings. It is hardly too much to say that this assumption is invariably untrue, except as regards property of very recent creation, as there is nearly always a very considerable increment of land value which has been created since the erection of the buildings.

Via such arguments in defence of the 'senior' landlord, Harcourt was again showing his concern for the landowning class to which he belonged. At least half a box of his papers is devoted to various

criticisms of the technical aspects of the Chancellor's taxes, and in his critique Harcourt drew on concrete examples from his own estates, like Hinksey. All in all, he unadventurously concluded in his memorandum on land valuation, it would be easier to stick to taxes on ground rents and 'have done with it'. On the 'Frankfort' tax, designed to tap 'unearned increment', Harcourt believed that its effect would be to slow down traffic in land to be utilized for construction, although taxation of land values (TLV) was intended to make more land available on the market.²³⁸

The Chancellor and Harcourt in effect had quite different conceptions of the new land taxes - whereas the latter regarded the assessment of *unrealized* land values as a major difficulty which made the other problems - like expense²³⁹ - seem like 'child's play', Lloyd George envisaged the tax on capital value as an incentive for owners to develop land which had not as yet been used in the most profitable way. From the revenue point of view, Harcourt's reservations about the land value taxes proved to be justified. Moreover they discouraged the sale of undeveloped land, and tended to discourage would-be house builders and investors in buildings, although in the latter cases other costs like materials and labour and the availability of more secure forms of investment also acted as a deterrent.²⁴⁰ The capital value tax the Cabinet agreed to finally was a half penny in the pound on undeveloped land and minerals.

This excluded purely agricultural land, and a new tax added for Budget Day was a ten percent reversion duty on the value of any benefit derived by a lessor on the termination of a lease. The Cabinet decided that the proposed duty on undeveloped land was to be considered as a 'debt to His Majesty', and not - as Lloyd George had supposed - to be recovered by rent deduction regardless of any contracts. The alternative would be acquiescence to an unacceptable degree of State interference with existing contracts.²⁴¹ Despite Harcourt's objections, the 'Frankfort' tax passed through Cabinet largely unchanged, but he was more successful in the case of the estate settlement duties discussed in early April. There was to be a general increase of duties. Estate duties were to be raised from 7%-11%. Succession duties ranging from 0-5% were to be widened to 1-10%. The estate settlement duty was to be doubled - from 1% to 2%. The Cabinet agreed on this latter increase on 7 April, then disbanded for the Easter recess.

While making a 'lightning' visit to his father's retreat at Malwood in Lyndhurst, Harcourt found out that there had been a change of plan on the latter duty. He immediately wrote to Asquith:

My Dear Prime Minister, sorry to break into your brief holiday. You will remember that the Ld. Chancellor [Lord Loreburn], Crewe & I were deputed by the Cabinet to meet the C of Exch & Thring and discuss the C of E's first proposals on the Settlement Duty.

We did so, and the C of E agreed to drop his original rates, and to make the settlement duty 2% on the value of the settled property, instead of 1% as at present.

This was announced to the Cabinet and considered reasonable by them. I now find in the last draft of the Financial Bill just sent to me by Thring ... that cl 49 provides that the new settlement duty shall be 30% of *the amount of the Estate Duty* which is a very different thing ... I have worked out the duty on a typical estate ... now and hereafter I don't feel sure that the Cabinet have realized the savagery of the scale on men of moderate means.

I hope we may yet be able to reconsider it.²⁴²

One of Harcourt's colleagues who shared his views was Crewe, who had noted the previous Friday that:

The three-five-seven thousand [pound] men will be slaughtered if the suggested scale is maintained, and unfortunately this is just where the money comes in, so I doubt whether much concession will be made there.²⁴³

However, Harcourt's persistence paid off. Following his letter to Asquith, he despatched a memorandum on 13 April. The Prime Minister wrote back, informing Harcourt that he had pointed out to the Chancellor that the Cabinet had agreed on a 2% duty. In addition to asking Lloyd George to 'tone down' the middle stages of his scale, Asquith had also opined

that the petrol duty should be abandoned as 'quite unworkable'.²⁴⁴

Lloyd George did not drop the petrol duty, but did have to give way on the estate settlement duty. When he received his copy of Harcourt's memorandum, he was taken aback and sent off the following reply from his retreat at Brighton:

With reference to your memorandum of the 13th instant, I discussed the question of Settlement Duty again after our last Cabinet with the principal officials at the Treasury and came to the conclusion that a graduated proposal such as that embodied in clause 49 would be a more equitable way of dealing with the matter than by a flat rate of 2%, which would hit the small estate so much harder than the big properties. It brings in the same revenue as the 2% would ... I intended of course to inform the Cabinet, when Parliament reassembled and our meetings recommenced, of this suggested alteration, and at the same time to give my reasons for proposing it. I had not meant the Bill to be circulated until I had an opportunity of doing this, and I confess that I have been surprised to find in the meantime a copy has reached you. As a matter of fact, I had not even seen the Draft when I received your memorandum; so you had that advantage over me.²⁴⁵

It could not have been very often that a Chancellor of the Exchequer had not read a draft section of his own bill before a critic tackled him on some technical point in it! In this instance, Asquith had accepted Harcourt's argument, and generally, during the Cabinet meetings, conceded that the First Commissioner's criticisms were 'points of substance' based on considerable knowledge.²⁴⁶ Nonetheless, Harcourt was still not as proficient as experienced Treasury officials like Sir Robert Chalmers, and it showed. In seeking to protect the men of 'moderate means' the 2% estate settlement duty let large estates off more lightly than smaller ones, as Lloyd George had pointed out. Thus in practice a large landowner like Harcourt was left better off than the smaller estate owners.

Another of Harcourt's proposals which would effectively have meant a loss of revenue rather than a gain was that for super tax. Here Harcourt clearly had a personal axe to grind, because the super tax scheme he advocated during the Cabinet meetings in March were based on that of 1894, which Sir Alfred Milner had persuaded Sir William not to adopt. Irrespective of the scale used for this tax,²⁴⁷ Harcourt assumed an exemption on the first £5,000 of income. He thought this was essential, because any system whereby the taxpayer had to pay super tax over his whole income when it became greater than £5,000 would be violently attacked by one of the largest classes of income tax payer, and make the passage of such a tax 'almost impossible'. In reply to Harcourt's Cabinet memorandum Lloyd George circulated one by Chalmers on 31 March.

In this document Chalmers pointed out that exempting the first £5,000 would mean an unacceptably large loss of revenue. He estimated that confining the super tax rate of 1d steps per £5,000 blocks to incomes above the first £5,000 would mean a loss of about £50,000,000.²⁴⁸ He recommended exemption of the first £2,000 or £3,000, and Lloyd George successfully pushed for the latter scheme when he saw that the Cabinet would not accept his own proposal of a rate of 1s 6d in the pound on the whole income on incomes over £5,000. In Chalmers' scheme the rate was 6d in the pound on all incomes over £5,000, charged on the amount by which they exceeded £3,000. As during other stages of the Cabinet discussions Asquith decided in the Chancellor's favour on 6 April, to Lloyd George's delight, although Harcourt was not the only one who wished to exempt the first £5,000 from the super tax rate.²⁴⁹

Insofar as in its essence, despite alterations, Lloyd George's Budget had withstood the Cabinet's scrutiny without major change, the Chancellor had every reason to be satisfied with the outcome. He had, as Sir Almeric Fitzroy noted in his diary, worn down the opposition of colleagues like Harcourt. What the protracted Cabinet discussions had shown was that in his fiscal thinking Harcourt had made little advance since the 1890s. With the exception of his supertax scheme he presented no positive 'Radical' proposals in place of the various parts of the Budget he criticized. On the contrary, many of his objections represented a conservative retreat, in the guise of protection of the middle income brackets, from the redistributive principles that his father had embodied in his 1894 Budget. In this sense the Chancellor had good

grounds for suspecting that 'Lulu' was a 'mock' Radical.

Certainly Harcourt did not show himself as an 'advanced' Radical over the Budget, and if he had had less success overall in modifying the financial provisions for the year than he would have liked, it was not from lack of trying. Now, like other ministers, he could only await Budget Day and reaction in the Commons to the Finance Bill. Lloyd George's speech on 29 April was not regarded as a great success. The Chancellor spoke for over four hours, often almost inaudibly, and Balfour had to arrange a half hour break to enable him to rest his throat. Immediately afterwards Arthur Welby, who had worked with Harcourt during Sir William's tenure of the Exchequer in 1894-95, conveyed his impressions to Harcourt. He went along with the majority view that the speech itself had been unimpressive:

I have heard better statements. I thought the C of E had some Celtic eloquence, but he did not evidence it. His statement was clear, but that is all that could be said for it. He had not the grand round voice of your father the clear cut incisive tones of Joe, or the persuasive tone of Hicks Beach. In short I thought his subject overpowered him. He was too long, & he read too much.

Welby was 'rather dismayed', as he put it, by the substance of the Bill. He thought that Lloyd George's insistence on the need to provide for a large deficit was overly pessimistic:

The year is not going badly, & it seems to me unnecessary to take so gloomy a view ... I should have thought that he might at least have taken the actual of the past year as his basis. The worst year I ever knew was 60-1 when the revenue collapsed ... But Mr G. did not knock down his Estimate in the disheartened spirit of the present govt ...

Welby suggested that this might be the time to raid the Sinking Fund, ten millions he believed - if ever there was a justification for it, it was the 'great social measure' of old age pensions. Like Harcourt, he expressed 'misgivings' about the effect of the Budget on the Party's prospects '& what is dearer to me - free trade'. 250

The taxation proposed by the Budget fell into ten categories. The general rate of income tax was raised from 1s to 1s 2d in the pound, with no change for those whose income did not exceed £2 000. In the category of Death Duties the estate and settlement estate duties were raised. For legacy and succession duties there was a uniform rate of ten percent. On liquor licenses, publicans would pay a uniform charge of fifty percent on annual value. A graduated scale of taxation replaced the fixed duties 'hitherto applicable to brewers and distillers. Wholesale dealers' licenses were increased, and a separate retailer's off-license was introduced for the sale of spirits. Stamp duties were increased from 10s to 20s, affecting transfer on sale of property. There were new motor car taxes based on a scale proportional to horsepower. Doctor's cars were to be charged half the rates applicable to what was the 'rich man's toy' during the Edwardian period.

A new petrol duty of 3d per gallon was levied on all fuels, excluding the use of petrol for purposes other than car propulsion, for which there was a rebate. The land taxes were: 20% on 'unearned increment' of land, following land valuation; an annual duty of 1d in the pound on the capital value of undeveloped land, a tax of 1d in the pound on minerals; a ten percent reversion duty on any benefits to a lessor arising from termination of a lease. The Customs and Excise duties on spirits were to increase by 3s 9d per gallon, by about a third. Finally, the existing duty of 3s a pound on unmanufactured tobacco was to be increased to 3s 8d, with further additions to the rates for cigars, cigarettes and manufactured tobacco. Because of their complexity, the Budget proposals did not come in for immediate attack in the Commons, at least not to the extent that they did later.

In contrast to Liberal press acclaim, the Spectator took the line of the Conservative press generally in denouncing the Budget as a 'bad' one,²⁵¹ but this was to be expected since this was the first Finance Bill devised by a fiery Radical who had promised that he had 'hen roosts' to rob. During the Commons debate over the Budget speech, Bonar Law was one of the first Unionists to adopt the line of resistance that the so-called 'People's Budget' was in effect an attack on certain sections of the 'people':

Nobody doubts that the Government can raise the money

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Nobody doubts that the Government can raise the money

but we have always said, and we say now more strongly than ever, that you cannot raise it except by putting burdens on the individual which are absolutely unjust, and putting burdens on communities and trades which are bound to be ruinous in the long run to those interested.²⁵²

Yet, as Lloyd George himself admitted, at first the 'burden' on the 'interested' would not be so great. Many of the taxes could have little impact, and provide little revenue, during 1909/10. These included the super tax, the land taxes and the estate settlement duty Harcourt had fought for. Nonetheless, the landowners and brewers began to protest against the higher taxes imposed on them. The tariff reformers would also feel the pinch if the provisions for 1909/10 passed the House of Lords unscathed. The triumph of a free trade Budget, as the tariff reformers realized, spelt doom for their alternative fiscal policy. Organized resistance began in mid-June and the Budget Protest League was created, with Walter Long as its president. A few days later, the Liberals formed a far more successful counterpart in the Budget League.

The opponents of the Budget were not helped by the fact that the allegedly 'disastrous' free trade economy was also showing distinct signs of recovery.²⁵³ The swing against the Government during the four by-elections contested in July was well under half that during the previous twelve months. In the highly marginal division of High Peak (Derbyshire) the Unionists suffered a disappointing defeat, which local Conservative agents attributed to the Budget. On 16 July Lord Lansdowne hinted that the Second Chamber would not easily 'swallow' the Finance Bill, and a fortnight later Lloyd George provided a reply via his ultra-provocative speech at Limehouse in London's East End. After what his opponents referred to as the 'Slimehouse' speech he had to reassure Edward VII he had not sought to 'set class against class'. But there was no denying the speech's tremendously powerful demagogic appeal.²⁵⁴

With rejection of the Budget seeming to be more likely, the political temperature rose steadily, and Liberal speeches against the peers became more vitriolic. Harcourt needed little encouragement to mount a fierce verbal attack on the bogeymen of Liberal legislation. But he was not prepared to provide unstinting assistance to the Budget

League, and made this categorically clear to Jack Pease: when the latter requested him to make more speeches on the League's behalf. Harcourt frostily replied that he had already addressed two meetings, including a gathering of Manchester merchants barely a week after the Budget speech. Moreover, he had already committed himself to other speeches in Lancashire and at Derby. Noting that neither he nor the Cabinet had been consulted on the formation of the League and its subsequent demands on ministers, he concluded:

I reserve to myself absolutely the right to decide on the public meetings at which I shall speak. I do not admit the right of anyone to dictate to me when or where or for whom I shall speak.

