

associations throughout the country. It was entirely on the lines of Molteno's speeches. It began by recalling the programme of Peace, Retrenchment and Reform on which the great Liberal victory of 1906 had been won. Conciliation in South Africa, wrote Brunner, seemed to usher in a policy of friendliness and goodwill towards foreign countries, with improvements of international law and a general reduction of the burden of armaments. But since the naval panic of 1909 our Foreign Office and Admiralty had yielded to the clamour of the Jingo Press, Parliament had been misled, and

no heed has been paid to the protests of the National Liberal Federation or to the constant criticisms of Liberal economists in Parliament and the Press.

The invention and advertisement of the Dreadnought by our Admiralty have proved a curse to mankind, and not least to our own people and our German neighbours; for both sorely need the money they have wasted to remove slums, to improve housing in town and country, and to multiply gardens. If this destructive rivalry in naval armaments goes on unchecked, it threatens to submerge civilization and to destroy society. There is no limit to the taxation which armaments can impose on rich and poor alike, as we see by the case of Japan, which now has a high tariff and an income tax rising to 5s. in the £ in order to pay for a conscript army and a large fleet. . . .

Perhaps the central mischief is that diplomacy, by secret treaties and dubious understandings, has twisted and perverted the welcome friendship with France into a dangerous entanglement which has spoiled our relations with Germany. The result is that the military party in France has been encouraged to hope for British aid in an attack on Germany, while the Russian Government has used the moral prestige of our support for a policy of aggression and oppression in Finland and Persia.

The North Sea, over which half our shipping and commerce was then passing daily, had become a scene of mutual suspicion and warlike preparations unparalleled in cost and magnitude.

The awful warning of the Morocco crisis has gone by but the sore is unhealed. Lord Haldane's mission to Berlin was ruined by Mr. Churchill's warlike speeches. There have been faults on both sides; but who can doubt that the coldness and pessimism of our Foreign Office have been a persistent obstacle to that Anglo-German Entente which the peoples on both sides of the North Sea clearly desire.

It was 'the plain duty of the Liberal Party, the inheritor of Gladstone's teachings, to express itself now in language which the Prime Minister and his colleagues cannot mistake'. As the accredited organ of Liberalism, the National Liberal Federation had a duty to perform.

It has to ask for a change of policy which will remove the friction and suspicions by which war is generated . . . Let us make known that we wish to live on terms of friendship and mutual confidence with our German neighbours.

?  
correct

I well remember the care we took in preparing this manifesto, which embodies better perhaps than any other document of similar length Molteno's brave, persistent and far-sighted efforts to avert the fatal catastrophe of 1914. But Grey's obstinate temperament, backed and backed by the permanent officials of the Foreign Office. (who controlled his outlook on Europe all the more easily because he knew no foreign language and had visited no foreign country) frustrated the liberalism of the Party, and prevented the appeasement of Europe. A stealthy diplomacy glossed over by smooth words prevented Britain from preventing war. For a time, however, the action of Gladstonian Liberals (who still commanded a majority in the Cabinet) produced an effect, and Grey co-operated with Germany and Austria to prevent the Balkan Wars extending into a European conflagration.

Apart from foreign politics the session was a hard one for Liberal members owing to congestion of business and long sittings over the Irish Home Rule Bill, which met with ferocious resistance. Percy made one important contribution in regard to customs, and towards the end of November he was able to write to one of his constituents:

We intend to put the Home Rule Bill through the House of Commons in spite of all opposition, rowdy or otherwise. You will see that the Government have put in an amendment on customs and excise; and this, together with the other clauses which prevent a Protective system being established, will leave matters in a more satisfactory position.

A few days later (November 26th) he wrote to *The Times* on the Canadian import duties in reply to the Hon. G. E. Forster. It was unanswered and unanswerable. It evoked a letter of congratulations from Harold Cox, one of the ablest economists of the day, and deserves insertion here as a model for imitation in a controversy which is still very much alive:

I observe that the Hon. G. E. Forster, Minister of Trade and Commerce for Canada, addressing the business men of London at the City Carlton Club last week, made the following statement: 'The British business man, among the many opposing forces which he had to encounter, had to come up against more or less high tariff walls. He might be able to mount the tariff wall; but he was a happy man if he did not catch his toe on the topmost layer and come a cropper. That was the position, so far as some countries were concerned; but when the British business man went into the Oversea Dominions, although he might find tariffs there and very moderate tariffs, too, he would find that those tariffs had been shaved down 33½% for the benefit of wares of British origin.'

I would be glad if you will allow me through your columns to ask Mr. Forster one or two questions to elucidate this statement of his.

I would ask him, if a British merchant wishes to send a locomotive to Canada, will Canada charge a duty of 23½% *ad valorem* on that locomotive, while if he sends it to the Argentine, it will be admitted free?

Indeed, it would seem from the tabular statements compiled by the Board of Trade in 1905 that he would pay in no other country in the world, except Russia and the United States, so high a duty as he would pay in Canada. In fact, there are several foreign countries which like the Argentine would be glad to receive his locomotive absolutely free of all duty.

Again, if a Woollen merchant desired to send his woollen piece goods of heavy all-wool or mixed and light all-wool or mixed to Canada, a duty would be levied of 30% *ad valorem*, while if he sent the same goods to Belgium he would pay 10%, to Holland he would pay 5%, to France from 11 to 22%.

If he wished to send apparel of woollen clothing to Canada, the duty of 30% would be levied, as against a duty of 12% in France, of 20% in Germany, of 10% in Belgium and 5% in Holland.

Should he select Linen manufactures as his article of export and seek admission to Canada, the duty would be 182% *ad valorem*. He could send the same goods into Denmark at a duty of 14%, into Germany at 17%, into Belgium at 10% and into Holland at 5%.

Should he seek to send Iron and Steel and the manufactures thereof to Canada, he would pay from 31 to 20%, tin plates alone being free, while he could send the same goods to Portugal at duties ranging from 4 to 8%, to Greece entirely free, to Belgium at duties ranging from tin plates, which are entirely free, up to 10% for rails; to Norway he could send all these free of duty, and he could do the same, free of duty, to Holland.

I could give many other instances where he could send his goods into foreign countries at a rate far below that charged on his goods in Canada. In making the selection of goods above, I have taken some of the principal groups of goods which are tabulated for comparison in the Blue Book to which I have referred.

If one examines the summary compiled in 1905 of the estimated average *ad valorem* equivalent of the Import duties levied by various foreign countries and British Possessions on the principal manufactures exported from the United Kingdom, I see that Canada, notwithstanding its preferential tariffs, ranks, in its rate of duty, above the following foreign countries: Roumania, Belgium, Norway, Japan, Turkey, Switzerland, China, Holland.

I shall be glad if Mr. Foster will inform your readers whether matters have changed for the better since 1905 when this Blue Book appeared; and if not, whether he can still make good his claim, advanced in the above quotation from his speech. If the tariff of Canada is evidently out of accord with his sentiments, can he hold out any hope to your readers that this tariff will be brought more into accordance with these sentiments, by a reduction which would bring it to the level of the tariffs of the countries I have named?

I observe the report of a speech made on the same day, by the Right Hon. Walter Long, in which he tells us, 'While the people of Canada had got their particular ideas of what they would like to work for, they always asked themselves the question: Will this reform tend in the direction of Imperial expansion or not? If they answered that question in the negative, they always abandoned the project, because if it was going to tell against the Empire, then it was no longer a matter in which they would interest themselves. Underlying every political problem in Canada was the question, what will be its contribution to the solidarity of the Empire?' In the light of this principle, I would ask whether a tariff which imposes these heavy duties, far heavier than in many foreign countries upon goods of British manufacture, tends to imperial expansion or to the solidarity of the Empire.

