

CHAPTER 33

Great Britain and France Between the Two World Wars

TIME LINE

- 1920-1924 France is governed by the right-wing National Bloc
- 1921 The Irish Free State is established
- 1922 David Lloyd George steps down as Great Britain's prime minister
- 1922-1923 Great Britain is governed by the Conservative prime ministers Andrew Bonar Law and Stanley Baldwin
- 1924 Ramsay MacDonald heads Great Britain's first Labor government
- 1924-1926 France is governed by a coalition of Radicals and Socialists
- 1924-1929 Stanley Baldwin heads a Conservative government in Great Britain
- 1926-1929 Raymond Poincaré heads a National Union ministry in France
- 1926 A coal miners' strike leads to a general strike in Great Britain
- 1929-1931 Prime Minister Ramsay MacDonald heads a minority Labor government in Great Britain
- 1931 The British Parliament passes the Statute of Westminster
- 1931-1935 Ramsay MacDonald heads the National Government in Great Britain
- 1932-1934 France is governed by a coalition of Radicals and Socialists
- 1934 The Stavisky scandal rocks French politics
A National Union ministry, headed by Gaston Doumergue, takes office in France
- 1935 Pierre Lava1 becomes France's premier
- 1935-1937 Stanley Baldwin serves as Britain's prime minister
- 1936 King Edward VIII abdicates; George VI succeeds him
Léon Blum's Popular Front government takes power in France
- 1937 Neville Chamberlain becomes Britain's prime minister
- 1938 The Popular Front collapses in France

Following World War I, both Great Britain and France confronted serious economic problems, which became even more intense during the depression decade of the 1930s. Nevertheless, both the British and the French maintained their democratic political systems.

For Great Britain, the prolonged economic crisis was particularly serious, as the British failed to regain their once dominant position in world trade. The most significant political development in Great Britain was the decline of the Liberal Party and the emergence of Labor as one of the major parties in the British two-party system. This political shift served to make the Conservatives the predominant party for most of the interwar years.

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The British also confronted imperial problems, as demands for independence mounted in Ireland, Egypt, and India, and the dominions called for greater rights of self-government.

During the 1920s, the French economy made a better recovery than that of Great Britain, but the world depression of the 1930s hit France particularly hard. The political instability that had characterized the

French Third Republic since its founding in 1870 became more serious following World War I.

Great Britain

Postwar Britain

World War I had been an exhausting experience, both physical and psychological, for Great Britain. The loss of more than 900,000 dead in the war was a profound shock for the British people.

The war had been costly in economic and financial terms, as well. British economic prosperity depended on foreign trade, but the war had disrupted Britain's trade links, which could not easily be reconstructed in a disorganized world. The national debt had increased by about 1,000 percent, and British finances were under a severe strain.

The 1918 Elections

In December 1918, soon after the armistice, the British held a parliamentary election. David Lloyd George (1863-1945), the wartime prime minister, led his coalition into the campaign, calling for a new mandate to strengthen his position at the coming peace conference. Known as the Khaki Election because of the large number of soldiers who voted, this election was the first time women were able to vote. A law passed earlier in the year had extended the right to vote to all men over the age of twenty-one and to women over the age of thirty. The Lloyd George coalition won an overwhelming victory.

Economic Problems

By late 1920, Britain's brief postwar economic boom was over. By March 1921, the number of unemployed had risen to over 2 million.

Attempting to cope with the recession, the Lloyd George government increased unemployment insurance payments (the dole) and secured the adoption, in June 1921, of the Safeguarding of Industries Act, which imposed a tariff on some imports. This act represented a significant departure from Great Britain's traditional policy of free trade.

Despite the government's efforts, the recession persisted and deepened, especially in Britain's basic industries: coal, iron, steel, textiles, and shipbuilding.

Politics During the 1920s

The deepening recession cost Lloyd George much of his popularity, and in October 1922, the Conservatives withdrew from the coalition. Lloyd George resigned and Andrew Bonar Law (1858-1923), the Conservative leader, became prime minister. Parliamentary elections in November gave the Conservatives solid control of the House of Commons. A split in the Liberal Party between the factions led by Lloyd George and Herbert Asquith (1852-1928:) helped the Labor Party become for the first time the second-largest party in the House of Commons.

Conservative Government Under Baldwin

In May 1923, Bonar Law left the prime ministership for reasons of health and was succeeded by Stanley Baldwin (1867-1947). Baldwin decided to support a broad program of tariffs to protect British industry from foreign competition and called an election on that issue.