If (which I think unlikely) the PM considers this attitude inconsistent with membership of his Cabinet he knows that my office is at his disposal at any moment for this or for any other reason.²⁵⁵

Since the request was to address at most two meetings in two months, this reply hinted at Harcourt's private attitude to the Budget, as distinct from his public stance. Harcourt's only concession to Pease was to have his previously scheduled speeches announced as supportive of the Budget (though not falling under the auspices of the League). Accordingly, at one such meeting at the Derby Drill Hall on 20 August, he contributed to the growing chorus of Liberal invective against the peers. Harcourt started with a reference to new land taxes and the rather 'incoherent squeals' of those who feared they might have to contribute to expenditure [on Dreadnoughts] which they had approved. He described the protestors as a 'motley and incongruous array' consisting of Dukes weeping over the market gardeners (laughter) ground landlords heartbroken over the builders, millionaires trembling for their clerks and the country gentlemen economizing on their charities (laughter). The fears were groundless - the increment tax had not been tried before in England, but had been successfully adopted in many of the urban districts of Germany and in other parts of the world. As far as he knew it had not ruined the landlords of those countries or plunged them into revolution.

Harcourt then mentioned the speculation concerning the fate of

the Finance Bill when it reached 'another place'. He believed that when the Budget had finally been shaped by the Commons it would reach the other House so sound in principle, so just in practice, so honest in intention that even the most 'vacuous hotheads' would hold their hands. If he wanted, absolutely and finally, to destroy the House of Lords - though he only wished to limit their power for mischief and adjust their relations with the Commons - he prayed that the Lords would reject or amend the Bill. He did not believe that the Lords would willingly, in defence of their own lands and their own pockets, and theirs alone, embark on the greatest constitutional crisis in 300 years. In his opinion, the Lords would - they must - pass this Bill. If not they would plunge the country and the constitution into chaos.²⁵⁶

The vehemence of Harcourt's attack on the peers in this and subsequent speeches tended to obscure the fact that he did not heap *detailed* praise on the Budget. Despite the modifications the Finance Bill had undergone in Cabinet, it was still committed to a redistribution of wealth which he regarded as a threat to the survival of the Government - and free trade - via its alienation of the electorate. Harcourt refused to 'stump' the country on behalf of the Budget League, and another sign of his real feelings about the Budget was the extent to which he referred to it in the Commons. Only once did he even mention it, and that was in reply to a question about an aspect of the Bill which affected his department.²⁵⁷

The Budget did not pass Third Reading until 4 November 1909, and was debated for seventy-two days and nights. There were several all-night sittings, the committee stage took forty-two days, and there were five hundred and fifty-four divisions. Whereas Austen Chamberlain led the attack on the Budget, on behalf of his disabled father,²⁵⁸ Harcourt's contribution was conspicuous by its absence. Although he did end up publicly endorsing the Budget in his speeches, this was because he was well aware that it represented the main alternative to tariff reform. He did not deny the Budget's capacity to provide revenue: as he put it to his audience at a meeting creating a new branch of the Free Trade Union in October, the Finance Bill threatened to postpone tariff reform indefinitely.²⁵⁹

By that time the Unionist leadership had reached the same conclusion,²⁶⁰ and this was the most attractive aspect of the Budget from

Harcourt's point of view. Yet the 'free trade' Finance Bill could be rejected, and despite his confident remarks at Derby and elsewhere, he and other Liberal ministers were seriously considering this possibility. From late July and August onwards Garvin and Acland-Hood, the Unionist Chief Whip, were strengthening Balfour's resolve, with tariff reform to be presented as an alternative fiscal policy which offered employment.²⁶¹ The effect of rejection was examined in a memorandum prepared by Sir George Murray, the Treasury's Permanent Secretary, on 7 September and circulated in Cabinet by Asquith.

Murray pointed out that as far as revenue was concerned there would be chaos, whatever method the Government used to obtain funds denied it by rejection of the financial provisions for the year.²⁶² Harcourt prepared a three page reply circulated next day, suggesting that revenue might be obtained via the immediate reintroduction after rejection - or 'suspension' - of a two-clause bill containing a tax duty and income tax. Even if this could not be done in the same session, Parliament would be prorogued on one day and reconvened on the next.²⁶³ For this step Harcourt cited an 1894 precedent, when there was only an interval of a week, from 5 to 12 March.

To further make good losses of revenue Harcourt suggested an increase of income tax - 1s 6d in the pound. The 6d could be removed after a Liberal win at the polls - if the Unionists won, they would have to maintain the rate, or introduce a tariff. The increase of direct taxation Harcourt advocated conformed to Sir William's views, since rejection would constitute the 'emergency' justifying it - and it certainly became clear by the end of September that this step could hardly be more unpopular than the indirect taxes like the spirit duty, which caused great resentment among Irish distillers and wholesalers.²⁶⁴ After rejection, Harcourt pointed also to the disadvantage of contesting an election on a 'stale' register, advocating instead a January election. The Cabinet agreed with him on this point since delay as Unionist observers realized, would suit the government.²⁶⁵

In another Cabinet memorandum Harcourt also pointed out that, contrary to Murray's contention, there was a precedent for a rejection of a Finance Bill: namely, Hugh Childers' Budget, rejected on Second Reading on 8 June 1885 on a motion by Sir Michael Hicks-Beach. What happened

then, as Harcourt showed, was that a roughly similar Bill was submitted the same session. Harcourt reiterated his belief that he did not personally envisage rejection or suspension, but the Government had to be prepared. Speed was of the essence, to pass a 'tax continuation' bill,²⁶⁶ and to get the new registers in England, Wales and Ireland operative as soon as possible and have Parliament prorogued.²⁶⁷

The fact that his proposals were ignored again illustrated Harcourt's limited influence in the Cabinet. It decided Commons resolutions were preferable²⁶⁸ in case of rejection of the Budget, which had dominated the political scene to the exclusion of all else during the 1909 session. It had contributed to the growing belligerence of the Irish nationalists. Yet they anticipated a possible showdown with the peers and, only one Nationalist MP voted against the Finance Bill on Third Reading. Despite their strained relations with the Government however, Harcourt remained *persona grata*. In a note to Harcourt on the eve of rejection of the Budget by the peers, John Redmond explained that he had enclosed a copy of his letter to Morley about the 'very serious situation' because 'I know your hearty friendship to Ireland and to the cause of Home Rule'.²⁶⁹

The situation was certainly 'very serious'. Once the Budget had left the Commons, it was doomed. As early as 13 August Balfour had informed Garvin to expect a general election in January. Tariff reform was the policy to be set against the Budget: 'tariff Reform - full speed ahead!'²⁷⁰ In a letter to Lord Lansdowne, the leader of the Unionist peers, Milner set out what was to be the Opposition's argument, namely that the Finance Bill was:

a constitutional monstrosity ... a gross instance of "tackling" ... our adoption of an unprecedented course was necessitated by the unprecedented character of the measure submitted to us.²⁷¹

During Second Reading in the Lords on 22 November 1909, Lansdowne stated that the peers could not assent to the Bill 'until it has been submitted to the judgement of the country'. Eight days later, the Lords firmly rejected the Budget by a massive 350-75 vote, embarking on a political gamble which, to some, seemed born of madness.²⁷²

VI

When Parliament was prorogued on Friday, 3 December MPs lost no time in taking their parties' case to 'the people'. Well before the official start of the election the campaign was underway. As in 1906, Harcourt contributed to the defence of free trade in Lancashire by stressing that a Unionist victory would mean the imposition of tariffs. At a Liberal demonstration at Rawtenstall on 4 December he rejected Balfour's pessimism about the state of the cotton industry, citing a declaration by a Mr Hindley Smith of the Lever Bridge Mills, Bolton, to the effect that during the last decade the number of British spindles had increased by nearly the entire total in Germany, and that the number of looms in England had increased by 16%.²⁷³ The comparison with Germany was selective.

What Harcourt did not point out was that the USA had outstripped Britain - by 1909 there were almost 200 000 of the leading make of Northrop looms in the States, compared to only 8 000 in Britain.²⁷⁴ However, insofar as Liberal speakers in Lancashire were largely preaching to the converted the accuracy of statistics was less important than the continued bogey of 'dear food' represented by tariffs. During his 'stump' of Lancashire in December, Churchill also hammered home time and again the crucial point that no tariff could be devised which could not strike a heavy blow at a cotton trade to which cheapness of production was vital.²⁷⁵ Harcourt did not make as great an impact as Churchill, whose activities worried the Unionists because of the general belief that the result in Lancashire would have a decisive bearing on the outcome of the election.²⁷⁶

The Liberal campaign was officially opened on 10 December, when Asquith addressed a packed Albert Hall as CB had done four years earlier. The Prime Minister referred to the Government's commitment to a scheme of full self-government to Ireland, but the most talked about aspect of his speech was his reference to 'safeguards' to ensure that the administration could proceed with its legislative programme. The King denied that this amounted to a promise by him to create enough peers to overrule the veto of the Second Chamber.²⁷⁷ So precisely what the Government intended to do about House of Lords reform remained uncertain during the election. Harcourt insisted in his speeches that it was 'impossible'

for the constitutional status of the peers to remain unchanged.

Yet, although the peers had proclaimed a 'parliamentary revolution', and were 'pathetic figures pantingly follow[ing] in the wake of an army they pretended to lead',²⁷⁸ he did not advocate complete abolition of the Second Chamber. He consistently supported the 'suspensory veto' plan outlined by CB to the Commons in June 1907. In terms of this plan, the peers could not delay legislation more than one session. After a maximum of three conferences,²⁷⁹ the peers' veto could no longer be applied. In the five-year Parliaments advocated by the plan, all controversial measures would have to be introduced during the first three years. This would leave two years for the Commons to deal with those 'minor, but valuable measures which ... were outside the category of party warfare'.²⁸⁰

The Unionist peers insisted they could put their own house in order, and Harcourt's views on the constitutional deadlock following the election will be described below. During the election itself, there was certainly fierce 'party warfare'. Parliament dissolved on 8 January, and the voting began a week later. The manifestos had appeared a few days earlier, setting out what each party considered to be the most important issues of the election. Asquith attributed the peers' rejection of the Budget to the Unionists' need to 'save' tariff reform. Harcourt fully agreed with this, although his additional assertion in one of his speeches that, apart from providing for the navy and old-age pensions, the Budget was a measure of distributive justice between rich and poor²⁸¹ did not tally so well with his earlier attitude in Cabinet.

The meandering Unionist manifesto described the attack on the House of Lords as 'the culmination of a long-drawn conspiracy', and stressed tariff reform as the means of promoting home industry and employment, and protection from 'unfair' foreign competition. The section which Harcourt particularly objected to was Balfour's criticisms of Liberal land policy, and specifically, the First Commissioner's small holdings policy.²⁸² In a speech at Darwen, Harcourt referred to Balfour's dismissal of the Small Holdings Act in the Unionist manifesto, denying once more that the Liberals had abolished purchase and insisted on tenancy.²⁸³ The bitterly contested election continued to 22 January, and adding to the general acrimony was the active participation of the suffragettes against the Government in forty constituencies.

The WSPU meeting at Hyde Park on 21 June 1908 had represented the limits of peaceful protest,²⁸⁴ and since then the suffragettes had decided on more direct action. Harcourt was one of the first Liberal ministers who took the brunt of the new wave of militancy, but he was not the only one.²⁸⁵ Sylvia Pankhurst recalled that during the series of meetings Harcourt held in Rossendale in late 1909 he was shadowed by window-breaking suffragettes:

The doors and windows of the house where he was staying were pasted over with posters depicting forcible feeding.²⁸⁶ The next night [no date given] eight men, with hose pipes attached to the main, were set to guard the premises, but the pipes were cut, and the windows broken nevertheless.²⁸⁷

The overall effect of WSPU pressure during the election, in Lancashire and elsewhere, was negligible despite the Labour Party's commitment to women's suffrage in its manifesto.²⁸⁸ Labour took an anti-Unionist stance on all major issues, and improved on its 1906 showing by obtaining 40 seats, 11 more than before. What the results revealed, according to the analysis of the election by Neal Blewett, was sharp regional differentiation. Urban, industrial and working-class areas tended to vote Liberal, whereas the opposite was true of rural, suburban and middle-class England.²⁸⁹ Class had not as yet displaced regionalism as the main determinant of Edwardian politics, when a vote for Labour still implied allegiance to apolitical working-class traditions, and where some of the strongest support for Unionism came from workers in predominantly 'middle-class' constituencies.²⁹⁰

The Unionist recovery in the countryside indicated that rural voters believed the Government intended to 'tax the land', whereas tariffs might restore prosperity in the countryside by keeping out foreign foods. Despite Liberal allegations of intimidation of labourers by their 'masters',²⁹¹ the rural votes for the Unionists were generally willing ones. Where the Unionists also seem to have gained was by obtaining the vote of usually habitual abstainers in an unprecedented turnout of 86.7% of voters in the United Kingdom, and 87% of all registered voters. Those percentages, the highest ever recorded in a modern British election, revealed the extent of public interest.²⁹² For the Government, it was a

somewhat pyrrhic victory: with 275 seats to the Unionists' 273, the Liberals now needed the support of Labour and the 82 Irish Nationalists. The massive majority of 1906 had vanished for ever.