There are several incidents in Percy's private life during the year 1912 which must not be passed over. He never lost touch with his College and University, and in the autumn he arranged with a number of friends for a dinner in London of their contemporaries at Trinity. One of the results of his parting from business and ceasing to work with a secretarial staff in Fenchurch Street was that he needed a private secretary. An official in the Union-Castle Line recommended his brother, Mr. H. B. Johnson. After several interviews a trial was arranged. Mr. Johnson tells me that he knew nothing of shorthand; but Molteno thought such an imperfection which could be cured and asked him to master the art during May while he was on a visit to the Continent. A first-rate

H B Johnson  
becomes his  
private sec  
1912  
TL  
for 25 yrs

teacher was provided; Mr. Johnson worked almost night and day for the month, and was just able to pass muster when his chief returned. The appointment had been made on April 20th. It proved a most fortunate one. Complete confidence was established between them, and they worked together happily and harmoniously with mutual respect and affection for the next twenty-five years. Their association was only ended by Molteno's death.

During the year Molteno was busy with improvements at Parklands and was conferring with his friend W. Dunn, of Messrs. Dunn & Watson of Lincoln's Inn Fields. He had a fine taste in architecture as well as a thorough knowledge of up-to-date building methods and costs; he knew what he wanted and knew how to get it. Here is what he wrote to Dunn about a loggia which, when completed, was much admired and formed, with an open-air bath, a charming feature in a beautiful garden:

I want to suggest to you the idea of some sort of loggia from which we could get a view over the surrounding country. I have always had this in view in connection with the new house. I know that a loggia is not a feature of Tudor architecture, though it has been adapted in some cases to English houses. But after all we do not live in Tudor times, as you have often pointed out, in regard to internal arrangements; and the house must exist for the dwellers in it. So much by way of preliminary.

What I would like you to consider is whether it would be possible to arrange on the western side of the house a loggia of sufficient size to permit of afternoon teas, etc., open to the air, protected on the east and north by the house walls, and open to the south and west. There are many instances in the transition from Tudor to Renaissance architecture in England of a combination of Renaissance features with the main building in Tudor style. For instance there are many Renaissance porches to Tudor houses.

As to the style of arch, I favour what Ruskin calls the earlier and purer Renaissance, as in several of the buildings in Verona, where both the columns and the arches are quite simple in design, comparatively slender in proportion, and not loaded in any way with ornament.

He refers his architect to some drawings in *Country Life* of a villa built by a Mr. Peto on the Riviera 'where there is some rather nice arcading'.

They were also making some improvements at Glen Lyon House:

Mrs. Molteno was going to write to you about the Glen Lyon gates. We thought that the opening between the pillars ought to be at least fourteen feet clear. As to the design of the gate, we thought that solid Scotch thistles should be interspersed with the spikes in the top string course of the gates. And in the middle one, instead of the sort of arrow head, which I take it was not solid so far as its top was concerned, that these arrow heads should be replaced by halberds, of which Mrs. Molteno was to send you a sketch. I understand these halberds are still used in Scotland by some of the Corporations for ceremonial purposes, and Mrs. Molteno has a rather remarkable one in silver

called the Staff of Glenlyon which is very similar to the design which she is sending you.

Everyone who has seen the Parklands loggia and the Glen Lyon gate will agree in admiring Moltano's taste and skill as architect and designer. His other arrangements to provide for electricity and water-power at Glen Lyon demonstrated his aptitude in applying science to mechanics and engineering.

Percy's generosity to his relatives and friends has often been referred to. In the spring of 1912 his nephew George Murray was at Cambridge and Percy arranged for him to attend the Cambridge School of Agriculture and take its agricultural diploma. 'I think', he wrote, 'the Cambridge School of Agriculture will accomplish great things.' He also helped young Jabavu to take a degree in London, and had him apprenticed in journalism at the office of the *Kent Messenger*. His interest in native questions continued unabated. Towards the end of the year he subscribed to a bronze bust at Sierra Leone in memory of Dr. Edward Bleyden, a great negro philanthropist who was in the front rank among scholars of the black race.

He kept up all his hobbies. In the summer of 1912 he was corresponding with the College of Arms about the Moltano coat-of-arms and paid the College a fee to make researches about it in Italy. In September he helped Mrs. Florence Caufield to prepare a book on the wild flowers of South Africa.

One of Moltano's favourite quotations was from Burns: 'Man's inhumanity to man makes countless thousands mourn.'

His heart was deeply moved by the terrible sufferings of women and children and wounded men in the savage conflicts of the Balkan wars which broke out in the autumn. He contributed generously to a Committee started by C. E. Maurice, Mrs. Dryhurst and Mrs. Cobden Unwin. The Committee sent money to help the Red Cross and Red Crescent medical mission in Tripoli, Salonica and Constantinople.

These horrors had been started by the sudden and unprovoked attack of Italy on Tripoli, then a Turkish possession. One of Moltano's nephews, Ernest Anderson, a doctor who afterwards joined the Life Guards, went out to Constantinople in the service of the Red Cross Society. Thence he wrote to Percy on November 5th: 'The place is full of wounded — twenty thousand, so the Embassy says, and many more will no doubt arrive soon.' It was wet and cold and the unfortunate Turkish soldiers were without coats. At the end of the month (November 28th) he sent a further letter: The guns were thundering. Two nights before he had walked out of the hospital and found a field strewn with men dying and groaning. 'It was the most appalling sight I have ever seen. It was dark and there must have been quite a thousand.' Cholera was raging in almost all the hospitals. 'The Bulgarians', he added, 'made two attacks yesterday, but were repulsed.'

Percy kept his eye on inhumanity at home as well as abroad, and in November he bestirred himself to restrict the flogging propensities of bad magistrates by putting questions in the House of Commons.

His private correspondence was enlivened in the summer and autumn of 1912 by several letters from Merri- man, who replied rather tartly to an admonition from Molteno about the extravagance and inefficiency of the Union:

I do not know why you should have fallen on me for all the iniquities of the Government which I vainly endeavour to stop. We are now governed by the back-veldt, who do not listen to debates but just troops in and vote as they are told, being kept together by appeals to Nationalism. In fact it is Krugerism without Kruger. Botha has shown himself a pitiful failure both in Parliament and in administration, but he has a most undoubted power of slim management of those who do not understand that politics mean anything except self-seeking. . . . Poor Owen Philipps has found out that the Afrikander is a little too slim for him. I fancy the idea of our own line of steamers — ruinous as it may seem in its absurdity — is still very much alive.

In December Percy made one of his few mistakes as an investor by subscribing to a sterling loan issued for the city of Moscow by J. Henry Schroeder for municipal undertakings. The later history of the loan is interesting and instructive. When Lenin's government repudiated the War Debts, they also confiscated the loans for productive and useful purposes which had been lent by British investors; and though thousands of millions have been spent on armaments since by the Soviet governments' and though the city of Moscow is still benefiting by the investment of British capital, not one penny of interest or principal has been paid, and the prospects of any return to honesty are considered so poor that a Moscow Bond for £100 can now be purchased for a shilling or two. At the time when Molteno made the investment it was considered a very good security; the Governments of the Tsars had always paid punctually the interest on their debts to this country, and the reforms actual or projected seemed to promise that the autocratic system would gradually be liberalized. When I visited Moscow in 1913 I was struck by the municipal improvements and by the general hopefulness about the Duma and the Zemsvstvos (or County Councils) which seemed to prevail among the intelligent persons whom I met. There was no thought apparently of the War, which was to destroy millions of Russians and totally overthrow not only Tsardom but capitalism and all forms of property, including even the farms of the peasants.