The First Labor Government

In the parliamentary election of December 1923, the Conservatives lost their majority in the House of Commons, although they remained the largest party. Ramsay MacDonald (1866-1937), the leader of the Labor Party, took office as prime minister in January 1924, heading a minority government that depended on the support of the Liberals in the House of Commons. This first Labor government in British history lasted less than a year.

MacDonald extended full diplomatic recognition to the Soviet Union in February, hoping that increasing trade with Russia would help promote economic recovery. In August, a trade treaty was signed with the Soviets, and there was talk of a British loan to Russia. The Liberals opposed MacDonald on this issue, and he was forced to resign. A new election was called for October 1924, the second within a year.

The publication of the so-called Zinoviev Letter by the London Daily Mail hurt MacDonald's campaign. This letter, purportedly written by Grigori Zinoviev, the head of the Communist International, urged Britain's Communists to work harder on behalf of the proletarian revolution. Neither MacDonald personally nor his Labor Party were sympathetic to Communism, but they had endorsed closer relations with the Soviet Union. The election resulted in a major victory for the Conservatives.

Second Baldwin Government

Stanley Baldwin began his second term as prime minister and remained in office for the next five years, until 1929. Great Britain repudiated MacDonald's trade treaty with the Soviet Union and severed diplomatic relations in 1927, following charges of Soviet espionage.

The country's major problems involved the continuing economic and financial downturn, rather than foreign affairs. Unemployment remained high, and Britain's decision to return to the gold standard in May 1925 served to constrict the economy still further.

The general strike of 1926 confronted Baldwin's government with its greatest domestic crisis of the decade. Unresolved labor-management conflict in the coal industry resulted in a coal miners' strike in May 1926. The Trades Union Congress (TUC) then called a general strike in sympathy with the miners. For nine days, most of Britain's organized workers stayed away from their jobs. The workers expected the government to give way to their demands. When it did not, the general strike quickly collapsed. The coal miners ultimately returned to work on terms set by the mine owners.

A law passed in 1928 established equal rights for voting for men and women aged twenty-one and over.

Second MacDonald Government

The Conservatives lost the parliamentary election of May 1929, and for the first time in British history, the Labor Party held the largest number of seats in the House of Commons. But as in 1924, it was not a majority. MacDonald returned to the prime ministership, heading a minority Labor government with the support of the Liberals. Labor's success at the polls came primarily at the expense of the Liberals, who continued their decline to the status of a minor third party.

As prime minister from 1929 to 1931, MacDonald's policies did not differ markedly from those of his Conservative predecessor, although he did reestablish diplomatic relations with the Soviet Union.

MacDonald and the National Government

By 1930, the effects of the world depression were evident in Great Britain. Unemployment increased, and government tax revenues declined. In a report issued in July 1931, a committee of financial experts urged drastic reductions in government expenditures, especially a cut in the dole (unemployment benefits), in order to avoid an excessive budget deficit. This

proposal infuriated much of MacDonald's own Labor Party, and the cabinet was deeply divided on the issue.

In August 1931, MacDonald resigned the prime ministership but quickly returned to office at the head of a coalition known as the National Government. The coalition had the backing of the Conservatives, some Liberals, and a few Laborites who supported MacDonald, and it won an overwhelming majority of seats in the House of Commons in the October 1931 election. While MacDonald continued to hold the prime ministership, Stanley Baldwin, the Conservative leader, was the dominant figure in the National Government.

Economic Retrenchment

Pursuing a policy of retrenchment, the National Government increased taxes in an effort to make up for the loss of revenue caused by the depression and cut government spending in order to avoid a budget deficit. Interest rates were lowered, and Britain abandoned the gold standard. The British pound fell in value from \$4.86 to \$3.49. Devaluation failed to stimulate exports significantly, while the decrease in the pound's value wounded British pride. In an attempt to provide a protected domestic market for British industry, protective tariffs were imposed on imports in February 1932. This marked a definitive end to Britain's traditional free trade policy.

Uneven Economic Recovery

During the early 1930s, British unemployment fell from 3 million at the end of 1932 to 2 million at the end of 1934 and to 1.6 million at the end of 1936. However, economic recovery was uneven. New light industry, the building trades, and the armaments industry showed more improvement than heavy industry, textiles, and shipbuilding, which had once been the backbone of Great Britain's industrial might.

Return of Conservative Government

In May 1935, the British people celebrated the Silver Jubilee of King George V (r. 1910-1936). MacDonald retired from the prime ministership the following month, and Stanley Baldwin succeeded him. The new government was controlled by the Conservatives, although the term National Government continued to be used. Parliamentary elections increased the Conservatives' domination of the National Government.