VII

The result of the election in Rossendale saw Harcourt returned against the Unionist Kebty-Fletcher by 7 185 votes to 4 695. The turnout was almost 1 000 voters greater than in 1906, and the First Commissioner had actually improved on his previous majority by 271 votes, although the suffragist candidate, A.K.Bulley, had received 639 votes. Once again, Rossendale's electors had decided to vote Liberal. Soon after polling had ended, Harcourt wrote to the Prime Minister to congratulate him on his increased majority as well. Describing his own election campaign, Harcourt noted that the outcome had actually been less certain than the results indicated. He attributed this to the shortage of work, which meant that many of his electors earned less than seven shillings a week.

As a result, Harcourt wrote:

I found them saying "things are so bad they can't be worse - we will try a change". So serious was the position that we had to leave for two days meetings of workers and canvassers to explain to them the line to take with these people: on one day I had seven meetings of workers between 3pm and 10pm and spoke $\frac{1}{2}$ an hour at each meeting! But it all came right in the end ... I was surprised to find how little real *anger* there was about the H of Lords: all my people wanted to know was that we "meant business" and were not in for a compromise or sham fight, but they have no conception of a constitutional question. ²⁹³

Harcourt went on to mention the disappointing outcome of the election, and the 'very black' future, particularly in view of the funds Pease needed to contest another general election that summer, which seemed 'inevitable'. Harcourt partly blamed the Cabinet's dynamic Radical duo for the sorry situation:

I found all over the country that all LG's speeches and Winston's earlier ones (not the Lancs campaign) had done us much harm, even with advanced men of the lower-middle-class: they excited alarm in some minds and disgust in others, and probably account for the heavy losses in the South.²⁹⁴

If Harcourt was disappointed by the election results, so too was Asquith. As the First Commissioner had pointed out, this was not the right time to ask the King for a promise to create peers to swamp the Unionist veto. In conversation with Lord Knollys, Vaughan Nash, Asquith's private secretary, had given the impression that the King had not made up his mind about the creation of peers. Nash had reported this in mid-December,²⁹⁵ and since then Asquith had wondered how he would be able to make good his statement at the Albert Hall. The King actually welcomed the election results because they shifted the pressure from him to the Government, and on 25 January he had told Esher of his decision not to create peers. To Haldane he expressed his belief that a 'much more definite expression' of national opinion was needed before he could agree to such an action.²⁹⁶

By early February 1910, Harcourt had changed his mind about the matter of getting the King's guarantee. He actually wanted a House of Lords' Bill passed *before* the Budget, on the grounds that the prior passage of the latter would deprive the Government of its 'most effective grievance'. To force a House of Lords' Bill through, the Government would need the Royal guarantee. 'Our CB plan', he noted, 'at least leaves the constitution and the hereditary principle intact, though it restricts hereditary powers'.²⁹⁷ In both writing and conversation he tried to impress his views on Asquith. Thus Harcourt's scheme would, if necessary, entail a second election to be followed by a request for guarantees - even if the Liberal majority was no more than ten, he noted - and this meant that he placed the settling of accounts with the peers ahead of the voting of taxes.²⁹⁸

In fact the Cabinet was generally in favour of the passage of the Budget first, although Loreburn and Pentland agreed with Harcourt. More serious for the Government was the Irish threat of voting against it unless the peers' veto were dealt with. When the Cabinet did draw up veto proposals in response to this pressure, Grey threatened to resign, and McKenna, another pro-'reformist' threatened to join him.²⁹⁹ Haldane de-

vised a compromise solution in early April suggesting the creation of a Second Chamber based on a popular instead of hereditary basis, and which would allow the Commons to repeal restrictions on the peers' veto if it so wished in future. But Haldane's speech in the Commons on Thursday, 7 April elicited an indignant letter to the Prime Minister.

Harcourt wanted to make a verbal protest, but Asquith asked him to submit his complaint in writing. The First Commissioner objected to Haldane's reference to the veto resolutions and the reconstitution of the Second Chamber as part of an 'indivisible policy':

Haldane's speech has excited much misgiving and some mistrust in the minds of many of our own Party who share my views ... As I have deliberately abstained from taking part in the debate on the Resolutions (though invited by you to do so) partly on the ground of illness, but largely also, as I told you at the time, from the desire not to embarrass Grey's position ... I must reserve to myself the right at any time when I think it necessary to state publicly that I am not personally committed in policy to the views expressed in Haldane's speech. It is only in such terms that I could agree to the pious opinions of the Preamble of the Parliament Bill.³⁰⁰

The importance Harcourt attached to obtaining guarantees from the King was that it would placate the Irish, and also boost morale of the rank and file for the next general election.³⁰¹ He had no interest in reform of the Second Chamber, only the stopping of its veto powers, and pronouncements such as Haldane's could only obscure the issue and delay the achievement of this goal. Yet, anxious as Harcourt was to resolve the 'people versus peers' issue, the sudden death of Edward VII in his sleep on 6 May imposed a party-political truce. In a letter to Asquith, who was sailing on the Mediterranean on the Admiralty's Enchantress at the time, Harcourt conceded that it would be unwise of the Government to try to extract guarantees from the new King, George V. Such an attempt would incur 'much public odium'.³⁰²

To try to reach an amicable agreement, the Government and

Opposition agreed in June to meet in a series of talks. The administration was represented by Asquith, Lloyd George, Crewe and Birrell. Their Unionist counterparts were Balfour, Lansdowne, Austen Chamberlain and Cawdor. On the eve of the Constitutional Conference, Rosebery had proposed a compromise whereby in future the peers would claim no power to modify Finance Bills. Harcourt was unimpressed:

In all the talk of compromise I can find no basis of one: to offer us immunity for financial bills in the future is to give us only what till November last we believed we possessed - and would leave us with all our old & real grievances absolutely untouched ... We should therefore not indicate to Rosebery any prospect of compromise, but point out that the pressing of his resolutions *now* would compel us to proceed with our policy immediately and that he would be the precipitant of the crisis.³⁰³

In the event, the crisis which did bring about the failure of the Conference on 10 November 1910, after twenty-two sittings, was the failure to agree on Home Rule Bills. The breakdown of the conference did not dismay Harcourt, since it also meant that the Ripon plan based on inter-party negotiations would not now be displacing the CB plan.³⁰⁴ The possibility - not publicised - of a coalition had come and gone,³⁰⁵ and now the constitutional struggle would flare anew as the Government reverted to the plan of passing a Parliament Bill curbing the Lords' veto. The secrecy of the Conference had only fuelled suspicions among the less conciliatory on both sides that some sort of 'sell-out' might be in progress.

This belief threatened Austen Chamberlain's precarious hold over the Unionist tariff reformers,³⁰⁶ and had Harcourt found out about Lloyd George's coalition overtures, it would certainly have justified, to his satisfaction, the uncharitable remark to Asquith that the Chancellor (and Churchill) would be glad to get an excuse to desert a sinking ship.³⁰⁷ Yet the Government was stronger by the end of 1910 than in January. The Budget, passed on 27 April, was to have a profound long-term financial impact, and important immediate political effects.³⁰⁸ Tariff reform had lost support,³⁰⁹ and Liberal vetoists like Harcourt could now point to the

House of Lords as the major issue in the coming election. Since the Lords had adopted the Rosebery resolutions instead of agreeing to the Parliament Bill, they could be depicted as the incorrigible opponents of the people's will. Parliament dissolved on 28 November, in preparation for the second election in less than eleven months. By that time Harcourt had new, broader responsibilities in the Cabinet, as he began the most important phase of his career.

CHAPTER THREE

COLONIAL AND DOMESTIC IMBROGLIOS

'The Colonial Office covers much territory and involves many responsibilities.

- Lord Milner, 1907.

'I need hardly tell you how deeply touched I am at the fact that you consider me capable of and suitable for the Colonial Office'.

- Harcourt to Asquith, October 1910.

The Colonial Office was not one of the most sought after government posts. For the politically ambitious it was at best a stepping-stone on the way to more coveted appointments.¹ Although his promotion on 3 November 1910 marked the apogee of Harcourt's public career, not much importance was attached to the choice of Colonial Secretary. No special qualifications were demanded as a prerequisite for the task of managing the Empire's colonial affairs,² and during 1905-14 the last Liberal Governments focussed their attention on domestic affairs and Imperial defence. Likewise, public pride in Empire was accompanied by a general indifference to colonial affairs, except for the occasional crisis publicised by the press. In short, as a department the Colonial Office was something of a backwater.

Yet insofar as it regulated the mother country's relations with the self-governing Dominions as well as the Crown colonies, the Office also performed an important function. Harcourt took over the Office during the later stages of what Ronald Hyam has described as the watershed between the Empire of the nineteenth century and the looser 'confederation of independent nationalities' to be known as the Commonwealth.³ Harcourt's record during this delicate transitional phase of the Empire's development was a chequered one. He brought to his new appointment considerable administrative experience, and his handling of the Office's routine justifies Mansergh's contention in The Commonwealth Experience that he was underrated as Colonial Secretary.⁴ But it was in the broader sphere of policy formulation that Harcourt revealed his limited stature as a statesman.

Of his predecessor Crewe, Pope-Hennessy, his biographer, wrote that he was neither 'bold nor revolutionary' and Harcourt was equally cautious. This caution derived from Harcourt's commitment to the preservation of Imperial unity. The Dominions Department of the Colonial Office sought to avoid antagonizing the self-governing colonies for this same reason,⁵ and this defensive stance was the order of the day during Harcourt's tenure. The concern to preserve Imperial unity was itself indicative of Harcourt's change of attitude to Empire, and marked a movement away from the 'Little Englandism' of his youth. Making unity a raison d'être of policy entailed, however, the avoidance of any friction with the Dominions, which was not in itself a positive policy. But Harcourt believed it was essential to avoid 'rocking the boat' due to his conception of future Imperial development.

Harcourt envisaged an autonomous, but closely linked association of nations. He rejected the more formal, federal vision of Empire represented by the Round Table movement. Officially launched in 1909, the Round Table was the brain child of some of the bright young men of Milner's 'Kindergarten'. They had returned from South Africa after the reconstruction period imbued with the Imperial fervour of their mentor, and were more influential than their numbers suggested.⁶ By contrast, Harcourt was in favour of Imperial devolution rather than federation. As he saw it, this looser association of nations would still be closely bound by a sense of common kinship, of membership of the 'British race'. By pinning his hopes for unity on 'racial' solidarity Harcourt revealed a Eurocentric bias typical of his period.

The cooperation of the Dominions, in particular the Union of South Africa, was in Harcourt's opinion a justification of British faith in 'the genius for self government possessed by most white races'.⁷ Other races were not given any credit for the ability - let alone 'genius' - to govern themselves. Such thinking conformed to the prevalent ideology of the Edwardian period.⁸ Harcourt's emphasis was, and remained, on the constitutional and political development of the 'white races' of the Empire. These very definite ideas of what should form the basis of Imperial unity informed Harcourt's *modus operandi* throughout his term of office. The implementation of those ideas meant that, in practice, Harcourt was prepared to sacrifice black political and/or economic interests.

The Dominions governments' treatment of blacks was a sensitive issue, and attempted intervention by the Office would have negated Harcourt's objective of keeping the Dominions on good terms with the mother country. Thus there was a Janus-like aspect to Office policy: it followed the guidelines laid down by Lord Elgin (1905-08) and Lord Crewe (1908-10) in 'native' policy in the Colonies, but on the issue of black interests in the Dominions Harcourt elevated non-intervention into something of a doctrine.⁹ Aware of the ethnic and racial tensions simmering beneath the surface of the Pax Britannica, Harcourt brought all his considerable persuasiveness and diplomacy to bear on Dominions statesmen, and generally succeeded in maintaining an uneasy peace. The aspirations of the Empire's blacks were sacrificed on the altar of expediency.

For four and a half years - much longer than any of his successors up to mid-century with the exception of Leo Amery¹⁰ - Harcourt performed this intricate mediatory role between the Dominions and the mother country. Perhaps no other minister in Asquith's administration could have been so successful in avoiding any major rupture of relations during that period, although there was no shortage of controversial events.¹¹ Paradoxically, a large part of this success was based on *laissez-faire* on racial issues, which belied the humanitarian and egalitarian principles the Liberal Party professed to stand for. That Harcourt could be - and was - more liberal in his handling of the Crown Colonies' 'native' affairs was reminiscent of his ambivalent approach to controversial matters nearer home.