We may conclude our record of the year 1912 with a few sentences from a long letter from Percy to his brother Ted (E. B. F. Molteno) at his farm, Glen Elgin in Cape Provinces. After discussing the properties and values of several varieties of seed potatoes and the comparative advantages of wooden and steel pipes or steel or cast-iron pipes to carry water for irrigation, he described the results of his crop experiments at Parklands and pro-  
7

You may be interested to know the following. A farmer in Kent has just raised a crop of wheat which realised £1,666 7s. 3d. without the value of the straw

Financial  
Investment  
Mistake

from a quarter of seed. The wheat is the new variety brought out by the Cambridge University School of Agriculture. The farmer bought one-quarter of the seed in 1910, for which he paid £8 8s. The first year he had a crop of 43 quarters, 5 bushels. Planting the whole of this last season he had a total crop of 770 quarters, which he has just sold for the above amount. The wheat is a wheat which is rust-resisting. It has the prolific qualities of British wheat and the strong qualities for baking possessed by the Canadian wheat.

As to Cape politics, he saw that General Hertzog had left the Ministry.

*Percy's view  
Hertzog  
he does  
see large  
trajectory  
Africa. Na*

I think he was rather too parochial in his views and did not realize that ideas which were large enough for Smithfield were too small for a United South Africa. But he is a very honest and well-meaning man, and I can understand that some of the proceedings of General Botha may have disappointed him.

Lastly came this glimpse of the political situation at home:

The Tories have got themselves into a dreadful mess over their Tariff Policy. They are at sixes and sevens among themselves, and cannot possibly face the idea of a General Election now, or for some time to come. We have made considerable mistakes, but they have capped them badly. Their other great mistake recently was to stifle discussion in the House of Commons by hooligan methods. Irish Home Rule and Welsh Dis-establishment are going on well and ought to become law in due time.

CHAPTER XXVII

THE YEAR 1913—A LULL BEFORE THE STORM

PHILOSOPHERS have often raised the question whether on the whole there is more of happiness or of misery in the life of ordinary mortals. Much of course depends on place and time as well as upon the individual's capacity for enjoyment. Whether the recent very rapid progress of science and mechanics has added to the sum of human welfare may be doubted. But there is certainly one discovery — power to foretell the future — which would add enormously to the sum of human misery. To know what will happen to us next year would take the relish out of all our delightful surprises or force us to brood over unforeseen miseries. Percy was not of the 'happy-go-lucky', or 'eat, drink and be merry' school. In business he was provident. In politics he was too sensible of growing mischiefs to rest upon his oars. He sniffed dangers ahead and did all he could to avert them. But he had faith in reason and that gave him hope. He assumed that his countrymen and their elected representatives could be persuaded to take enlightened views of their interests. He enjoyed public life, not as a careerist, but as one who loved to work for every good cause in which he engaged.

*Percy's apt  
to the fu*

*Percy  
wanted  
to have  
faith in  
reason*

*Attitude of  
distinction*

We are now approaching the end of what Admiral

(except re SA)

1906-1914. ~~The~~ Berke's happiest years

39373 Molteno 409

Barkley Molteno once described to me as the happiest period of his brother's life — the eight years that separated the Liberal victory of 1906 from the Great War of 1914. In this period, especially in the first part of it — so his brother said —

Success was rewarding his efforts. His affection for, and goodness to, all the members of his family was unbounded. That contributed greatly to his own happiness as well as to theirs. And he got much pleasure from farming at Parklands. I saw more of him from 1907 to 1911 than at any other time of his life, as I was then at the Admiralty and went with him to South Africa in 1910. As most lives go I think his was a happy one in spite of his prevision — for he always seemed to foresee the troubles that politicians were bringing on themselves and the country.

Barkley to SA 1910

TL

Had he *known* that his warnings would be unavailing, that his efforts would be frustrated and that his worst fears would be far more than fulfilled, 1913 instead of being a year of felicity would have been one of acute misery and distress.

As it was, he found a good deal to encourage him in Parliament. At the beginning of the Session the Prime Minister assured Lord Hugh Cecil we had no naval or military commitments to any foreign Power. Even Sir Edward Grey seemed to be yielding to Liberal opinion. His attitude towards Germany and Austria during the Balkan wars indicated a welcome change from his action at the Agadir crisis. Indeed at the end of May, when an abortive Peace Treaty was signed in London, the *Liberal Magazine* declared that Grey had 'led the way in recreating the Concert of Europe' and had 'shown that this country is not exclusive in its friendships', thus 'greatly improving' our relations with Germany. For a time even Molteno's suspicions were laid to rest. When he visited his constituents at the end of October he said he could 'state on the highest authority that our relations with Germany had become most cordial'. Though the Concert of Europe had been 'powerless to prevent or curtail the orgy of slaughter in the Balkans', they had to thank the German Government for acting with ours to prevent the extension of war, and so preserving 'the supreme blessing of Peace'.

At the beginning of the year 1913 Liberal Members of Parliament had plenty to do. The Session of 1912 was continued through January and February 1913; for the Irish Home Rule and Welsh Disestablishment Bills had to be passed through all their stages in order that they might have the benefit of the Parliament Act and become law before the next General Election despite their rejection by the House of Lords.

On New Year's day Sir Edward Carson's amendment to exclude Ulster from the operation of the Home Rule Bill was rejected by a majority of 296 to 199. Great was the wrath of the Unionist Party; but at first its power to obstruct Home Rule was paralyzed by new dissensions

is of  
but  
not  
or term  
of  
(Kilbracken)

!

wood  
line

Private

over tariff reform. On January 6th *The Times* reported that, according to information,

upon the accuracy of which we can confidently rely, not much more than six per cent, of the Unionist members of the House of Commons are in favour of making the food duties an issue at the next election.

Tories pro Tariff  
Imperial Pro  
before 1904  
Free Trade

A campaign for dropping them was conducted vigorously by *The Times*, the *Daily Mail* and other newspapers under the control of Lord Northcliffe. It was opposed with desperate zeal by Mr. Austen Chamberlain and a faithful band of Tariff Reformers who cared even more for Imperial Preference than for Protection. But a large majority of the party signed a memorial to their leaders against the policy of taxing food imports; and on January 13th Lord Lansdowne and Mr. Bonar Law gave a pledge that, if a Unionist Government returned to power, they would not impose any new taxation on food until it had been submitted to the people at another general election. Thus a two-general election pledge was substituted for the Referendum pledge; but for some time the Unionist Party was too sullen and dispirited to combine effectively in support of the Orangemen, who now began to threaten armed resistance to Home Rule.

The Tariff Reform League had to be wound up for lack of money and support. At a funereal dinner to Austen Chamberlain in March Chaplin, the veteran advocate of a duty on corn, denounced the intrigues within the Party that had ruined their cause, and sympathized with their unhappy guest on the 'very trying and heart-breaking time' through which he had recently passed.

After this exclusion of agriculture from protection for the sake of the town vote all that remained of fiscal reform was the project of a tariff averaging 10 per cent. on imported manufactures, and possibly a few small duties on raw materials imported from foreign countries which might be admitted free from the British Colonies. Speaking for Molteno's friend Gordon Harvey at Rochdale on January 11th Sir John Simon, the Solicitor-General, said that this abandonment of Imperial Preference substituted for a splendid object, reached by a mistaken method, the vulgar selfishness of mere Protection. A few days later Percy wrote hilariously to a friend at the Cape:

You must have been rather amused at the break up of the Tory Party over Tariff Reform and food taxes. It has destroyed them as a fighting force at present. Bonar Law has had to eat his own words, and has been placed in a miserable position for a leader. You will notice that we passed the Third Reading of the Home Rule Bill last night (January 16th) by a very large majority. There was great enthusiasm when the figures were read out. The Lords will of course throw it out, but the Parliament Bill will come in, and we shall get it through with a little delay.