The Crisis of the Throne

The death of King George V in January 1936 was followed by the accession of Edward VIII. The new king was unmarried, and rumor soon

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spread about his relationship with Mrs. Wallis Warfield Simpson, an American divorcee. The king indicated his intention to marry Mrs. Simpson, but the government insisted that it was inappropriate for the monarch to marry a divorcé. In December 1936, Edward VIII abdicated and was succeeded by his younger brother, the Duke of York, who became King George VI (r.1936-1952). The former king, who became the Duke of Windsor, went into exile and married Mrs. Simpson in June 1937.

Prime Ministership of Neville Chamberlain

Shortly after the formal coronation of George VI in May 1937, Baldwin retired from the prime ministership. Neville Chamberlain (1869-1940), his successor, was well equipped by temperament and experience to deal with domestic affairs. His misfortune was that he would be compelled to face difficult issues of foreign policy (see Chapter 34).

Imperial Problems

Ireland

In the Easter Rebellion of 1916, Irish nationalists carried out a revolt against British rule. While the British succeeded in suppressing the revolt, *Sinn Fein* (Gaelic for “We Ourselves”), led by Eamon de Valera (1882-1975), continued to agitate for independence. Violence grew in Ireland as special British forces, known as the Black and Tans, fought the Sinn Feiners.

An act of Parliament, passed in December 1919, partitioned Ireland into a predominantly Catholic south and a predominantly Protestant north, each with its own parliament. Continued protests by Sinn Fein led to a 1921 treaty establishing a virtually independent state in the south, the Irish Free State, also known as Eire. The six counties of Northern Ireland (Ulster) remained a part of the United Kingdom.

Egypt

In 1922, the British agreed to end their protectorate over Egypt. While Egypt was now independent in principle, the British continued to exert considerable influence over Egyptian affairs.

India

In India, two major nationalist movements emerged, the predominantly Hindu Indian National Congress, led by Mohandas K. Gandhi (1869-1948) and Jawaharlal Nehru (1889-1964), and the All-India Moslem League, led by Mohammed Ali Jinnah (1876-1948). In 1935, the British approved the Government of India Act, which provided for limited Indian self-rule.

The Dominions

Although the British dominions – Canada, Australia, New Zealand, and the Union of South Africa – were self-governing in their domestic affairs, Great Britain continued to control their foreign policy. Following World War I, there was growing sentiment in the dominions for autonomy. In 1926, the Imperial Conference decided in favor of autonomy for the dominions in foreign policy questions. According to the definition of the Imperial Conference, the dominions were “autonomous communities within the British Empire, equal in status, in no way subordinate one to another.”

In 1931, Parliament endorsed this definition of dominion status in the Statute of Westminster, formally declaring that no act of the British Parliament would be binding in any dominion without its express consent.

France

Postwar France

For France, World War I had been a devastating experience. Of the 8 million men mobilized, some 1.4 million had been killed, while over 3 million more had been wounded.

France had also suffered immense physical destruction. For almost four years, northern France had been a battlefield. Hundreds of cities and towns had suffered severe damage, and factories, mines, and farmland had been devastated. The cost of reconstruction was immense.

Politics in the 1920s

The election for the Chamber of Deputies in November 1919 resulted in a victory for a coalition of centrist and rightist parties, the National Bloc, which dominated the French government until 1924. Aristide Briand (1862-1932) and Raymond Poincaré (1860-1934) were the leading figures in the government.

The National Bloc pursued a hard line toward Germany. When Germany defaulted on its reparations payments in 1922, France occupied the Ruhr (see Chapter 32).

On the left, the major event in the early 1920s was the split in the Socialist Party, which occurred in 1920. Left-wing Socialists formed the French Communist Party, which became increasingly subordinate to control from Moscow. The reorganized Socialist Party supported moderate, reformist policies.

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The Left Cartel

In May 1924, a coalition of Socialists and Radicals, the Left Cartel (Cartel des Gauches), won the election for the Chamber of Deputies. Edouard Herriot (1872-1957), a leader of the Radicals, became premier. While tension with Germany eased, the Left Cartel proved as incapable as the National Bloc had been in coping with the problems of inflation, the national debt, and the unbalanced budget. The Left Cartel was troubled, in particular, by deep disagreements between the Socialists and the Radicals. The Socialists favored a tax on capital owned by the wealthy, increases in direct taxes, and lower interest rates on government bonds. Despite their name, the Radicals were relatively conservative on economic questions. They advocated budget cuts and modest increases in indirect taxes in an effort to cope with the government's financial problems.

As the deadlock between the Socialists and Radicals continued, inflation became more serious. Cabinet instability was worse than usual, and from April 1925 to June 1926, there were six cabinets.