Perhaps little more could have been expected of Harcourt, because Colonial Secretaries of the post-Chamberlain period did tend to be efficient and conscientious, rather than introduce major new policies. With the exception of his positive efforts in the areas of preservation and colonial development, Harcourt did not diverge from this pre-Great War pattern. Even if the Empire's socio-economic problems defied easy solution, they were hardly likely to be resolved by the prevarication which Harcourt's subtle diplomatic methods represented. In the long-term Harcourt's passive Dominions policy was doomed to failure. That policy was based on an unrealistic, and over optimistic, conception of the future of the Empire.¹² With the benefit of hindsight, it is clear that Harcourt was defending a lost cause, because the centrifugal impulses within the Empire proved to be irresistible.

From the headquarters of the Colonial Office at 12 Downing Street, Harcourt was responsible for the colonial affairs of an empire which extended over a quarter of the earth's surface. At his spacious desk, flanked by a large globe, he annotated minutes and despatched instructions, using the distinctive red ink which was the prerogative of the Secretary of State. Due to illness, Harcourt only took up his duties in January 1911. Initially he was 'very depressed' at the thought of leaving Works.¹³ As he subsequently admitted to Under Secretary Sir Charles Lucas, 'I came to the C.O. with a nervous conviction that I was quite incapable of the work'.¹⁴ Despite these doubts Harcourt soon settled in at his new department, and began to show his grasp of the daily administrative routine.

Usually only junior staff arrived before 11am, and the working day ended between 7-7.30pm. A large staff was needed to cope with the enormous volume of correspondence. As Hyam put it, the staff annually performed a gigantic 'bottling' operation, processing 50 000 incoming despatches and telegrams into manageable minutes and recommendations for the Colonial Secretary.¹⁵ Not long after his arrival at the Office, Harcourt received a minute which was a year out of date! From then on, he had officials provide the year, month and date on all minutes.¹⁶ Total staff available to deal with all this work was about 125, of whom most were clerks of differing grades, and copiers, apart from the assistant of the Permanent Under Secretary and his superior. Harcourt brought his cousin Lionel Earle along with him from Works.

Earle was Harcourt's principal private secretary, and one of his assistant private secretaries was Ralph Furse, who replaced Charles Clay whom Crewe took with him en route to the India Office. Furse was a staunch Conservative, but was assured that he would not have to do any political work. In his memoirs Furse recalled that the clerks were not run-of-the-mill civil servants. They found the chance to grapple with tough problems sent to the Office a stimulating challenge, despite long hours and rather low salaries.¹⁷ Not that Harcourt delegated all tasks to his departmental staff. As Furse noted, his chief 'looked like an elegant dilettante, actually he was a hard and thorough worker'.¹⁸ Although he was on good terms with his staff, Harcourt seems to have appeared as 'enigmatic to them as to his Cabinet colleagues.

To cite Furse once more, it was only a chance remark by

Harcourt about the critically ill former Colonial Secretary Alfred Lyttelton, as they were driving back to the Office after lunch one day in 1913, that suddenly made him aware 'of a warm heart behind his habitually aloof facade'.¹⁹ However loyal and efficient junior staff were, an incoming Secretary of State was above all reliant on the considerable knowledge and experience of permanent officials. Excluding his brief spell as stand-in for Churchill in 1907, Harcourt had had little experience of colonial affairs, and so found this source of assistance very valuable. A key official was the Permanent Under Secretary, who not only supervised the Office's ordinary administrative business, but also provided advice to the Colonial Secretary on policy matters.²⁰

When Harcourt took over the Office, Sir Francis Hopwood occupied this post. Since his appointment in 1907 Hopwood had made himself virtually indispensable, and Harcourt was anxious to retain his services. Up for discussion at the imminent Imperial Conference was the proposed bifurcation of the Colonial Office, and on this and other matters Hopwood's expertise would be sorely missed.²¹ Hopwood himself wanted to stay on, and Crewe backed Harcourt's request to Asquith for Hopwood to stay. In the end Hopwood was seconded as temporary assistant for the Conference, but Harcourt lost the tug of war with Lloyd George.²² The seasoned Sir John Anderson proved to be a worthy successor to Hopwood, and Harcourt was to rely frequently on his advice. This was not a negligible factor in the decision making process.

In the following survey of Harcourt's impact on Office policy, it will be pointed out where his personal preference or choice made itself felt. Harcourt once jocularly described his position as that of a 'despot under democracy ... controlled only by his own discretions and by the sporadic curiosity at question time of friends or opponents'.²³ Apart from would-be critics in the Commons it was true that, like CB, Asquith gave his ministers virtual *carte blanche* in the running of their respective departments. But in dealing with the Office's internal business, Harcourt did not have unlimited freedom of action. The influence of senior officials was itself a constraint, insofar as their experience made it difficult for them to be overruled without good reason. This applied not only to permanent officials in London, but to senior officials 'on the spot' in the colonies.

Many of the matters referred to the Office were fairly trivial - in fact Harcourt had to deal with more of those than later Colonial Secretaries.²⁴ In this sense, he was simply acting as a rubber stamp, an individual at the apex of a vast bureaucratic pyramid. But on more important issues, like 'native' affairs, Harcourt had to proceed as if he had received *bona fide* information, unless provided with evidence to the contrary. He was only a 'despot' within the area under his *effective* control. He never left Britain during his tenure of the colonial secretaryship.²⁵ The Office's bureaucratic mills ground slowly - only proof of flagrant abuses of power, or gross incompetence, could speed up replacement of an administrator. Well aware of the limitations to his authority, Harcourt made use of *informal* and *unofficial* sources of information.²⁶

Just as junior officials in the colonies were expected to adhere to the instructions given to them by colonial governors so too did the latter have to bow to the directives emanating from 12 Downing Street. The chain of command could only be as effective as its component links, and reluctant obedience was frowned upon.²⁷ In general, however, there were few major clashes between Harcourt and his governors, although he did not necessarily sympathize with their difficulties. For example, when the new governor of Fiji complained in October 1912 of overwork and strain, Harcourt's soothing reply did not correspond with his internal note to Anderson.²⁸ When the governor of the Seychelles Islands asked for a transfer after thirty years of service in the tropics, the malicious sense of humour which contemporaries noted in Harcourt asserted itself: nursing a cold, Davidson wrote his next letter with an outside temperature of twelve degrees below zero on the steamer bearing him to his new post as Governor-General of Newfoundland!²⁹

Harcourt's first major task was preparation for the Imperial Conference of 1911. He had the Conference in mind even before his official appointment.³⁰ Lord Elgin had viewed the Colonial Conference of 1907 as a nuisance, and an expensive one at that,³¹ but Harcourt's attitude was different. He knew that the Conference could have an important bearing on the future development and functions of the Colonial Office. Since December 1907 the Office had been divided into a Crown Colonies Department and a Dominions Department. At the forthcoming Conference, Harcourt

anticipated that the premiers of the Dominions would request that a greater share of his department's attention be devoted to their affairs. As John Kendle, the historian of the Colonial and Imperial Conferences has pointed out, Harcourt was rather amused by the 'human vanities' of the 'new rich'.³²

Yet Dominions aspirations for a greater say in Imperial affairs and claims for a greater share of the Office's attention could not be ignored. Harcourt discussed these issues with Asquith shortly before the Conference began, and summarized his views in a Cabinet memorandum. The 'least' that could be offered, Harcourt argued, was:

1. A bifurcation of the C.O. below the Secretary of State (i.e. the creation of two Permanent Under Secretaries - one for Dominions and one for Crown Colonies)
2. The addition to the Secretariat of the Imperial Conference of a Standing Committee which will inc. the High Commissioner or other representatives of the dominions.

Harcourt then enumerated the administrative difficulties 1 would cause.³³

Harcourt advocated that during the Conference the Prime Minister should concentrate on the second point, while emphasizing the objections to the first. Apart from the administrative confusion and duplication, Harcourt felt that the areas contiguous to the Dominions would have to be kept free of Dominions control and treated as Crown Colonies - that is, administered directly by Imperial officials. He foresaw the possibility of future Dominions expansion otherwise:

It is not unreasonable to contemplate the ultimate absorption of the West Indies by Canada; of the Pacific Islands by Australia and New Zealand; of Rhodesia and the native protectorates (even of Nyasaland) by South Africa.³⁴

In sum, Harcourt's argument here was directed against Dominions undermining of the Office's control over the Crown Colonies.

As it turned out, Harcourt's proposal of a Standing Committee was rejected during the Conference, but neither did the Dominions premiers press for bifurcation of the Office. The Conference began on 23 May 1911 and lasted to 20 June. The designation 'Imperial' conference marked it apart from its predecessors because now only the premiers of the Dominions - Canada, Australia, New Zealand, South Africa and Newfoundland - were invited. The new status of the proceedings was emphasized by the attendance of the Prime Minister who, to Harcourt's approval, borrowed from CB's speeches on freedom of action within the Empire in his own addresses. Harcourt immersed himself in the questions raised,³⁵ chairing sessions which Asquith could not attend. The Colonial Secretary described the dominant theme of the talks as cooperation.

To promote this cooperation, Harcourt utilized all his usual techniques of indirect influence. The delegates had a fairly busy schedule,³⁶ but were entertained between meetings. At Nuneham Harcourt had several *tête-à-têtes* with the premiers. Sir John Findlay, the Attorney-General of New Zealand, commented on the Colonial Secretary's methods in his subsequent book on the Conference. He praised Harcourt's efforts, both in the pre-conference preparation and during it. According to Findlay, it was only towards the end that he realized with what 'masterly adroitness' the Colonial Secretary handled its members and influenced the 'conclusions of their deliberations'. At first sight, it seemed that Harcourt had 'more sauvity of manner than depth or force of character', but on closer acquaintance it became clear that he was a man of 'infinite penetration, tact and resource', an 'incomparable judge of men - testing their metal and deciding their weight with the ease and smoothness of a machine, while he himself remains ... inscrutable behind his easy manners and refined sauvity ...'

As long as Harcourt remained Colonial Secretary, Findlay opined, his 'industry, tact and judgement will do much to improve the relations between the Motherland and her Dominions overseas'.³⁷ Findlay's evaluation compared, naturally, very differently with that of the Unionist politician Leo Kaxse's comments about the appointment of Harcourt in 1910.³⁸ The Colonial Secretary was also congratulated by colleagues for his running of the conference.³⁹ Since he had achieved his personal political ambition - a place in the Cabinet - Harcourt did not expect to ascend political summits. So he was

amused by Findlay's concluding description of him as 'one of the few younger Ministers to whom the highest public position in England is possible'. In a subsequent letter to Islington, he referred to the 'rather acute dissection of all our characters', noting that there was 'certainly nothing to complain of in it'.⁴⁰

Harcourt had an equally high opinion of Findlay,⁴¹ but leaving aside the mutual praise, the Colonial Secretary achieved little of tangible value during the Conference itself. Like other commentators at the time, Massingham remarked on the rejection of Harcourt's suggestion for a Standing Committee of the Conference, along with that of New Zealand premier Sir Joseph Ward for an Imperial Council.⁴² In an effort to retain the Office's authority, Harcourt had wanted the Colonial Secretary to chair this committee. The editor of the Nation saw this rejection by the South African and Canadian premiers of this 'mild and tentative' move towards a purely consultative body as significant. It seemed to exemplify the growing insistence of the Dominions on autonomy in all spheres, and rejection of any closer, formal union for military, political or commercial purposes, and more 'we ought never to have expected'.⁴³

The fact was that such a committee even acting in an advisory capacity - analogous to the Conference as the Committee of Imperial Defence to the Cabinet - still implied a greater degree of centralization than Botha and Laurier were prepared to accept. It would represent an intermediate authority between them and the Imperial Government, and the proposal was vetoed as unacceptable. The Nation had praised the Conference as an example of 'sane Imperialism', and agreed with Harcourt's assertion that cooperation was the key note in this gathering of equals.⁴⁴ Yet some degree of centralization and coordination was necessary if the conferences were not to remain merely forums for debate. As Kendle shows, Harcourt did not succeed in making the 1911 Conference a more successful one than its predecessors in this respect.

Harcourt himself, however, did not measure the success of the Conference in terms of concrete proposals. He accepted the autonomy of the Dominions and relied on good relations to encourage voluntary cooperation. As it turned out, the closest duplication of his views by a Dominions' statesman was that expressed by General Smuts some years later, during the Great War. This was a speech Smuts gave at a banquet held in his honour by Parliament on 15 May 1917. The speech pleased Harcourt so

much that on his return to 14 Berkeley Square he at once wrote and despatched the following letter to Smuts' hotel:

My Dear General Smuts,

I would sooner have made your speech of tonight than anything I have ever done or attained in my life! My warmest congratulations and gratitude.

Your argument for the hereditary kinship of the British Commonwealth was unanswerable and of incalculable value. Your policy of consultation and cooperation *plus* complete autonomy is so absolutely the policy I have always pursued and propounded (at and after the Imp. Conference of 1911) that I am naturally delighted.

Tonight was the funeral of the "Round Table".

Yours always sincerely

Harcourt

Come to Nuneham if you can! ⁴⁵

For Harcourt, the most important achievement of the Conference was the perpetuation of the spirit of cooperation that had led to the proposal in 1907 of a conference to be held every four years. ⁴⁶ The store of goodwill laid up for the future was his main concern:

The Conference did not arrive at any flashy results, but it marked a real advance towards Imperial co-operation in the complete confidence shown by the British Government in the Ministers attending from the Dominions. I think it not only pleased them, but was of real value for the future. ⁴⁷

This was the line Harcourt took in all his official correspondence. The premiers' unanimous acceptance of the prolongation of the Anglo-Japanese alliance, and the acceptance of the Declaration of London, ⁴⁸ he attributed to the beneficial effects of allowing them to attend three meetings of the CID. Harcourt hoped his policy would reap rewards in the sphere of Imperial defence as well, to which he attached great importance.