In the middle of February Percy went down to his constituency and addressed a series of crowded and enthusiastic meetings which gave him unanimous votes of confidence. The Member was in high spirits. Sir Edward Grey's invocation of a European Concert to prevent the Balkan wars from spreading and his friendly

Start to 1980s = 907

39373 Molteno 411

co-operation for that purpose with the German Government seemed to show that the Anglo-German friendship movement was bearing fruit. Admiral von Tirpitz had announced Germany's willingness to accept a ratio of sixteen to ten in battleships as a building formula. If that arrangement, said Molteno, were made effective, a period would be put to 'this insensate competition in armaments'. Only seven months ago he had asked in the House of Commons for a common-sense agreement of this kind, and now 'I am thankful to think it has almost come about'. It had been Campbell-Bannerman's intention to complete the agreement with France by an agreement with Germany, and now that we were working with Germany to preserve peace between the Great Powers of Europe the time surely had come for a joint limitation of armaments. Germany was the best customer we had for our manufactures; we need not be jealous of her growth and development; there was ample room for both countries in the world, and no reason why we should grudge the application of German capital and enterprise to the task of developing the waste spaces of the earth, especially as we had no further need or desire for further territorial expansion.

ffs  
France  
S. Not

Our own prosperity was marvellous.

Wages have risen, and unemployment has never been so small. Since 1905 (when Mr. Chamberlain foretold the ruin of our industries and preached Tariff Reform as a remedy) our overseas trade has increased by £500 millions, or one half of the whole trade which had been created up to 1905.

With the exception of the sugar duty, which had been halved, there were no taxes on food, and the leaders of the Unionist Party had just abandoned Chamberlain's policy of food taxation for the purpose of Imperial preference. Austen Chamberlain, who had been speaking in Dumfries, recognized that the great majority of his party had thrown him over.

In these speeches Molteno paid a warm tribute to the Prime Minister for his conduct of the Home Rule Bill. Even in Ulster there was now a Parliamentary majority for Home Rule. He deplored the scenes of violence that had disgraced the House of Commons during the last stages of the Bill, and the encouragement that Bonar Law had given to rebellion in Ulster. Percy described Ireland as 'the first and oldest colony of Great Britain', and now

TL  
1913  
Pro Home  
Rule

We are going to put our oldest colony in regard to self-government on a footing with our youngest South Africa. . . . We gave Canada self-government, and to-day we are rejoicing that she has come forward freely, and made an offer to assist us in bearing part of the burden of Naval defence.

He had watched Redmond the Irish Leader closely from his seat in Parliament during the past seven years, 'and I can tell you that in his hands the interests not only of Ireland but of the Empire will be absolutely safe and secure'. In granting Home Rule to Ireland for purely Irish affairs they would be liberating energies both in Britain and in Ireland for the good of both countries.

Scottish  
Small  
Act

At one of his meetings he dealt at length with the land question and with the Scottish Small Landowners Act,<sup>1</sup> which had come into operation in the previous April. Like so many others the Act was a skeleton; it had to be filled in by sympathetic administration and the machinery took time to start. The Scottish Board of Agriculture and other bodies had to be appointed and many questions had to be settled. What had occurred so far? There had already been 4,500 applications in Scotland for a small holdings and extensions of small holdings. There would be far more when people realized the value of the Act and saw what it meant to have a small holding at a fair rent with security of tenure and security for improvements, 'so that when you labour and toil and put your money into it you will be sure that you and not someone else will get a fair share of that money back'.

In February Percy began to assist his friend, Professor George H. F. Nuttall, F.R.S., who was starting a small laboratory near Cambridge for research work in parasitology. At the request of the Duke of Argyll he joined in a testimonial to Lord Avebury for his services to the Anglo-German Friendship Society. The Duke recognized the peril and wickedness of the attempts that were still being made to foment ill-feeling between the two countries but he thought they had averted

the immeasurable calamity of a rupture between two great nations of the Teutonic or Saxon stock, linked by so many ties of race, religion, sentiment and character, and by common economic and commercial interests.<sup>2</sup>

Percy also subscribed at this time to the Commons and Footpaths Preservation Society, which was issuing a revised edition of an excellent book *English Commons and Forests* by George Shaw Lefevre, a friend of Molteno who had been raised to the peerage as Lord Eversley.

After the passage of the Home Rule and Welsh Disestablishment Bills through the Commons Percy made the most of a short recess by taking his wife to the Channel Islands, where he was greatly struck by the wonderful production of early fruit and vegetables. On his return when the Navy Estimates came to be discussed he found that the First Lord had begun to arm merchantmen and liners. Percy was a keen student of all naval problems and before entering upon a controversy he examined the arguments of his opponents and made perfectly sure of his ground. He discussed Mr. Churchill's project with Admiral Custance, Sir Thomas Sutherland, Sir Charles Cayzer and other naval authorities and shipowners. When Mr. Churchill on June 3rd stated in answer to a question in the House of Commons that guns had been mounted on two merchantmen as well as on a number of fast liners, Molteno wrote a letter to *The Times* in which he submitted Mr. Churchill's project to a severe cross-examination.

<sup>1</sup> Percy agreed with the Duke. A few weeks later he wrote to his brother Wallace that he thought the risk of a great European War 'very small'.

(see query on  
copy)

Prof  
Nuttall  
Percy  
1914Percy the  
Rambler

TL

TL

Is it intended [he asked] that every merchant ship should carry guns in the course of her ordinary voyages for the purposes of naval action, whether for offence or defence, or are these ships to be used on the outbreak of war as auxiliary cruisers, having landed their cargo and passengers?

Under If the first alternative (which Mr. Churchill appeared to favour) were adopted, it would mean that 'a ship with a very large number of non-combatants on board is to be exposed to the risk of a naval action in consequence of having a warlike armament'. But such a ship would have no armour-plating to keep out shot or shell. The smallest shot or shell could pierce her hull, and she might be sunk in a few minutes, carrying with her hundreds, or in some cases, thousands of passengers.

It seems an extraordinary position that we, who possess the largest mercantile marine in the world, should be prepared to introduce these new grave risks for our ships and for the *personnel* and passengers they carry.

The smallest warship, he pointed out, would be more than a match not only for the largest merchant vessel but for any number of them. Surely 'the proper method of providing against the danger of attack is convoy by a warship'.

The other alternative was that at the outbreak of war merchant ships should discharge their passengers and cargo in order to be armed as cruisers. This might be worth doing in case of ships engaged in trade with the country which had become an enemy, as they would be thrown out of employment. But, as Molteno correctly foresaw, it was more than probable that they would soon be required to bring additional supplies of food and raw material into the country.

After setting out a number of other objections Molteno suggested that before any further steps were taken there should be the amplest and fullest discussion. Mr. Churchill's fertility in devising unsound or unworkable theories was to be exhibited with disastrous results in the early months of the war. It is remarkable that with the exception of Molteno there was hardly anyone in Parliament who had the courage as well as the capacity and knowledge to expose the fallacies and dangers that lurked under this plausible scheme. The *Times* letter was re-published in a leaflet which Molteno sent to leading British shipowners and other influential persons. His industry and acumen are attested by a box in the muni-ments room filled with data and correspondence on the subject.<sup>3</sup> Another box is devoted to another of Mr. Churchill's mistakes during this year in connection with the promise of a naval gift of three Dreadnoughts from Canada, which came to grief on the question whether Canada should retain control of the vessels. Eventually Churchill announced that the building of three new battleships would be speeded up to compensate for the loss of the Canadian gift. On July 17th Molteno inter-vened in a naval debate. He dwelt on the necessity for full Parliamentary control over expenditure. He con-

<sup>3</sup> It may be mentioned that in the spring of this year Mr. J. B. Morrell carried at the National Liberal Federation Earl Loreburn's proposal, which Molteno supported, to exempt merchant shipping and private property from capture at sea.

demned the policy of arming merchant vessels, declaring that our Navy had never been so efficient and powerful and that one of its main duties in time of war would be to protect our mercantile marine and keep open the sea routes through which we drew our supplies of food and raw materials.

