

Keir Hardie Society

Centenary of the First Labour Government

Introduction

This year is the centenary of the very first Labour Government in the UK, led by Prime Minister Ramsay MacDonald. Here, we tell the story of that government and pose some lessons from history for the Labour Party today.

December 1923 Election

The Conservative Prime Minister, Stanley Baldwin, called the election despite having a comfortable majority, mainly because he wanted his own mandate for a new protectionist economic policy, having taken over from Bonar Law the previous May. The election was held on 6 December 1923, resulting in a considerable loss of Tory seats and a hung parliament.

Party	Seats	Change	%
Conservative	258	-86	38%
Labour	191	+49	30.7%
Liberal	158	+43	29.7%

Labour gained from extending the franchise to all men over 21 and women over 30 who met property qualifications. Baldwin did not resign immediately, but the Liberals, led by Asquith, decided to vote down the King's Speech and tacitly support a Labour minority government. Asquith believed Labour would prove incompetent in government, allowing for a further election and a Liberal victory.



Ramsay Macdonald and Keir Hardie in 1906

It isn't easy today to understand the significance of this event. The Tories and Liberals had governed Britain for generations, and while many believed the Party of the working class could form a government one day, few expected it in 1924. The Labour Party had only been formed in 1906, with James Keir Hardie as its first Leader.

It also came at a time of post-war economic challenges, with the country facing war debts and mass unemployment. The establishment was also concerned about the Bolshevik Revolution in Russia, where British troops had been deployed, and outbreaks of industrial and political unrest in the UK, including Red Clydeside. So, when Ramsay MacDonald had his first audience with King George V on 22 January 1924, the King expressed the hope that the PM *"would do nothing to compel him to shake hands with the murderers of his relatives."*

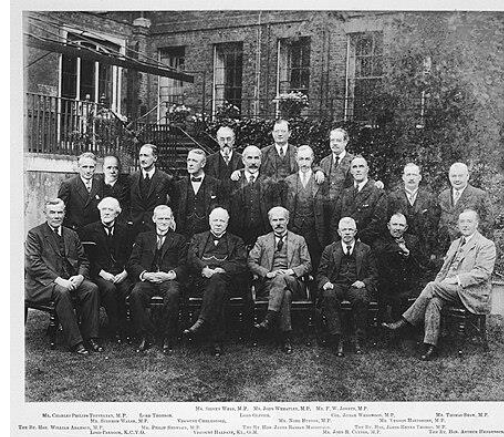
Ramsay MacDonald

Ramsay MacDonald was born in Lossiemouth in 1866. He discovered socialism while working in Bristol and then London, although he retained an interest in Scottish politics, helping to form the London committee of the Scottish Home Rule Association. He joined Keir Hardie's Independent Labour Party in 1889 and was one of the three principal founders of the Labour Representation Committee in 1900, along with Keir Hardie and Arthur Henderson. This became the Labour Party in 1906 after he negotiated a deal with the Liberals that allowed Labour to contest working-class seats without Liberal opposition - MacDonald was elected the MP for Leicester. He became Leader in 1911 but resigned in 1914 due to his opposition to the First World War. He lost his seat in 1918 but returned in 1922 as the MP for Aberavon, again leading the Labour Party, now the official opposition.

Politically, he had moved away from the left of the Party, focusing on an evolutionary vision of socialism that separated him from the radical MPs such as the Red Clydeside group. MacDonald and Hardie shared a common view of the war but otherwise had drifted apart, with MacDonald unhappy at Hardie's focus on extra-parliamentary activity. In 1921, he claimed Hardie learned *'more about socialism from Burns than from Marx.'* Hardie claimed it was both, and at least one historian argues that MacDonald was talking about himself. His drift to the right led to him leading a Tory-dominated National Government in 1931, implementing public spending cuts and a disastrous election result for Labour.

1924 Labour Government

The Labour Government's election was a culture shock to the establishment. As one civil servant explained, *'My old chief used to ring a bell for me. My new chief puts his head round the door of my room and says, 'Come 'ere you bugger!'*. However, the new government failed to challenge the established economic orthodoxy and take the necessary action to cut unemployment. They also failed to implement the 'capital levy' that formed part of Labour's programme - what today we might call a wealth tax. There was also a breakdown in relations with the trade unions, with the government threatening to use the Emergency Powers Act to force striking dockers back to work. In general, his approach was to show his government was capable of competently running the country by the orthodoxies of the day.



The Labour Government did achieve some radical measures, including John Wheatley's Housing Act that led to half a million council homes being built by 1933. They also extended diplomatic recognition to the newly formed USSR and created trade relations. They strengthened the League of Nations through a convention for settling international disputes, although the Tories later overturned this.

A minority government would always be short-lived, and the Tories and Liberals combined to defeat the government and trigger an election in October 1924. In a classic right-wing media dirty trick, the Daily Mail published the forged (probably by the security services) Zinoviev letter just before polling day. This purported to show a Bolshevik plot to paralyse the armed forces and plunge Britain into civil war. A Tory landslide followed, gaining 154 seats. While Labour lost 40 seats, its vote share increased to 33 per cent. The Liberals lost 118, leaving the Party with just 40 seats.

Some historians argue that MacDonal's 'competent' government was a strategic success, setting the scene for later success. David Marquand argues that Macdonald was the unacknowledged precursor of the Blairs, the Schröders, and the Clintons of the 1990s and 2000s. Clement Attlee gave a harsher analysis, calling MacDonal's decision to abandon the Labour Government in 1931 *"the greatest betrayal in the political history of the country"*. MacNeil Weir attacked MacDonal for obnoxious careerism, class betrayal and treachery. He was also grouped among the 'Guilty Men' whose appeasement failed to prepare Britain for war, or for that matter, challenging Franco in the Spanish Civil War.

Lessons to be learned?

The biggest challenge facing the Labour in 1924 was being a minority government. Hopefully, that won't be an issue in 2024. Given the economic challenges and the debate within Labour on how to approach those issues, there are some political similarities. Ramsay MacDonal adopted the cautious approach to fiscal orthodoxy, also favoured by Keir Starmer, particularly concerning public spending and taxation.

Fiscal orthodoxy did not save MacDonal from the dirty tricks of the press through the Zinoviev Letter. This challenge remains potent for Labour today, even in a different media environment. After waiting 14 years to get into government, Labour ministers today will also want to deliver Labour values. The positive legacy of the 1924 government was radical change, particularly in housing and foreign policy. Perhaps that is the lesson from history.

Join the Keir Hardie Society

The Keir Hardie Society was formed on 15 August 2010 and aims to keep alive the ideas and promote the life and work of Keir Hardie. Membership is open to all members of the Labour Party, sister parties internationally and non-Labour Party members who support the Society's objectives. Annual membership per person is £10 waged and £4 unwaged.

To join the Keir Hardie Society, please download the KHS membership form from our website (www.keirhardiesociety.org) or email: khardiesociety@gmail.com.