The Committee of Imperial Defence (CID) was an advisory body intended to provide the Prime Minister with information from various experts on aspects of imperial defence. Formally created on 4 May 1904, although it had earlier antecedents,⁴⁹ the CID had not been extensively used by the Liberals since the change of government. However, in 1905 Harcourt had urged CB to make himself the sole, permanent head of the CID. This was 'more than anything else', he wrote, 'the PMs Bureau and makes him supreme over his colleagues'.⁵⁰ Harcourt was evidently thinking of 'Lib-Imp' members of the Cabinet like Asquith, Haldane and Grey in advocating this step, so as to counteract their influence on Imperial defence policy. After CB had duly installed himself as Chairman of the CID, anti-war ministers like Harcourt felt less uneasy about the direction of future Government policy.⁵¹

Not that CB made much use of the CID: from 1905-08 there were only fifteen sessions of the CID, compared to the eighty-two convened by his predecessor Balfour in little more than a quarter of that time.⁵² Apart from the Prime Minister and assorted ministers, the chiefs of the army and navy always attended meetings. So too did the ubiquitous Reginald Brett, Second Viscount Esher, who acted as an informal link between the Crown and the Committee keeping the King informed of its deliberations. Ministerial attendance varied according to the matters to be discussed. After becoming Colonial Secretary, Harcourt began to put in regular appearances. As in the Cabinet, he preferred to maintain a watchful silence unless directly involved in the discussions. In any case, most of the matters on the agenda fell out of his province.

Army and navy specialists formed part of the numerous sub-committees which gathered and supplied data for the CID. Whatever he might have thought of the speakers at CID meetings - like the bellicose Henry Wilson, the Director of Military Operations - they were experts in their particular fields. Yet Harcourt did make some contributions of his own. One of the first was at his first CID meeting as Colonial Secretary - the 108th, held on 26 January 1911. Bearing in mind the forthcoming Imperial Conference, Harcourt recommended that the strategical aspects of the Anglo-Japanese alliance (due to expire that August) should be clearly explained to the visiting statesmen from the Dominions. It would, he argued, have a 'useful educative' effect on colonial opinion.⁵³ This suggestion was adopted and led, as noted above, to the unanimous acceptance at the

Conference of the renewal of the alliance.

Yet amicable relations⁵⁴ and the renewal of the alliance did not, in fact, mean that British interests in the Far East were felt to be safe. Harcourt did not attend the next meeting, and asked the Committee's secretary about the arrangements agreed on for Hong Kong. Previous policy held that this base should be made strong enough to resist attack for a month. At its 109th session the CID decided to reinforce British fleets in the Far East so as to deter any Japanese attempts to land troops in the vicinity of Hong Kong. But, Hankey concluded,

I suppose that if the Navy cannot hold the Mediterranean still less can they materially reinforce the fleet in China as against Japan. Hence the question of Hong Kong is most seriously affected.⁵⁵

Although Anthony Morris has referred to Harcourt's 'newly discovered role' as a strategist on the outbreak of war, Harcourt's correspondence with Hankey and First Lord of the Admiralty Winston Churchill underlines his concern with strategical issues well before then. When Harcourt asked Hankey to investigate possible areas of cooperation with the Dominions,⁵⁶ he was not just thinking of improved liaison between them and the Imperial Government. As discussed below, the Colonial Secretary wanted to promote cooperation to ease the burden on the Royal Navy, well aware that its resources were limited.⁵⁷ Hence also his interest in seeing a greater Dominions participation in the CID, to make them aware of the extent of British global defence commitments. He also wished to avoid greater reliance on foreign navies.

In particular, that of the French. It was in March 1912 that Churchill first indicated in the Commons that naval redeployment would be necessary. The First Lord's reasoning was that this step was needed because of increased German naval strength, as well as the prospect of Austro-Hungarian and Italian construction of Dreadnoughts. In terms of the redeployment, the French would assume responsibility for the defence of the Mediterranean, while the British fleet would concentrate in home waters, defending the channel area. This rationalization of existing British naval resources would, Churchill reasoned, represent a closer approximation to Britain's war-time naval dispositions.⁵⁸ The opposi-

tion in Cabinet to Churchill's policy included Harcourt, Morley and former First Lord McKenna.

At the end of April 1912 Asquith had instructed the CID to look into the strategical implications of redeployment, and for Harcourt and the Cabinet dissidents these were clear: a greater dependence on France, and, thus, closer cooperation. Like Harcourt, Churchill's own advisers at the Admiralty did not want this closer association with a country they distrusted. For Foreign Secretary Sir Edward Grey, increased naval expenditure seemed preferable to a Cabinet split over Anglo-French naval co-operation. The First Lord's redeployment scheme was rejected at the CID meeting held on 4 July 1912 but, as has been pointed out, his defeat was more apparent than real.⁵⁹ The only long-term choice was more ships, or closer cooperation with France. Harcourt therefore inclined towards the former option, and - like Churchill - he hoped the Dominions would assist.

Although they disagreed over Churchill's naval policy, both welcomed any assistance from the Dominions to relieve the burden of what Joseph Chamberlain had once referred to as the 'weary Titan'.⁶⁰ More regular Dominions representation on the CID seemed to be the means of making them aware of the Imperial Government's needs. The Canadian premier took an especially encouraging attitude in this respect. After winning the general election of 1911, Sir Robert Borden's Conservative Government had repudiated the Taft-Fielding agreement,⁶¹ but Borden still wanted to cooperate with Britain in the sphere of Imperial defence.⁶² After returning to Canada after attending a CID meeting on 1 August 1912, Borden persuaded his Cabinet to agree to representation on the Committee. In a speech on 5 December he suggested the representative could be a Canadian minister based in London.

Harcourt at once seized on Borden's speech to propose a similar offer to the other Dominions, in the form of a despatch which Harcourt later had printed as a Command Paper.⁶³ Yet it turned out that the Dominions did not favour the closer liaison with the CID on naval and military matters proposed by Harcourt. Each had different reasons for their lack of enthusiasm, and a central objection was the continued control of the Imperial Government over foreign policy.⁶⁴ Although

the Canadian Government finally implemented its 1912 proposal early in 1914,⁶⁵ the Dominions were unable to agree on a representative means of cooperating with the CID prior to the Great War. Harcourt fumed that the Dominions complained about their lack of say in policy formulation, yet when they were offered an opportunity they refused it,⁶⁶ but as Kendle notes, due to rival interests it is difficult to see how the Imperial Government could have made the CID more representative.

There was also another basic clash of interest between the Imperial Government and the Dominions over naval contributions. The Dominions wanted to keep control over any ships they donated, whereas the Admiralty wanted to use them as it saw fit. Thus, when Churchill advised Harcourt during the 1911/12 parliamentary recess that Canada envisaged building enough ships to represent all eight provinces, Harcourt advised caution. According to Churchill, New Zealand might also be persuaded to contribute a battleship, and these Dominions reinforcements of the British fleet would have the effect of discouraging the Germans, who were trying to increase their total of Dreadnoughts. Also, the more Dreadnoughts were built, the more 'inferior' vessels could be placed on reserve, and this would mean a considerable saving in upkeep.⁶⁷

Attractive as the latter prospect seemed to Harcourt, he pointed out that the reason for the request would have to be made public to the New Zealanders. This would mean stressing the need to stay ahead of Germany in naval construction, and could embarrass the Admiralty or Sir Edward Grey. As for Canada, the MPs from Quebec had contributed substantially to Borden's victory in the election. They were not likely to back proposals for large-scale naval construction, or even if they did, it would probably be with awkward strings attached:

I believe that among the Canadian public a contribution of money or ships to the Royal Navy is even more unpopular than a "tin-pot" navy of their own.⁶⁸

Although he assisted Churchill, Harcourt's pessimism was justified.

Not all parts of the Empire would freely donate a battleship - as the Federated Malay States did - without, as Harcourt noted at a thank-you dinner, being a possession of the British Crown.⁶⁹ In

Canada, Borden pressed on with a Naval Aid Bill, which was to provide for the building of three ships. As Asquith had predicted, Borden found himself in 'stormy waters', ⁷⁰ and the Bill was stalled in endless debate in the Canadian Commons, just as the earlier Reciprocity Bill had been. Borden reported that Harcourt's Command Paper had been well received, and that the debate was nearing an end - if only because of sheer ennui ⁷¹ - but after passing the Commons the Bill was defeated in the Senate. The Canadian Liberals had had their revenge on Borden, at the expense of the Imperial Government.

It was not only in Canada that naval contributions provoked domestic opposition, ⁷² and Harcourt was careful to see that the Office kept a low profile on the issue. Even to congratulate Borden on the progress of his Bill via cypher telegraph, at the time it seemed likely to pass, Churchill had to ask the permission of the Colonial Office. ⁷³ Harcourt nonetheless still endorsed the First Lord's continued efforts to get more ships. As the First Lord explained to Borden early in 1914, Naval Estimates had reached the 'enormous total' of £51 500 000, and half of this increase was due to the need to provide more battleships for the Mediterranean. He suggested sending Second Sea Lord Sir John Jellicoe to discuss an 'Emergency' Canadian Naval Bill, and questions of 'permanent' policy. ⁷⁴

Provided with a copy of this message to Borden, Harcourt acted as Churchill's emissary and obtained Asquith's consent to Jellicoe's mission; but both he and the Prime Minister felt that Jellicoe should be fully briefed. ⁷⁵ Churchill agreed, and also complied with Harcourt's request to provide him with a copy of the instructions given to Jellicoe before hand. Also, as Harcourt stipulated, Churchill provided an introductory letter from the Admiralty to Borden, 'so that nothing official is done by the C.O.' ⁷⁶ However, Jellicoe, who was to be made Commander-in-Chief of the Grand Fleet later that year, made no significant progress on his undercover mission. As Borden had pointed out to Churchill the previous summer, the issue could not be resolved until redistribution and a general election, which would probably not take place before autumn 1915. ⁷⁷ But time had run out.

When war began only a few weeks after Jellicoe's mission, Canada had only two small training ships in commission. Nonetheless

Harcourt had tried to assist Churchill as best he could. It would seem that he did so because if the Dominions provided more ships this would help reduce the Navy Estimates, and reduce also the extent of British reliance on the French navy in the Mediterranean. He was aware of the difficulties Churchill faced, and this may account for his muted opposition to the First Lord's Naval Estimates for 1914/15. Harcourt would have preferred to avoid *any* form of closer military cooperation with France, naval or otherwise.⁷⁸ Hence his reaction to the CID meeting of 23 August 1911 which had discussed precisely this topic, in the absence of the carefully excluded Cabinet pacifists.

Harcourt wrote to Runciman that the meeting was

to decide on where and how British troops could be landed to assist a French Army on the Meuse!!!

The Colonial Secretary declared his intention to retire to the back benches long before such 'criminal folly' was approved.⁷⁹ When war broke out, Harcourt's interest was to focus primarily on Anglo-French naval cooperation. The war, of necessity, enforced such cooperation. But it is clear from a perusal of pre-war CID papers that where British security was *directly* involved there was a cautious attitude towards France, *entente* or not. This caution was very evident at the CID meeting of 3 March 1914, when the question of a channel tunnel came up for discussion.

The proposal had already been discussed in 1907. This time most of the argument centred on the security of the tunnel.⁸⁰ The final consensus of opinion was that there *had* to be a means of destroying it.⁸¹ But generally the CID was more concerned with how to deal with more identifiable foes rather than allies who might become hostile. Some of the decisions taken were very practical, and came into effect at the outbreak of war. For instance, in terms of a CID decision taken in 1912, the English cable ship Telconia sailed out not long after midnight on 4 August 1914, when the ultimatum to Germany expired. Four out of five of Germany's transatlantic cables were cut, sealing her off from her overseas colonies.⁸²

What interested Harcourt early in the war was how economic pressure was to be brought to bear on Germany. He joined the Cabinet sub-committee set up to consider this question. The diligent

Captain Henkey, promoted to Lt.-Colonel by November 1914, kept the committee's members well supplied with information, such as aspects of trading with the enemy in terms of international law. Along with an expert on those matters, he provided a memorandum which surveyed the issue over the past hundred years.⁸³ But with the exception of this issue, Harcourt's involvement in the affairs of the CID effectively ended during the war. From August 1914 onwards, the Cabinet undertook to deal with matters formerly handled by the CID, and Harcourt had attended only one of its meetings by mid-January 1915.⁸⁴ Moreover, the war delayed the convening of the next Imperial Conference, due in 1915, and it was not held until 1917, well after Harcourt's resignation.