He also criticized the administration of smallholdings in Scotland, which had so far been feeble and ineffective. On this subject he was in constant correspondence with Sir Matthew Wallace, the Hon. E. G. Strutt and other authorities, and on June 26th he pressed for an improvement in the machinery 'so that we may be able to cope more rapidly with the very large number of applications (for small holdings in Scotland) which are now before the Board'. In the Marconi debates he took no part; he approved of Asquith's and Balfour's speeches and regretted that the report of the Chairman of the Committee Sir Albert Spicer, was not adopted. 'It was a great mistake', he wrote, 'of our people on the Committee to whitewash the Ministers concerned in the Majority Report.' Early in September he left for his usual autumn visit to Glen Lyon. A letter at this time to *Country Life* expressed his entire agreement with the editor in condemning the erection of hideous cottages, when a small addition to cost would preserve the beauty of the countryside. He wished that all national possessions could be preserved from such vandalism as had recently been perpetrated by Emmanuel College. 'It is quite surprising that a College belonging to such a University as Cambridge, so rich in gifts of artistic value from the past, should have erected these buildings'.

His practice was as good as his precept. At this time he and his wife were building four pretty cottages at Fortingall. He was also arranging for an installation of electric light at Glen Lyon House. They enjoyed wonderful weather in the Highlands, and the grouse shooting was good, but he had never seen the moors so parched and dried up. Unfortunately their stay at Glen Lyon was marred by a mishap to his wife, who had a bad fall from her horse.

From Glen Lyon he travelled to Dumfries where a great Home Rule demonstration was held in the Lyceum Theatre on October 29th. The chief orator was T. P. O'Connor whose speech Percy described as 'one of the most interesting to which I have ever listened — so full of fire and brilliancy, so intellectual in its grasp, so wide in its range and sympathy'. After this he held meetings at Moffat, Thornhill and other towns or villages in the constituency. The Party was in good spirits, and the Member paid a tribute to Asquith for the firm stand he had taken on the Home Rule Bill against Carson's threat of forcible resistance.<sup>4</sup> He also applauded Grey's revival of the Concert of Europe, but grieved that it had proved powerless to stop the dreadful war in the Balkans. His nephew, Ernest Anderson, who had just returned from Constantinople, had given him a ghastly account of 'the frightful atrocities committed by all the Balkan states, not only upon the Turks but upon one another'. It was 'a tale of unmitigated savagery and horror'; a peaceful

<sup>4</sup> Molteno had said in the Commons Debate on June 10th: 'from my colonial experience I entirely support the principles embodied in this Bill'.

Regular  
Autumn  
stay at  
Glen Lyon

1913  
4 Cottages  
Fortingall

Bessie - 6  
Fortingall - 1

noncombatant population was being exterminated.

During 1913 Percy had constant correspondence with his friends and relatives in South Africa. Death was rife. Before the year ended he had lost J. W. Sauer, Sir Richard Solomon, Abram Fischer and Lachlan Maclean.<sup>5</sup> Merriman's letters were as lively as ever. In one of them he wrote:

I am reading a very interesting book *Napoleon et Alexander I*. It is a perfect mine of instruction on the danger of armaments and of slim diplomacy. That was 100 years ago. The world has grown neither better nor wiser — only we have the added horrors of Plutocracy and a free Press, anxious to make money out of scares. . . . The longer I live the more am I convinced of the truth of Turgot's views about colonies.

At this time the Union Government was beginning to play with protection, and Percy had to admonish his brother, Charlie, on the subject of infant industries. To Merriman he sent a copy of Bastiat's *Fallacies*. In thanking him for it Merriman said:

It will come in very useful, as the confused state of our finances is directing people's minds to that panacea of the ignorant — protection. There is no economic folly that people like Botha and Malan are not capable of. Fortunately Smuts, Sauer and Burton have moderate and sensible views.

In this letter (April 24th) Merriman predicted that Mr. Winston Churchill and Mr. Lloyd George 'able though they both are, will run old England on the rocks'. A month later he was describing the dangerous growth of the Union Government's expenditure.

We trust to chance, and always have that fine milch cow the mines in our eye. Every tomfool scheme that comes along gets a promise, and the flood of civil servants swells apace. We are like the children of men before the Flood came. I only hope we may find an Ark.

After May there is a gap in the correspondence until October, when Merriman described the growth of unemployment and industrial discontent which was being exploited by the Labour Party:

We now educate everyone up to the stage of perhaps divine, but most certainly very ill-informed discontent. Then we set them to spend their days watching a machine punch holes in a bit of iron, and we wonder that their brains turn to industrial politics. Will civilization perish before the onslaught of the new Vandals, aided as it is by the corruption of wealth? Democracy has succeeded in pulling down, but will it be equally successful in building up? . . . Meanwhile the poor landless Dutch are being roped in by the Labour Party and taught that everyone that owns property is a robber.

Molteno and Merriman saw eye to eye on these ever-recurring problems of industrial democracy. Fair and just treatment of labour, whether white or black, not repression but human kindness and intelligent co-operation, were the true remedies.

<sup>5</sup> MacLean had been for many years chief agent of the Union-Castle Line at the Cape. Besides being a good man of business he was a keen angler and originated in the early 'eighties the idea of introducing trout into the rivers of South Africa.

THE PRELUDE TO WAR—FROM THE  
AUTUMN OF 1913 TO THE SUMMER  
OF 1914

Mr Murray's notes  
416-431

AFTER Mr. Churchill's speech at the Guildhall Banquet, foreshadowing another large addition to naval expenditure, Molteno, Gordon Harvey, and the strong group of Liberals who worked with them on foreign policy and public finance, felt that a determined effort must be made to bring pressure on the Government. For Churchill's speeches and actions and the quieter but stubborn anti-German policy of the Foreign Office, seemed to prove the unwillingness of the inner group in the Cabinet to seek such an agreement with the great Powers as would effect a joint limitation of armaments on the obvious common-sense principle that the military and naval race was of advantage to none and of disadvantage to all. Instead of increasing national security, this insane rivalry in accumulating instruments of destruction weakened the public finances and diminished the welfare of all the peoples of Europe, enhanced the dangers of an explosion and created a growing sense of insecurity among the helpless victims on whose shoulders were laid the burdens of war debt and war taxation. At the end of November, 1913, Molteno and Harvey issued a statement to about a hundred Liberal Members of Parliament, who sympathized with their views. They pointed out that the British naval strength was so great that 'In the present state of international relations on the Continent no nation would dare to attack us unless provoked beyond endurance; they all desire our friendship'. Following on this statement an active committee was formed to interview the Prime Minister and on December 17th Molteno introduced the deputation. He dwelt on the growing uneasiness of Liberals at the growth of naval armaments and urged the need for limitation. Asquith in reply sympathized with the anxiety of his fellow Liberals and assured them that the matter was receiving his earnest and constant attention. He hoped to limit future commitments and insisted that most of the increases in the coming navy estimates were the 'automatic' results from shipbuilding programmes previously authorized by Parliament. At this interview the discussion turned on the actual ships authorized and the intended acceleration. On these two issues the deputation was not prepared to vote against the Budget, but retained 'liberty of action on all new building'. On December 19th, two days after the interview, Percy wrote to Annan Bryce, one of the M.P.'s with whom he was working:

'I have heard a good deal as to the struggle going on in the Cabinet, but I can't repeat it; and the Prime Minister placed us under a seal of confidence as to his statement. But we who took part all thought the effort was worth making and has done good.'

Molteno certainly left no stone unturned to convert the Cabinet to a policy which would substitute peace and

disarmament by a concert of Europe, for that of competitive armaments with antagonistic groupings of the Powers which was so soon to end in an overwhelming tragedy. At the beginning of January, 1914, there seemed to be good grounds for hope. In the words of the Annual Register

The dissatisfaction of the Ministerialist rank and file at the shipbuilding industry at the Board of Admiralty was expressed by Sir John Brunner, the President of the National Liberal Federation and powerfully stimulated by an interview with the Chancellor of the Exchequer published on the first day of the year by the *Daily Chronicle*.

Brunner urged the Liberal Associations to pass resolutions against the expansion of armaments without delay before the Estimates were settled.