Poincaré and the National Union Government

In an effort to restore some semblance of order to French politics and finances, the parliament granted extraordinary powers to a National Union ministry headed by Raymond Poincaré, which took office in July 1926. Poincaré, who had a reputation for financial expertise, won the support of the Radicals and the centrist and rightist parties for his program of cutting government spending and increasing taxes.

During the late 1920s, the French economy experienced a substantial recovery. There was a high level of employment, and the reconstruction of the war-devastated areas of the country was completed. However, subsequent events revealed that the recovery was only temporary.

Depression Politics

Poincaré's conservative successors governed France from 1929 to 1932. Without Poincaré's firm leadership, however, cabinet instability returned. This instability resulted from the multiparty system and the lack of discipline within parties.

As the great depression began to engulf the world, France appeared at first to be immune. The French economy possessed a good balance between industry and agriculture and did not feel an immediate impact from the economic downturn. By 1932, however, France was hit hard by the depression.

Return of the Left Cartel

The Left Cartel, the Radical and Socialist coalition, won a majority of seats in the Chamber of Deputies in the May 1932 election. Once again, as following the leftist victory in 1924, the Radical Edouard Herriot became premier. Having cooperated in order to win the election, the Radicals and Socialists continued to find it difficult to agree on policy. This discord led to continuing cabinet instability. From December 1932 to February 1934, five weak cabinets, all headed by Radicals, attempted to govern the country.

The Stavisky Scandal

In early 1934, scandal rocked the French political world. Serge Stavisky, who had cheated investors out of millions of francs, had allegedly been protected by a number of politicians, including several leading Radicals. Whether Stavisky committed suicide in order to avoid arrest or was murdered to prevent him from revealing his political connections has never been determined. In protest against the corruption and ineffectiveness of the Third Republic, ultra-right-wing political groups organized a great demonstration in Paris on February 6, 1934. The demonstration quickly turned into a riot when the demonstrators attempted to storm the Chamber of Deputies building.

National Union Ministry

In the wake of the Stavisky scandal, the Left Cartel collapsed and the parliament established a National Union ministry headed by Gaston Doumergue (1863-1937), a former president. The Doumergue cabinet was in power for most of 1934 and provided French political life with a degree of much-needed respectability. The National Union ministry did little, however, to cope with the intensifying economic crisis.

Laval's Premiership

During 1935, Pierre Laval (1883-1945) was the dominant figure in the French government, serving as premier from May until January 1936. The depression reached its lowest point, with total industrial production well below the 1913 level. Laval cut government expenditures and maintained the gold standard. While the index of industrial production showed a modest increase, other economic indicators failed to improve.

The Popular Front

The Popular Front, a coalition of Radicals, Socialists, and Communists, won a majority in the Chamber of Deputies in the May 1936 election. Although the Communists declined to take seats in the cabinet, they agreed to

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support the program of the Popular Front government headed by the Socialist leader, Lion Blum (1872-1950).

Reforms

The Popular Front carried out a number of reforms. Labor unions won the right to collective bargaining, and wages were increased by about 12 percent. The forty-hour workweek and paid vacations for workers were established. Compulsory arbitration of labor-management disputes was instituted. The Bank of France was nationalized, as was some of the armaments industry. Conflict between the Socialists and Radicals continued, however, and the Popular Front failed to produce any real solution to France's basic economic problems. In June 1937, Blum resigned. The Popular Front survived for another year until it fell apart in the spring of 1938.

Effects of Popular Front

When the Popular Front government was established, a great sense of hope had come to the workers of France, while conservatives had stood in fear of a revolution. Nothing happened to justify either the hopes or fears. In the long run, the failure of the Popular Front benefited the Communists, since it seemed to prove what they had been insisting: The only way to bring real change in France was to begin with a revolution that would completely shake up the country's economic and social structure. This attitude contributed to the emergence of a powerful Communist Party in France following World War II.

Daladier's Premiership

In April 1938, the Radical Edouard Daladier (1884-1970) became premier, heading a coalition of the Radicals with the centrist parties. Like Chamberlain in Great Britain, Daladier had to focus his attention on the deteriorating international situation.

The depression decade had a powerful negative impact on both Great Britain and France. In neither country was the government able to develop policies that led to a substantial economic recovery or a decrease in unemployment.

Despite economic problems and the decline of the Liberal Party and the emergence of Labor as one of the country's two major parties, Great Britain experienced general political stability. However, Great Britain failed to produce leaders of great stature.

France also lacked outstanding leaders, and the Great Depression undermined the already shaky political structure of the Third Republic. Cabinet instability became an increasingly familiar feature of the political scene. The experiment of

the Popular Front from 1936 to 1938 proved a particular disappointment and left France more deeply divided than ever on the eve of World War II.