The Imperial Conference of 1911 did not really come to grips with the problem of ethnic and racial tension in the Empire. Far from trying to devise a joint policy on these volatile issues, the Dominion governments steered clear of them by mutual consent.⁸⁵ Due to its non-interventionist policy in Dominion affairs, the Colonial office was not about to press the issue, and this constituted the major difference between its 'native' policy in the former and the Crown Colonies. But there was a more fundamental uniformity in the Office's 'native' policy. It was the product of implicit ethnocentric assumptions forming part of a widely shared, and virtually unquestioned, ideology. Racism and cultural chauvinism were by no means unique to British officials. If there was one universally shared belief informing European colonial policies prior to the Great War it was that, as a recent study put it in the South African context, blacks were objects of policy.⁸⁶

Harcourt, and presumably, most of his staff saw themselves as progressive, enlightened public servants. Like their foreign counterparts, British colonial officials were certain that they knew what was best for the ruled. This is clearly evident from the smug paternalism of the memorandum cited below. Prepared by an official for internal reading by Office Staff, it set out the *raison d'être* for the British presence:

The Colonies have been acquired for various reasons,

sometimes without any very conscious reason at all ... But given the fact that there we are and there we must remain, one principal justification of our presence and stay, at least to ourselves as a nation, must be that we help the native races to live their lives in a manner calculated to give them the greatest amount of satisfaction and well-being. This manner cannot, as a rule, be that which the native would choose if left to himself.

A genuine concern for the moral 'well being' of the 'native' as well as the physical was coupled with a corresponding inability to see 'native' affairs from the indigenous peoples' point of view:

Customs and methods repugnant to humanity have to be eliminated, and, on a rather lower plane, a fuller use has to be made of the resources of the country than the unaided native could conceive or attain ... The whole problem is to build on the existing native organization to the fullest possible extent, removing what is vicious in it, altering what is defective, keeping and using what is good, or at least not positively bad.⁸⁷

This document sums up, in essence, British officialdom's conception of its role in African and other colonial possessions. The colonial administrators were expected to implement the 'civilizing' process. Central to this process, which came to be referred to as the 'White Man's Burden',⁸⁸ was the systematic development of *human* resources. Yet the racially biased conceptions and stereotypes prevalent during the period under consideration meant that there was a continual discrepancy between good intentions and practice. Harcourt introduced no major changes in Liberal 'native' policy, which remained essentially continuous both before and during his tenure. White rule in the Dominions and the colonies was taken for granted. In British Africa in particular the clearest example of the Office's commitment to white supremacy was its relations with the Union of South Africa. There was as little to

choose between Liberal and Unionist colonial policy as in foreign policy.⁸⁹

A similar continuity was evident in the Office's attitude to the development of natural resources in the colonies. The 'fuller use' of resources referred to in the memorandum quoted above reflected the pervasiveness of the Social Darwinian concepts which, closely inter-related with racism, provided some of the 'unspoken' assumptions of European society before the Great War.⁹⁰ One of those prevalent, Euro-centric, assumptions was that Social Darwinism justified appropriation of the natural resources of the less advanced or 'favoured' race by the fitter one. Whether this was in the national interest or that of 'world' civilization,⁹¹ the result was that all too often colonial development and exploitation were synonymous. Sometimes it was in the guise of disinterested scientific research, as in the Belgian Congo.

In the British case the 'rather lower plane' of economic policy meant that protection of the indigeni from would-be exploiters complemented the home government's desire to retain as much control as possible over natural resources. The search for strategically -vital raw materials like oil was clearly to serve the interests of the metropole rather than its colonial peripheries.⁹² Nonetheless, on this issue Harcourt did show himself to be in line with the humanitarian ideals his party represented. In the colonies he consistently sought to prevent exploitation of 'native' labour. Despite keen interest in furthering colonial development,⁹³ he would not permit exploitation of the indigenous habitat either and proved to be one of the more conservation-minded Colonial Secretaries. Sometimes, however, he was overtaken by events, and failed to safeguard 'native' interests.

British Africa was a microcosm of Empire, ranging from the self-governing Union in the south to the patchwork of possessions in east and west, a legacy of the late nineteenth century 'scramble' for colonies. Because of this diversity and the considerations cited above, a 'uniform' colonial policy was out of the question. To take the example of land policy to illustrate regional variations, more latitude was allowed would-be white landowners and settlers in the Rhodesias, Kenya and Nyasaland than in Nigeria, the Gold Coast and Uganda, where large tracts

of land were held 'in trust' by the Crown for the indigenous peoples. The promotion of agriculture by white settlers, as in Nyasaland,⁹⁴ was counterbalanced by the concern to avoid 'the creation of a landless native population'.⁹⁵

This latter consideration did not affect the Office's attitude to the Union of South Africa's Natives' Land Act of 1913. Aptly described as 'reactionary legislation, carried out with harsh severity',⁹⁶ the Act restricted African land ownership to specified areas. The new law created anger and uncertainty among Africans, confirming their fears about their future status in the Union. The Office had no intention, however, of intervening in a matter it categorized as an internal matter of a self-governing Dominion. Also, from the Office's point of view, the 1913 Act did not represent a disturbingly new departure in the land policy of the Union: it formed part of post-South African War 'reconstruction' policy.⁹⁷ Harcourt knew too that the Union's Prime Minister linked the Land Act with the wider issue of South African expansion.

Herbert Gladstone, the Union's first Governor-General, sympathised with General Botha's expansionist ambitions, and had frequent consultations with him. Gladstone envisaged the Land Act as only one part of a broader land policy which would eventually lead to Union control over Bechuanaland.⁹⁸ Harcourt opposed Union expansion however. As early as 1911, after Botha's first overtures over Swaziland, Harcourt had made use of the Imperial Conference to impress his views on the visiting premier. As Harcourt saw it, apart from the various conflicting land claims in Swaziland, transfer would also lead to increased pressure for the incorporation of Basutoland and Bechuanaland. This might, in turn, arouse considerable African hostility and even lead to rebellion.⁹⁹

Moreover, the pressure of external opinion precluded any early transfer of the High Commission territories. Citing the case of Bechuanaland, Harcourt explained to Gladstone that 'the bare suggestion of handing him [Khama] to the Union would bring the whole missionary world and others upon me at once'.¹⁰⁰ In opposing Union expansion, Harcourt's policy was in line with that of Elgin, who vetoed renewed Transvaal control over Swaziland in 1907, and that of Crewe, who could have authorized the transfer of all three territories in 1908, but chose not to.¹⁰¹ Perhaps Harcourt

underestimated the extent of African opposition to the 1913 Land Act, and certainly African opinion was divided over segregation *per se*,¹⁰² but in any case his main concern continued to be prevention of Union absorption of the territories.

Formed not long before the Land Act, in 1912, the South African Native National Congress (SANNC, later ANC) voiced African protest, and began to raise funds to state the 'natives' case in England. When Harcourt found out about this, he made it clear to Gladstone that there should be no suggestion that His Majesty's Government would be willing to receive the deputation, even after the Congress had exhausted all means of 'local appeal'. Gladstone, however, reported that he had been unable to dissuade the delegation from leaving.¹⁰³ When the delegation arrived in England, the Anti-Slavery and Aborigines' Protection Society offered its assistance, and requested the presence of two or three of its representatives at the forthcoming interview with the Colonial Secretary.

Harcourt would not agree to this, and considered whether he should meet the delegation at all. Finally, on Monday 22 June, some weeks after the delegates had arrived, SANNC president John Dube was informed by Lambert (head of the Dominions Department) that the Secretary of State would meet the delegation that Wednesday at 4.30pm. Dube and his colleagues were duly ushered into Harcourt's presence on 24 June. Harcourt presumably already had his ultimate reply ready before the questions - he heard the delegation out, and did not take any notes.¹⁰⁴ Travers Buxton and John Harris, respectively the Secretary and Organising Secretary of the Society, continued to press the Colonial Office to obtain some token of good faith from the Union Government. This approach was terminated by the Office's terse reply, forwarded by Lambert, that Harcourt had nothing to add to his previous reply.¹⁰⁵

Now the Society advised the delegates to appeal to the British Parliament and nation. Towards the end of July, Harcourt found himself obliged to explain official policy on the 1913 Land Act during the Colonial Office Vote. From the ministerial benches, the member for the London suburb of central Hackney asked the Colonial Secretary to bring all 'reasonable influence' to bear on the Union Government to grant the Africans a fair *quid pro quo* for the loss of their former rights of land purchase. This was when Harcourt pointed out that the Act embodied the resolutions

of the Lagden Commission. Reflecting his briefing, he also referred to the 'very undesirable' squatting by Africans on absentee landlords' farms, which often led to stock thefts.

Harcourt repeated his argument during the interview that sending a British Commission to investigate the operation of the Act would be unprecedented, and possibly an insult to the Union Government. Harcourt also argued that even if General Botha *did* break his word, he had no power to enforce its being kept. If the Union Government could not be trusted on this, he asserted, they could not be trusted on anything. As proof that the Union Government was trustworthy, Harcourt cited the Indian Immigration Act, accepted by the Indians as their 'Magna Charta'.¹⁰⁶

What Harcourt emphasized above all was that the Act, which had now been on the Union's statute book for about twelve months, was a temporary or 'transitory' measure. He told the Commons that a Native Lands Commission was looking into modification of the Act. But, as Gladstone himself had admitted to Harcourt, the Commission would take a 'pretty long time' over its inquiry. Harcourt showed little understanding of the difficulties the Act created for Africans.¹⁰⁷ In the event, Harcourt had been transferred from the Colonial Office by the time the Beaumont Commission released its findings in 1916. These were belatedly implemented in the 1936 Native Trust and Land Act which almost doubled the area of 'inalienable' African land - to barely more than 13% of the Union's total land area.

The Office viewed the overseas holdings and enterprises of private citizens with apathy, bordering at times on hostility.¹⁰⁸ The Office was as sensitive to a challenge to its *political* control over the colonies as to its control over natural resources. Thus while Harcourt approved land being made available to would-be white farmers in East Africa, on definite terms,¹⁰⁹ he would not give the colonists more say in government, much to their disgust. Other supplicants had even less chance of gaining more say in their own affairs.¹¹⁰ Whereas in some colonies the Office was prepared to assist white settlers or concessionaires, it insisted on the final say in all matters. As Professor John Carland notes in his recent study of the Office's relations with Nigeria, this

possessiveness essentially represented an administrative manifestation of the territorial imperative.¹¹¹

This was why the Office was uneasy about the initiatives of developers like William Hesketh Lever in West Africa and the Pacific. Lever pressed for more cotton and palm oil plantations in West Africa, and the Office did acknowledge that greater technical efficiency was needed by indigenous producers, to enable them to compete on the international market with the products from foreign plantation developments.¹¹² Yet, at the same time, the Office was reluctant to discard its standing policy that indigenous peoples should hold their land undisturbed, to cultivate or not as *they* saw fit. Also, Lever claimed control over the lives of his work force, and the 'benevolent dictatorship' over workers, such as at the 'model' West African village of Port Sunlight perturbed the Office.¹¹³

Lever did not have an easy time of it in the Pacific either, where his estates had grown to 300 000 acres on the Solomon Islands, three percent of their total area. Of this 30-35 000 acres were under cultivation. But from 1912 onwards Lever found that his need for more labour¹¹⁴ clashed with Office restrictions on importation of foreign labour. These same restrictions affected French labour needs in the New Hebrides Condominium, and the political considerations behind that policy are discussed below. But from both the point of view of the French planters and Lever, the Liverpool soap and margarine magnate, the Office's stance seemed like unreasonable obstruction. It also seemed to developers that the Office made life very difficult for them, in its protection of 'native' interests.

The Unionist peer Lord Balfour of Burleigh, a director of the Pacific Phosphate Company (one of Lever's jointly held ventures), wrote plaintively:

... we have endeavoured to meet you fairly, at least we have endeavoured to do so. We accept entirely the principle of a fund for the benefit of the natives and are willing to contribute liberally towards it. We are not anxious to raise the question of their removal from the Island ... [Ocean Island, which was rich in phosphates]
... I share what I believe to be your opinion, but that

is a point to be raised if and when it were to turn out that it is clearly for their benefit that it should be done.¹¹⁵

The question of the locals' removal from Ocean Island arose because the phosphate mining operations had had a highly destructive effect on the island's environment. In the event they stayed, but Harcourt made sure that the Company observed certain conditions. Among these was that mined out land would revert to the islanders, replanted by the company *at least* to the same extent that it had been forested before. On the 250 acres of company land, vegetation not affected directly by the operations was to be left alone. Fresh water was to be supplied by the company - at least one gallon per adult, at three farthings a gallon.¹¹⁶

Both the Pacific Phosphate Company and Lever's Pacific Plantations discovered also that the halcyon days of acquisition of freeholds were over. In future, Harcourt ordered, it would only be leases, not exceeding 99 years. And these leases would be subject to periodical reappraisals of rent. A Colonial Office memorandum on Ocean Island pointed out that in the period 1899-1905 it was desirable to have planting established in the Solomons. Now there was no question of Messrs Levers being allowed land for trading stations, together with lands for cultivation. Such grants would enable the Company to acquire the best pieces of land and enable it to establish a monopoly against other claimants.¹¹⁷

By the time war broke out in 1914, the situation had not changed, to Lever's disgust. 'I cannot understand the attitude of the Colonial Office', he wrote to one of his sympathizers Captain Woodford, a former Chief Commissioner of the Solomons. It seemed to Lever that 'interlacing' Government departments were very difficult 'to influence for the good and progress of the Empire where they feel a little in conflict ... We must however be patient. Probably their nerves are a little strained at present with the war'.¹¹⁸ Like Burleigh, Lever was mystified by official policy, unaware - as in this case - of its political determinants. Yet the Office could be most cooperative when it wished to: for six years, until 1913, the Southern Nigerian government was allowed to subsidize a

private company in search of oil.¹¹⁹

The conclusion of this section examines Harcourt's involvement in Office land policy in Kenya and Southern Rhodesia. The effects of intervention should not be overestimated, because in both colonies the geographical impact of colonialism was limited and varied. In some parts of Kenya and Southern Rhodesia extensive white settlement had a major influence on the local economy; but in other areas Africans continued, even if the land had been nominally set aside for white occupation, to farm without much interference from white farmers or labour recruiters.¹²⁰ In both colonies, Harcourt involved the Office's authority as an arbiter of land disputes. In Southern Rhodesia the British South Africa Company (BSAC) was the largest single landowner.