Mr. Lloyd George's interview caused a sensation. In reply to the journalist who interviewed him at Criccieth and asked him — was this a favourable moment to overhaul our expenditure on armaments, Mr. Lloyd George said:

I think it is the most favourable moment that has presented itself during the last twenty years . . . and unless Liberalism seizes the opportunity it will be false to its noblest traditions; and those who have the conscience of Liberalism in their charge will be written for all time as having grossly betrayed their trust.

He proceeded to give three reasons for his opinion. First our relations with Germany were infinitely more friendly than they had been for years; secondly, the Continental Powers were exhausting themselves on armies and fortifications; and thirdly, the revolt against armaments had spread through Christendom, 'and the common sense of the industrial classes, be they capitalist or labour, has risen against this organized insanity'. This therefore in the opinion of the Chancellor of the Exchequer was the right time for taking 'a bold and independent step towards restricting the growth of armaments'.

After this declaration and that of Sir John Brunner, the Liberal Imperialists could not complain that Molteno and his friends were guilty of Party heresy. The National Liberal Federation was on their side. They agreed with Mr. Lloyd George's manifesto, and they were entitled to take at face value his assertions about the friendliness of our relations with Germany. A bold step to restrict the growth of armaments was the more urgent — as the *Economist* wrote at the time — because Mr. Churchill's naval missions to Athens and Constantinople, with the backing of the Foreign Office, were practical and mischievous steps in the opposite direction. To set up a naval rivalry between Turkey and Greece in order to provide lucrative contracts for British armament firms was as inexcusable as the competition between Creusot and Krupp to supply the Balkan armies with guns. Had there not been enough bloodshed and misery already in the Balkan wars, and were not the Governments of Greece, Turkey, Bulgaria and Serbia already on the verge of bankruptcy.

Unhappily what should have been, as Molteno noted in his diary at the time 'the memorable interview' with Mr. Lloyd George at Criccieth came to nothing, and the questions which Mr. Philip Morrell and others of the group put to Sir Edward Grey about the British naval missions to Greece and Turkey had no results. Grey denied that the British Government was encouraging armament expenditure in the Balkans; but if, he said, the Governments of Turkey and Greece 'on their own initiative decide to enter upon such expenditure, of course we shall do nothing to discourage the contracts coming to British firms'. He did, however, reintroduce the Bill to abolish Prize Money and promised to examine the question of 'an agreement to abandon the right to capture merchant ships at sea, if such an agreement would promote a reduction in armaments'.

Early in January Molteno accepted an invitation from the Manchester Reform Club and stopped with his friend Gordon Harvey at Littleborough for the meeting which took place on January 12th. The two friends made moderate but very powerful expositions of their case. Molteno showed that British naval preponderance over Germany was nearer three to one than two to one. He set forth the official details which fully bore out his contention and complained bitterly that 'each ship we built out-dreadnoughted the dreadnought, and rendered obsolete the enormous sacrifices we had made before'. The *Manchester Guardian* gave a very full report and devoted a long leading article to an exposure of the super-dreadnought folly and the resistance of the Admiralty and Foreign Office to the liberal proposal for exempting peaceful commerce from capture at sea in time of war. From Manchester Molteno went on to his constituency and carried on his campaign there. He found some satisfaction, as he wrote to a friend, in the fact that after his speech at Manchester 'the jingoes have not been able to take hold of anything I said or to controvert it so far as the facts are concerned'. He argued in Dumfriesshire that if this competitive expansion in armaments went on much longer it would mean good-bye to Social Reform.

On January 23rd he went to Switzerland 'for a change to get in all the ozone I can before becoming immured again in the House of Commons'. When Parliament opened he got to work again. A complete exposition of the naval question as he saw it had appeared as a first article in the February *Contemporary Review*. A member of the Cabinet told him that it was unanswerable, but neither reason nor common sense could do more than curb the course of extravagance.

Mr. Lloyd George's manifesto was followed up by another Cabinet Minister, Mr. Charles Hobhouse, who suggested in a speech at Bristol an Anglo-German agreement to limit battleship programmes. The movement was supported by most of the Liberal newspapers and periodicals and the Liberal Imperialists had to rely mainly on the Unionists and the Tory Press. F. E. Smith denounced Mr. Lloyd George as a bungling amateur and promised Unionist support for the Foreign Office and Admiralty against those who were working for peace and economy.

Liberal stalwarts were not dismayed by the clamour of their opponents. They responded heartily to Sir John Brunner's appeal, and the movement did not die down, though it was parried and partially frustrated by Grey and Asquith. On February 3rd, at the Manchester Chamber of Commerce, Grey poured cold water on proposals which might have led to friendly agreement with Germany and a peaceful disarmament of Europe. There can be little doubt that, while declaring to the House of Commons that we had no military commitments to France or Russia, he felt that he was honourably bound to join them in war and had encouraged them to believe so. His interest in economics and finance was very slight and superficial. While ready to express platonic regrets about the wasteful rivalry in armaments, he actually told the Manchester Chamber of Commerce that if we were to slacken our expenditure it would encourage others to increase theirs. As if that were a valid objection to proposing an all-round proportional restriction of armies and navies! Molteno replied by summoning a meeting of his supporters on February 10th which was reported as follows next day in the press: (914)

At a meeting of Liberal M.P.'s held under the chairmanship of Mr. P. A. Molteno in Grand Committee Room No. 10 it was resolved to place the following Motion on the Order Paper:

'That this House deploras the uninterrupted growth of expenditure on armaments and expresses its opinion that in existing conditions there should be no further increase beyond what is involved in present commitments.'

The Prime Minister will be asked to allow a day for discussion. If the request is acceded to, a debate of first-class importance and interest may be expected, raising the whole question of naval expenditure.

The Prime Minister got out of the difficulty at the beginning of March by stating that it would be impossible to provide a day for discussing the Motion. But the feeling of the Party was reflected in the Cabinet. Molteno recorded in his diary on February 12th:

I met McKinnon Wood and learnt from him in confidence that the Naval Question had occupied the serious attention of the Cabinet. It had been settled not to agree to Churchill's wishes that we should build three ships to take the place of the three which Canada has failed to build. Secondly the idea of a fleet for world requirements stationed at Gibraltar has been knocked on the head. Thirdly the ratio of sixty per cent superiority to Germany is to be over all, and is not to be exceeded for special requirements such as the Mediterranean.

I spoke to him also in regard to the Treasury having become a spending department and thus having ceased to become guardian of the public purse, with which he largely agreed. Another Cabinet Minister in the course of conversation said he wished to tell me with what interest and admiration he had read my speech at Manchester and my article in the *Contemporary Review*. He said it had been of very great value in the discussions of the Cabinet on the Navy. I said I had not seen any attempt to answer it. He replied, 'It was unanswerable', and said that they had taken further steps in regard to arresting expenditure but feared they would not be effective until next year.

On the same day (February 12th) Molteno placed on the Notice Paper a question whether there had been over-spending to the extent of several millions beyond the Naval Estimates voted last year, and if so, upon which votes; and whether the Estimates Committee will be reappointed at once and the subject of this over-

spending referred to them for examination and report before the supplementary vote is taken. On the following Monday (February 16th) the Prime Minister replied: 'A Supplementary Estimate will be required this year and will be fully explained when presented.'

In February and March Molteno's group got to work on details and formed an organization to deal with the naval estimates and the Budget. They exchanged opinions at small dinners in the House of Commons. To one of these Percy invited Mr. Philip Morrell and W. G. C. Gladstone. The latter, a very promising politician and a strong supporter of the peace movement, felt it his duty to volunteer when the war which he had striven to avert broke out and fell in Flanders before the end of the year. Another group of Liberals, to which Molteno also belonged, was mainly concerned with foreign policy. In this Mr. Arthur Ponsonby and Mr. Noel Buxton took a prominent part. The two groups interrogated Ministers and intervened constantly in the debates. In the first three weeks of March Molteno put various questions to Mr. Churchill and spoke several times on the Navy Estimates. He did not vote against them, but he made severe comments on the scrapping of serviceable ships, the over-hasty substitution of oil for coal, the laxity of naval finance and other objectionable or questionable developments. On March 19th he wrote to his brother-in-law, Dr. Murray who was then living at Claremont House:

I enclose a sketch of the naval debate. It is written in a somewhat lighter vein than the ordinary. A most powerful speech was made yesterday by Mr. Philip Snowden exposing the extraordinary influence of the armament firms in developing naval scares and showing their ramifications in the House of Commons.