In his policy on the BSAC Harcourt was once again guided by one of his predecessors, in this case Lord Elgin. Elgin had informed Selborne, then High Commissioner, that the British Government objected to Southern Rhodesia creating a public debt. All expenses over and above those which could be made good from the revenues of the colony should be borne by the BSAC. Harcourt agreed with this policy, and was alarmed by a BSAC land settlement scheme proposed for 1914, whereby the Chartered Company proposed to make use of the unoccupied lands of Southern Rhodesia as if these were its private property. The BSAC proposed to sink £250 000 into the scheme, but would clearly draw on the colony's revenues if this sum proved insufficient.

For the reasons cited below,¹²¹ the Office did not want a sudden influx of settlers into Southern Rhodesia, and wanted settlement to be on a sound financial basis. Also, in a widely-reported speech arguing against incorporation by the Union in November 1913, Dr Jameson, the president of the BSAC, had cited one of Harcourt's statements in 1911 about his conviction that the Union would eventually incorporate Southern Rhodesia.¹²² The intended effect was to dissuade the white settlers from such a course, and as Jameson's biographer notes, Harcourt acted swiftly to oppose the BSAC land scheme. In a telegram to Herbert Gladstone on New Year's Day 1914 he announced his intention to appeal to the Judicial Committee of the Privy Council.¹²³ The decision was favourable to the Colonial Office: the unalienated lands were adjudged to be Crown land, not under BSAC jurisdiction.

This now made the deficits of the BSAC the liabilities of the Crown, but there would now be no sudden considerable numbers of settlers to act as a counterweight to incorporation by the Union of South Africa. The settlers already in Southern Rhodesia were relieved that they would not have to make good deficits incurred by the BSAC in the course of implementing its settlement schemes. One of them, Hugh Moffat - a descendant of the famous doctor who had acted as a 'trail-blazer' in the Zambezi Valley - expressed the local approval of Harcourt's stance:

It would be a great day for us if he[Harcourt] could come back to his old position. He does not know how ... grateful some of us are for the position he took up with the Chartered Company ... he fought for us and protected our interests as far as he could in 1914.¹²⁴

The successful appeal to the Privy Council in effect really meant that the Office's assertion of its authority happened to *coincide* with the settlers' interests. Similarly, in Kenya approval of white settlement did not extend to considerable disruption of indigenous people, and in 1912 the Office wanted to establish why the Kenyan authorities had permitted such disruption without referring back to 12 Downing Street. There was no actual shortage of land *per se* in Kenya, but the highlands were the most sought after for purposes of settlement. For the white settlers, only certain areas in the highlands were 'fit' for occupation. In other areas fevers and sleeping-sickness were rife, and the latter disease - trypanosomiasis, as it was called, wrought havoc among domesticated animals.

White settlers wanted access to the prime sites occupied by local Africans. The Masai were particularly affected. They were moved. Settlers' requests fell into two categories. As one farmers' association complained, speculators were tying up large tracts of land, and the Government was asked to assist in the immediate occupation and development of this valuable farmland.

After consultation with Sir Percy Girouard, the Governor of the East African Protectorate, Harcourt was prepared to agree to such

requests.¹²⁵ The other category was already-occupied land, such as that of the Masai on the Laikipia plateau. In this case, the Masai could only be allowed to move - in terms of Office policy - if the move was not judged detrimental to the Mar... interests. Evidently, the Masai chiefs concerned were persuaded that the move was in the interests of their people. The move began in late 1911.

It was not long before it became clear that all was not well, from information reaching the Office. Early in January 1912, Mr Byles, then Secretary of the Anti-Slavery and Aborigines' Protection Society, received letters from 'An Englishman' that the Masai were suffering great hardship on their way south to the reserves provided for them. Byles submitted the letters to Harcourt.¹²⁶ The Colonial Secretary had also received these letters from the Radical MP Josiah Wedgwood, and asked Byles to provide him with the photographs also referred to, in the possession of Travers Buxton. Harcourt assured Byles he could rely on the Colonial Secretary in the matter - an official from the Office had been sent to East Africa to make 'confidential enquiries'.¹²⁷

Harcourt did not explain why these enquiries were necessary. At the time he wrote to Byles, he was well aware that the move of the Masai had

on the most favourable construction ... been gravely mismanaged. There had been no adequate preparation before the move nor proper control and supervision during its progress. In any case ultimate responsibility must rest on you as Governor, but you cannot fail to recognise that in view of what has passed you have a special responsibility, and you will understand that my confidence in the future handling of the matter has been greatly shaken.¹²⁸

Harcourt insisted in the same telegram that those Masai who had not been adequately provided for in the south be returned to the Northern Reserve, and that any future move must be preceded by adequate preparations, supervision and provision of water supplies. The area awaiting the Masai in the south had to be ready, and the full consent of the Masai had to be obtained. In the Commons, Harcourt told back-

benchers who wanted to question him that the Office had despatched an official in an 'unofficial capacity' to make a 'very careful' investigation.¹²⁹ This is what he had told Byles, but no record of the findings makes clear the actual extent of losses suffered by the Masai.

The relatively short coverage the issue received in the Commons seems to be a tribute to Harcourt's ability to cover up the blunders of East African officials. If there was bad faith involved, Labour leader Ramsay MacDonald wrote, it was not because of Harcourt:

My dear Harcourt,

I have had another letter from my Mombasa friend. He says that he has had evidence that the Governor is searching for him, and that an Agent of the Governor has been enquiring of various likely people why I have an interest in British East Africa, and who is supplying me with my facts ... I wrote to my friend saying that your action in the Cole case¹³⁰ showed, however much we deplore what you did about the Masai, ... that you would not knowingly agree to anything dishonourable on the part of the authorities out there.¹³¹

Leaving aside the incongruity of the Colonial Secretary having to resort to cloak-and-dagger tactics to try to assess the real situation, he clearly believed that the anonymous 'Englishman' had exaggerated Masai hardships. In an annotation to one of the letters received, Butler commented that the strip of unoccupied land near Lake Nyanza forming part of the new Masai reserve was *not* infested with tsetse flies. Sir Percy Girouard had stated this 'categorically'. Examining photographs of the route taken by the Masai, Harcourt saw no sign of the 'Golgotha' amidst which 'many little heaps of tiny bones' would be trying to hide. He wrote to Wedgwood, to deny the assertions made by the 'Englishman', who was dismissed as 'even more inaccurate than most of his class'.

He wrote that:

There is no truth in the story of deaths, either of humans or of cattle, whilst they were on the escarpment beyond that which is inevitable to human and animal life in all places and at all times.

I had a careful examination of the whole ground made. Only one human body (or remains) could be found, and you are probably aware that the Masai never bury their dead. The carcasses of cattle and sheep were counted and they did not exceed the ordinary mortality when grazing at home, and therefore did not amount to that which might have been expected during a move.¹³²

The conclusion of Harcourt's letter is infused with a supercilious humour rather inappropriate to the seriousness of the subject under discussion:

You may be quite confident that I am keeping an anxious eye on the whole of this matter, and that unless I am deliberately deceived (which I do not think likely) the Masai will be extremely well treated and will find themselves in possession of a reserve beyond the dreams of avarice both in quality and quantity when they are finally concentrated in the South.

Of course there is not the slightest truth in the suggestion that we have wished or intended to drive them across the German frontier.

I suppose some day, but it may not be till you reach an extreme old age, you will realize that I am the most humane and the most admirable administrator in the country, except yourself.

Wedgwood replied in kind, admonishing the Colonial Secretary not to 'assume the cloak of a martyr', and that he ~~and~~ now consider Harcourt to be 'the most humane ... &' although he pointed out that deception was possible, because even Harcourt did not have eyes like:

... double barrel high power [ed] magnifying glasses to see ... across two continents. These settlers in East Africa consider it their bounden duty to their neighbour, and now more so than ever, to blindfold the Colonial Office. You are as much their enemy as though you were Winston in Belfast ...¹³³

The Masai affair indicates that the government of British East Africa might also have seen it as their 'bounden duty' to blindfold the Colonial Office. Apart from the fact that *others* could have buried the Masai dead, in this badinage between two old political colleagues the real meaning of the episode was lost. Whatever the *extent* of Masai losses, they had lost by the move as such. Had there been unanimity about the move, lawyers representing Ol-le-Njogo and other Masai would not have started proceedings to try to recover the Laikipia plateau. The attempt was taken as far as the Privy Council, but in the end the Masai dropped their appeal.

Governor Girouard resigned in 1912, and was replaced by Henry Belfield, who held tenure until 1919. The situation by the end of 1912 was that the Masai from Laikipia had been relocated in about 300 000 acres in the south, while the Colonial Office began a leisurely survey of the plateau for the purposes of white settlement.¹³⁴ The general thrust of land policy, agreed to by Harcourt, was, as Robert Gregory has described it, highly conducive to white interests.¹³⁵ In July 1914, during the same Colonial Office Vote in which he defended the Union's Land Act, Harcourt told the Commons that 'acting on advice' the Masai had dropped their appeal, 'abundantly satisfied' with their new reservations.¹³⁶ More likely, the 'advice' was that the relocation would be adjudged an 'act of state', making further litigation pointless.¹³⁷

A major determinant of the Colonial Office's policy on labour-related issues was political. Prior to the Great War, Office policy was essentially directed at preventing any ethnic or racial tensions which might be caused by the movement of foreign, and specifically black, labour within the Empire. The labour issue took on political overtones because each Dominion had its own immigration and labour policies, and

did not accept any prescription from the Mother country in this sphere. This was why the Imperial Conference of 1911 never really came to grips with the issue of immigration, let alone a common, agreed upon labour policy.

To take the case of indentured Indian labour, the Indian Government was concerned by the treatment of Indian workers in foreign climes. What concerned the Office, by contrast, was the political friction Indian, or other, labour migration might give rise to. This was why the Office turned down the request of the German *chargé d' affaires* in London for the introduction of Indian 'coolies' to the Lüderitz diamond mines.¹³⁸ Nor did nonindentured British Indians have unrestricted freedom of movement within the Empire. Harcourt referred to this issue in the Commons in 1913, noting that there was no question of proposing compulsory admission of 'coloured races' to Canada, Australia or South Africa.¹³⁹

There was little Harcourt could do, in the face of diverse Dominions immigration and labour policies, if he was to preserve the harmony which he regarded as the key to forging closer Imperial unity. Thus, although he managed to get unemployed Maltese workmen placed in British Columbia, the 'white Australia' policy excluded them as 'coloured'. In private correspondence with Henry Stead, editor of the *Australian Review of Reviews*, he complained that the Australian stance was 'ludicrous',¹⁴⁰ but did not take up the issue publicly with the Dominion's government. Racial prejudice in the Dominions was not confined to South Africa, as the treatment of Sikhs in British Columbia showed, and the attitudes to Japanese in Canada and New Zealand.¹⁴¹

Harcourt monitored white public opinion about the Japanese in both the United States and British territories. From Washington Sir Cecil Spring-Rice, the British Ambassador, wrote in 1913 that:

There is one question which you spoke to me about as a very important one and it is growing more important, namely the Japanese question. The Japanese do not seem to realize that the United States would sooner quarrel with Japan than with California and the Americans do not seem to realize that Japan is a country which is in earnest and which does not

easily forget ...

Spring-Rice also referred to anti-Japanese sentiment in British Columbia as well as the West Coast:

The danger is not the number of Japanese or the amount of land that they own but the fact that it is now quite clear that the white population cannot compete with the Japanese either in labour or in business or, what is more serious, in fighting.¹⁴²

The foreign labour issue was complicated by this racist dimension, particularly in the Pacific. There was a general white antipathy to Asiatics which stemmed at least as far back as the 'Yellow Peril' (one of the stock phrases in Kaiser Wilhelm II's repertoire) of the 1890s. The 'peril' was from the thrifty, hard-working Chinese who posed an economic threat, and were derisively described by whites as the 'Jews of Asia'. Aware of this general white hostility, Harcourt did not want to compound bad feeling by allowing the import of indentured Chinese labour to the New Hebrides Condominium. Since the new convention of 20 October 1906 the archipelago had been jointly ruled by British and French resident commissioners, each with their own staff. The partnership was not a happy one, and during Harcourt's tenure the labour issue came to a head.

The French argued that French nationals on the islands were mainly plantation owners. By contrast, the majority of the Britons in the Condominium were involved in commerce or trade - and hence did not need large numbers of labourers. During their tour of the Pacific, members of the Dominions Royal Commission¹⁴³ reported that using Indian labour in the New Hebrides was preferable to Chinese labour, but both options were out of the question. It was true that Indian labour - immigrants - was used in Fiji, but if the French request was granted, then similar labour demands in the Solomons could hardly be denied. The Office's refusal was directly related, as described below, to earlier events in the Transvaal Colony.