Soon afterwards Mr. Churchill was severely cross-examined about the arming of merchant vessels, and made a feeble defence of the policy. Another question referred to the supposed army of 100,000 men which, according to Mr. Churchill, had been raised to resist the authority of the Crown in Ulster, and had led to 'precautionary movements' of British military forces in Ireland.

In one of his boxes Molteno deposited Mr. Churchill's statement (March 17th) on the Navy Estimates, with his own reply on the same day and Snowden's attack on the armaments ring. Molteno's speech, which was followed by Lord Charles Beresford, displayed his extraordinary grasp of naval expenditure as well as of naval strategy. If we proceed on Mr. Churchill's lines, he argued, and try to dominate all the seas and oceans of the world, we are seeking trouble, and it would not be surprising if ultimately we had estimates of 70 or 80 or even 100 millions for the Navy alone. He poured ridicule on the project of arming merchantmen. Were they all to be armed? The House might not be aware that we had 2,340 vessels engaged in our foreign trade, and if they were all mounted with two guns apiece that would require 4,700 guns. 'The whole thing is absurd. On all

our light cruisers there are only 570 guns of this calibre'. He seemed to know his way about the Naval Estimates better than Dr. Nacnamara, the minister in charge. They afforded no clue, he said, to what was going on in connection either with the arming of merchantmen or the substitution of oil fuel for coal. But he made it clear that in spite of the Dreadnought and Super-dreadnought folly, which had reduced our comparative naval strength and enormously added to our financial burdens British preponderance over Germany was overwhelming. Instead of the official margin of 16 to 10 we had a superiority of two to one or more in battleships, and our naval expenditure was more than double Germany's. At the beginning of April he extracted from Mr. Churchill the information that two old battleships, the *Resolution* and the *Renown*, which cost £875,000 and £709,000, had been sold for £35,000 and £39,000. He was the one member of the group who could discuss effectively naval technique with the experts, and on this occasion Lord Charles Beresford, who followed, devoted himself to Molteno's criticisms, with a good deal of which he concurred.

Percy never adopted the Quaker position, agreeing with his master, Cobden, who hated waste and extravagance but was ready to spend a hundred millions on the Navy if it could be proved necessary for national security. Just as Cobden had done during the French invasion panics so Molteno took infinite pains to master all the facts and figures about the British and German Navies, besides keeping abreast of the latest mechanical developments. He was just as determined as the imperialists and jingoes who claimed a monopoly of patriotism to ensure the safety of Britain and the Empire. He used his knowledge to confute their wild and ignorant exaggerations and to form a just estimate of what was necessary and of the limitations that common sense should set upon our expenditure and commitments. And he carefully kept a large selection from his materials so that it might serve not only as a justification of his own record but as a warning and lesson to future generations. It is my duty to make his position clear.

Unhappily for Europe Liberal opposition to imperialism handicapped by the Unionist Party which was backing Naval expansion and Balance of Power politics while it encouraged the Ulster rebels, led by Sir Edward Carson, who was supported by 'Galloper Smith' and some leading officers of the Army in Ireland.

*Percy*  
*the*  
*unwashed*  
*incident*  
*TL*

'You would see,' wrote Molteno on March 24th to Wallace, 'from the Press what went on yesterday in the House, and I regret to say that I feel very little confidence. The Government appear to have exhibited deplorable weakness in the handling of the troops. I am afraid Churchill and Seely (the Secretary for War) between them have made a terrible mess of this business.' In a debate on the Consolidated Fund on March 25th the Opposition moved a hostile amendment about the Curragh incident. Molteno felt and spoke strongly. 'We are really face to face with the gravest issue with which this Parliament or indeed any Parliament in this generation has had to deal, because it takes us back to the fundamental principle upon which our Constitution and Army are based. . . . The position really is this, that we have officers in the Army claiming to decide what measures of ours it will carry out and what it will refuse to

obey . . . We see it stated in the morning papers by General Gough that the object of his journey to London has been achieved, and that he has brought back a written assurance that the troops under his command will not be used to enforce the present Home Rule Bill.' Molteno went on to point out that the penalty for refusal to obey orders in the Army is death, and that the Unionist leaders had attempted to seduce the Army from their obedience. After quoting passages from military law he concluded: 'This is an attempt by our political opponents to seize the Empire by the throat and dictate to this Imperial Parliament what laws it may or may not pass . . . We can no longer sit in this House and do justice to our constituents if we are subjected to the dictation of military officers.'

According to *The Times* Military Correspondent next day, 'the opinion generally expressed in the Lobby after Mr. Asquith's speech was that it would be impossible after what had happened for the Government to call upon the Army to coerce Ulster'.

It must not be supposed that in the spring of 1914 Percy Molteno's views on armaments and foreign policy were confined to a small section of the Liberal Party. On the contrary they represented the preponderant opinion, though a feeling of loyalty to Asquith and sympathy with his Irish difficulties restrained Liberal Members of Parliament. If any doubts were felt about Liberal feeling they were disposed of at the meeting of the General Committee of the National Liberal Federation in the Guildhall, Northampton, on April 3rd by an official resolution which was carried unanimously. After recording its grave anxiety at the great and increasing naval expenditure the Committee went on to express

its most earnest hope that, in view of the conspicuous improvement in the relations between Great Britain and Foreign Powers, the Government will lose no opportunity of continuing to press forward friendly relations with these Powers in order that an end may be put to suspicion and misunderstanding, the most fruitful causes of the disastrous rivalry in armaments between the nations of Europe.

The Committee also urged the Government to support at the Hague proposals that floating mines should be prohibited and that the right to capture private property at sea in time of war should be abolished. This resolution practically covered and endorsed the policy of Molteno and his friends, though it might have been criticised on the ground that the Foreign Office could not very well 'continue' a policy which it had not begun.

In May, the Liberal economists shifted their Parliamentary activity from the Navy estimates to Mr. Lloyd George's sixth Budget which, besides providing for a large expansion of the expenditure on armaments, was open to other serious criticisms.

This Budget, introduced on May 4th, was the sixth of the Lloyd George series. In the financial year which had ended on March 31st, the total expenditure of the country had risen to 197 millions; but it had been more than covered by the total revenue, and there was a realised surplus of £750,000 over and above a Sinking Fund of 10 millions by which the National Debt had been reduced to 651 millions. Nevertheless new revenue was required and Mr. Lloyd George asked the House of Commons to provide not only for an addition of over £5,000,000 to the Navy estimates but for more expendi-

ture on insurance and education and a large increase in the grants to local authorities. This time he proposed to take all the money he wanted from the rich or well-to-do classes, and in reply to the complaints of Mr. Austen Chamberlain and other Unionist speakers he said defiantly:

The Right Hon. Gentleman and his friends think that the murmurs of insurrection can only be heard in Ulster. He is mistaken. There is a revolt surging up around him in this country among millions of men against their conditions, and unless the rich, the opulent people in this country, are prepared in time to make sacrifices to lift their less favoured fellow citizens out of their wretchedness, a day will come — and it will come soon — when they will look back with amazement and with regret to the days when they protested against paying sixteen pence extra insurance against revolution.