Chinese labour was an explosive issue, both in Britain and the Transvaal. The threat white workers perceived to their jobs in the

form of cheap, 'slave' labour had made a substantial contribution to Liberal victory at the polls in 1906, and repatriation of this labour had constituted the key plank in the platform of Het Volk in the Transvaal elections of 1907. To their dismay, the Liberals found that repatriating the Chinese in the Transvaal was not so straightforward a task. Only when the three-year contracts negotiated by the gold mining companies and the Chinese expired in 1910, did the last of the indentured labourers leave South Africa. Not affected by British policy considerations, the French continued to press for the use of Chinese labour.

The members of the Dominions Royal Commission who conferred with the French reported to the Office that:

We have found it difficult to explain to [them] our objections to indentured labour in general and Chinese labour in particular ... The basis of our objections is, in fact, mainly political. It will not be easy to satisfy the British public that there is any essential difference between the introduction of Chinese labour into the New Hebrides and its introduction into the Transvaal ... Apart from the political question at home, we recognize that His Majesty's Government cannot agree to the introduction of Chinese labour ... unless the assent of Australia and New Zealand is first obtained, and ... the prospects of obtaining it are unfavourable ... Australia is attempting to carry on tropical agriculture by means of white labour, and the competition of coloured labour, even when there is obviously no possible alternative to it, is intensely unpopular.

However unfounded Australian fears of a 'Yellow Peril' in the Western Pacific were, they concluded, these had to be respected by the Imperial Government. Moreover, in the case of treatment of labour, the French reluctance to share in joint responsibility for control of foreign labour in the New Hebrides was another objection to the scheme. Without such machinery for joint supervision and control, there would be a greater possibility of exploitation by unscrupulous employers.¹⁴⁴

The Office had no intention of opening another Pandora's box over Chinese labour, but its decision did not enhance Anglo-French relations on the islands. The Governor of Fiji ventured a comment in one of his letters about the 'quite hopeless' state of affairs in the Condominium. Harcourt agreed, but noted that 'we must, for the present, make the best of this difficult and almost impossible situation'.¹⁴⁵ Unable to obtain Chinese labour, the French planters bypassed British opposition by importing labour from Java. As a Cabinet memorandum in July 1914 conceded, the British Government could not stop the French from doing this.¹⁴⁶ When war broke out, Harcourt hoped that Britain would obtain full control of the Condominium as one of its 'spoils' from the hostilities in the Pacific. This was not to be.

Despite Harcourt's low-key handling of controversial issues, several of the crises in the Union of South Africa prior to the Great War caused friction with other departments of the Imperial Government, and threatened at times to affect the British political situation, by embarrassing the Liberal administration. Helped by the good relations established with the Union's leaders since the Imperial Conference of 1911, Harcourt managed to defuse these volatile situations, although at times he had to improvise responses to an unexpected turn of events. British non-intervention in the internal affairs of the Union was not equivalent to lack of interest. Apart from economic considerations,¹⁴⁷ there were also strategical interests at issue. The latter interests affected the Colonial Office's policy in the Dominions and the sub-continent, and in the sphere of foreign policy the Union did not have complete freedom of action.¹⁴⁸

An event like the white workers' strike of July 1913 highlighted the differences in policy emphasis within the various departments of the Imperial Government. The Imperial garrison in the Union represented a legacy from the South African War; by 1 June 1913, the total had declined from a peak of 32 380 'effectives' in July 1903 to 7 031.¹⁴⁹ There were several justifications by the War Office for keeping a 'presence' in the Union - the only Dominion with a sizeable garrison. Haldane had argued in the Commons that the Union was a convenient 'storehouse' in case of trouble in India and Egypt, and also that the troops would be used to

quell any 'native' uprisings. Jack Seely, who succeeded Haldane in 1912, continued to emphasize the strategical arguments.¹⁵⁰

By contrast, South African Governor-General Herbert Gladstone emphasized that the troops' function was to reinforce the Imperial Government's responsibility to the Africans in the High Commission territories¹⁵¹ (pending any agreement over their 'transfer' to the Union). The Union Government wanted its own - solely white - defence force which, with British advice, was created by the Defence Act of 1912.¹⁵² The change over was set into motion, and the 1913 strike fortuitously occurred during this transitional period, in which local forces had been disbanded and the new ones were still being formed.¹⁵³ White miners appealed to railway workers to join them, and also appealed, unsystematically, to African mineworkers. There were only 1 500 police available in the entire Union, and Smuts telegraphed Gladstone on 30 June 1913 about the very serious situation.

The Governor-General set out from Cape Town at once, and after arriving in Pretoria he came to the conclusion that:

there may be large loss of life ... tempers are up;
there is a formidable mass of men to deal with -
many of them armed with revolvers.¹⁵⁴ There is a
great area to watch ... The native peril hangs like
a pall over the white dispute.¹⁵⁵

It was the so-called 'native peril' on the Witwatersrand, commented on by the British press,¹⁵⁶ as much as white worker militancy that led Gladstone to condone the decision of Sir Reginald Hart, Commander in Chief of the Union's Imperial troops, to allow General Smuts the use of 2 000 of them, supplemented by 1 400 special constables.

In turn, Harcourt supported Gladstone, although this was awkward for him insofar as only the War Office had the final say over the use of Imperial troops.¹⁵⁷ He managed to placate the Government's critics in the Commons as well. However the 1914 strike by white workers in the Union created even more difficulties for Harcourt, because this time the Union's Government deported nine of the strikers' leaders to England,

without trial. Harcourt was horrified by the deportations because of their impact on British politics - not only Labour reaction but its implications for post-Home Rule Ireland.¹⁵⁹ Yet he supported Gladstone, who approved of the deportations of 27 January. By that time the strike was in its third week, and martial law had been enforced since 14 January.

This time, however, the Governor-General was determined not to allow the use of Imperial troops, as he informed both Hart and Botha. But he had a low opinion of some of the strikers' leaders while conceding that they had genuine grievances.¹⁶¹ In fact Imperial troops were used again,¹⁶² but the main aspect of the Union Government's handling of the situation which concerned British politicians was the deportations. During the debate in the Commons in mid-1914 over the deportation issue Harcourt faced a difficult task, as he subsequently explained to Gladstone:

It was essential (1) that I should not approve the action of the South African Government on account of the Labour Party. (2) Disapprove of it, on account of the Tory Party. (3) Comment on it on account of the Dominions generally.¹⁶³

Harcourt did manage to, as he put it, 'steer a devious course' between the various pitfalls, and so satisfied both British and overseas opinion. Henry Stead, his Australian correspondent, informed him that Mr. Watt, the leader of the Australian Liberal Party, considered his speech 'the finest exposition of Imperial statesmanship he had read for a long time'.¹⁶⁴ Professor Fremantle, an English-speaking supporter of Hertzog who had visited Nuneham, wrote to express the general approval in the Union of the speech, which was fully reported. In his return letter Harcourt noted that:

I have apparently succeeded beyond all expectations, for I have received from South Africa, indeed from all parts of the world, most grateful and appreciative letters, so I feel rewarded by the fact that at least I have not worsened a very difficult situation.¹⁶⁵

Despite the success of Harcourt's evasive tactics, the fact

remained that the Union's labour policy, and the use of Imperial troops, could be used as political weapons by the critics of the Imperial Government. The deportees were hosted by the Labour Party, although this proved to be an onerous burden on the Party's finances.¹⁶⁶ The Labour leader Ramsay MacDonald wanted the men repatriated, both for this reason and for their own good, although South African Labour Party leader Frederic Cresswell hoped that the Union Government would make itself unpopular by refusing to allow them back.¹⁶⁷ The coming of war helped to create greater solidarity between the British Labour Party and the Government and their counterparts in the Union.¹⁶⁸ It also helped that Gladstone's successor, Sydney Buxton, had a more sympathetic attitude to labour, and helped to negotiate the return of some of the deportees.

In March 1914, prior to Gladstone's departure, Harcourt informed Gladstone that the Office endorsed the withdrawal of the remaining troops.¹⁶⁹ This would obviate any embarrassing incidents in future, and during the War the Union made use of its own forces in German South West Africa, and subsequently in East Africa. The rebellion by Afrikaner dissidents in October 1914 raised the question of whether the Imperial troops should have been retained in the Union. At a Cabinet meeting on 23 October, Harcourt suggested sending Australian and New Zealand troops *en route* to England via the Cape, for possible use in South Africa. The Cabinet subsequently agreed to Hobhouse's suggestion that the troops could be sent to Colombo, Ceylon, first, and then diverted to South Africa via Mauritius, instead of proceeding to England via the Suez canal as originally planned.¹⁷⁰ Yet Harcourt had not taken into consideration the resentment Australian troops would cause, due to their role in the South African War.

This was pointed out to him by Asquith and Crewe at another Cabinet meeting held on 30 October. When Botha confirmed on 4 November that he did not want help from Australian or any other foreign troops unless absolutely necessary, the plan was dropped.¹⁷¹ Fortunately for Harcourt's policy of amicable relations with the Union, his proposal was a well-kept official secret until well after the Great War. The plan had only been considered by the Cabinet *fatale de mieux*, and showed that as a 'pragmatic' imperialist Harcourt was willing to use any methods to hand, in time of war as well as peace. South African public opinion would only have been further divided by revelation of a plan which the Union Government was extremely reluctant to adopt.

Both before and after the Great War, the Union Government was also unwilling to accept any interference in its internal racial policies. The Office's reaction to the Union's land policy has already been examined. In the case of the Indians in the Union, the Colonial Office found it more difficult to maintain a non-committal stance. Unlike the other disadvantaged groups, the Indians in South Africa had officials in Whitehall to plead their case. The Colonial Office had to take note of Indian complaints forwarded to the India Office, and from there to Harcourt's department. Among the grievances were restrictions on immigration, the exclusion of 'polygamous' wives from India, enforced segregation of Indians in bazaars and the £3 tax on non-indentured Natal Indians.

Since his arrival in Natal in May 1893, Mohandas Gandhi had achieved prominence and wide recognition as a spokesman of Indian grievances. In 1912 Gandhi finally managed to persuade Gopal Gokhale, a prominent member of the Indian Legislative Council, to visit South Africa. Gokhale left confidently expecting the removal of racially-based restrictions on immigration, and the £3 head tax.¹⁷² The significance of Gokhale's visit was that it helped Gandhi to mobilize Indians on a mass basis the following year, citing the failure to repeal the £3 tax in particular as a breach of faith by the Union Government.¹⁷³ Using his usual indirect methods, Harcourt had attempted to get Gokhale to prevent a resumption of Gandhi's passive resistance tactics,¹⁷⁴ but to no avail. The resumption of the Satyagraha, or 'truth-force', campaign on 12 September 1913 met with an uncompromising response by the Union Government.

The Satyagrahis, supported by large numbers of women, were arrested *en masse*. Existing jails were filled, and compounds were converted into prisons. The Indian Government was monitoring the deteriorating situation with growing anger, and Indian allegations about mistreatment of prisoners led to a major confrontation between the Colonial Office and the India Office. In a scathing speech at Madras on 26 November 1913, the Viceroy of India expressed his approval of the Satyagrahis' struggle against the Union's 'unjust and invidious' laws. Gandhi commented that Hardinge's firmness 'created a good impression all round',¹⁷⁵ but Gladstone and the Colonial Office were completely taken by surprise. Harcourt was furious, not only because the Viceroy had bypassed all ordinary channels of inter-departmental communication via his widely-

reported speech.¹⁷⁶

The implication also was that the Colonial Office had not been firm enough with the Union Government, to get it to modify its Indian policy. And what especially perturbed Harcourt was the effect this attack by a senior Imperial official would have on relations between the Imperial and Union Governments. He complained to Crewe, the Secretary for India, and Hardinge's superior, about this 'most deplorable' blunder which could only make the Indian situation 'infinitely more difficult':

I have, through many months, and even years, endeavoured to improve the legal and administrative position of the Indian in S. Africa and though the Immigration Bill recently passed did not meet all their claims, it had at least to some degree improved their position and I had hoped that by my private communications, both oral and written, further administrative improvements would be rapidly attained.¹⁷¹

Crewe coolly defended Hardinge, pointing out that the Viceroy could not be expected to adopt a 'detached and judicial' stance without seeming to the Indian public indifferent to what happened outside India itself. Despite the wrath of the Colonial Office, Crewe did not take the Viceroy to task - he simply informed him, with typical English understatement, that the King had expressed concern about 'one or two of your expressions'. (George V actually wrote to Hardinge about his 'expressions'.) Hardinge was to remain in office until 1916, despite Sir John Anderson's wistful suggestion that perhaps he could be removed on the grounds that a previous assassination attempt had affected his sanity!¹⁷⁸ As suggested by Hardinge, a commission was set up to investigate the Satyagrahis' grievances, resulting in the makeshift Smuts-Gandhi agreement of 1914, embodied in an Indian Relief Act which the Union Government regarded as a final settlement.¹⁷⁹

Harcourt's policy of steering clear of controversy also affected his attitude to miscarriages of justice. In East Africa he intervened in the Cole case, as described earlier, although this was not the only instance of legal abuses there.¹⁸⁰ In Southern Africa, the 'black peril' obsession of white jurists was clearly evident in some of the *causes célèbres*

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