Within three months of this date Mr. Lloyd George and his colleagues had embarked upon a war which was to raise the income tax to six shillings standard rate, the scale of super-tax to fourteen shillings in the pound and the scale of death duties on the biggest estates to fifty per cent. In the light of what actually happened the additions Mr. Lloyd George proposed to taxation in his sixth Budget seem moderate enough. The estate duties were graduated up to twenty per cent on estates of over a million. The general rate of income tax on unearned incomes was to be raised from fourteen to sixteen pence, but considerable concessions were made on small incomes. The scale of super-tax was raised from sixpence to one and fourpence on the highest incomes, and instead of beginning with incomes of £5,000 it was to begin with incomes of £3,000. Lastly there was an attempt to apply the income tax to foreign investments.

No alterations were made in the tariff. In reply to criticisms of his Budget proposals Mr. Lloyd George said 'that the Opposition had sought high and low for grounds of attack; but there is one most notable absence. There has not been a murmur about Tariff Reform as an alternative method of raising revenue. . . . Tariff Reform is still chained in its lonely kennel. It is not even allowed to bark'.

Why the Tariff Reform movement had fallen into so pitiable a state of collapse, just before the death of its author and the outbreak of the Great War, is well known to economists and students of political history. Molteno was never tired of pointing out to his constituents what a devastating answer the course of British commerce and industry had been giving to the gloomy prophecies of ruin and the misleading figures by which Chamberlain in 1904 and 1905 tried to bolster up his arguments for a protective and preferential tariff. That Britain and her Crown Colonies should maintain the policy of the Open Door was in Molteno's view essential, not only to our commerce but to the peace and security of the British Empire. Over and over again he contrasted the progress of our industries under free competition with the ruin and decay that protectionist writers and speakers had predicted. He rejected too in the expansion of wealth and revenue which had enabled the Liberal Governments of Campbell-Bannerman and Asquith to

Tax  
started  
in  
WWI

finance old-age pensions and other social reforms, which Tariff Reformers had promised if only the country would consent to their proposals; and he was able to point out that unemployment had sunk to negligible proportions.

The foundation of Chamberlain's case against Free Trade was that British exports were stagnating, while imports from foreign countries with protective tariffs were rapidly increasing.

Balfour was more cautious. He wrote in his 'Economic Notes on Insular Free Trade': 'I ask the optimists to study tendencies, the dynamics, not the state of trade and manufacture. The ocean we are navigating is smooth enough, but where are we being driven by the tide?'

The tide replied to Balfour's question as follows.

The average yearly exports of British goods in the quinquennial period 1884-8 was valued at £223 millions. In the quinquennial period ending 1904, when Chamberlain started his fiscal agitation, their value had risen to £280 millions. In the next period, ending 1908, they had risen to £354 millions and in the last five years of the Asquith Government their average annual value was £447 millions. Again, taking imports, re-exports and exports, and comparing the year 1904 with 1913, the value of imports into the United Kingdom rose from £551 millions to £769 millions, re-exports rose from £70 millions to £110 millions, and British exports from £301 millions to £525 millions. Meanwhile the rate of unemployment per hundred trade unionists declined from 6 in 1904 to 2.1 in 1913, when there were only about a quarter of a million unemployed. In the same period wages rose by 60 per cent, and the National Debt was reduced far more rapidly than at any other period of British history.

These facts and figures were so overwhelming that business men refused any longer to take Tariff Reform seriously. The prosperity of our manufacturers not only in Lancashire and Yorkshire, but in the Midlands and in Scotland, was such that the Tariff Reform League could no longer collect subscriptions. On the eve of the Great War the British Free Trade policy and system were more firmly established than ever, and Liberals could congratulate themselves that they had saved the country not merely from the ruinous losses that have since overtaken our shipping and export trades under Protection, but also from that corruption of public life which Lord Hugh Cecil in 1903 thought the worst feature of tariff reform:

Protection will lead to the corruption of our public life, as it has led to corruption in the life of other countries; and the purity of our public life is the life-blood of the Empire. If Conservatives go in for Protection, I will have nothing to do with such an apostate party. If you are determined to go down the path of dishonour to Imperial ruin, I will wash my hands clear of so great a crime.<sup>1</sup>

It is a lamentable proof of the pressure that party loyalty may exert on even high-minded politicians that in January, 1914, Lord Hugh Cecil advised Free Trade Unionists to accept the compromise that exempted food from the tariff policy of the Unionist Party. Probably he thought that in the Home Rule controversy Protection would disappear from his Party's programme; but instead of the Ulster crisis there came the Great War

<sup>1</sup> See Lord Hugh Cecil's speech at Sheffield, October 1st, 1903.

which was to involve in its long chain of calamities the downfall not only of the Liberal Party, but of Free Trade.

Molteno's approval of Asquith's fiscal policy did not as we have seen, extend to Mr. Lloyd George's finance, which he regarded as often slap-dash and extravagant. He and his friends had already administered a severe check to the Chancellor in 1911 (?), and in the summer of 1914 they administered another, which again frustrated an attempt to elude parliamentary control and chastised other irritating features of an over-complicated budget. The story, though of real interest to critics of public finance, cannot be told here at length. The successes of Molteno, Holt and their friends seemed important at the time, and might have produced fruitful results. But they had hardly gained the day when the war swept all ideas of prudent finance into the limbo of oblivion. Molteno's Budget Committee, consisting of forty resolute M.P.s, met regularly in June and July. Those who want a summary view of the situation generally and especially of what Molteno rightly called 'the dangerous innovations in constitutional practice involved in the Finance Bill of this year' may turn to an article entitled 'The Battering of the Budget' in the *Economist* of June 27th, 1914, and to a further note on the Budget which appeared in the following week. Among the records of this controversy preserved by Molteno are the notes he used in the Budget debates and a copy of the *Morning Post* of June 23rd with a leading article entitled 'Mr. Lloyd George surrenders'. Its Parliamentary correspondent on the previous day had given a record of the proceedings in the House of Commons which was summarized in the headlines: 'Finance Bill crumbling — revolting Liberals sweeping victory — income tax muddle — rate relief deferred.'

An extract from Molteno's diary will explain the action of the Remonstrants:

*May 21st.* — Committee meeting to consider bearing of the Budget upon the Naval Estimates.

*May 22nd.* — We saw the Chancellor of the Exchequer to present memorials signed by Liberal members on the subject of Annual Finance and not providing money before deciding how it shall be spent. R. D. Holt and I spoke. The Chancellor did not accede to either branch of our memorial. He said if money were not spent on one object it might be spent on another, and referred to Goschen's whisky money as an example.

*May 26th.* — The signatories of the memorial met and agreed that the answer of the Chancellor was quite unsatisfactory and that we must take further steps to enforce our views. We drew up a letter to be addressed to all Liberal members pointing out the various arguments. It was decided to ask for an immediate interview with the Chief Whip and to hand him three copies to show to the Chancellor of the Exchequer and the Prime Minister, expressing the hope that it would not be necessary to send out this letter if we had an assurance that our views would be met. Thereupon I had an interview with Percy Illingworth (the Chief Whip). He said he would show our letter to the Prime Minister, but the Chancellor had already left, so that we could not expect an answer until after the Recess. It was decided to await his reply.

*June 11th.* — A meeting of the signatories to the memorial to the Chancellor was held at 5 p.m. We saw Illingworth first. He had no definite reply as yet. He had seen the Prime Minister, who had seen the Chancellor of the Exchequer, but nothing had been definitely arranged. It was decided to ask for an interview with the Prime

X  
check

Minister, as many would vote against the Budget, and it was thought fair to tell him. I saw Illingworth. An interview was arranged with the Prime Minister for the 12th, but was subsequently postponed to Monday the 15th in the House of Commons.

*June 15th.* — Deputation to Prime Minister.

*June 17th.* — Members of Budget deputation met to consider circular to be sent to M.P.s. Discussion of Anglo-Persian Oil Agreement in House of Commons.

*June 25th.* — Long speech by Molteno on Finance Bill.

Ministers were so much alarmed by the resolute Budget Committee that Percy Illingworth the Chief whip, sent out a special appeal to supporters of the Government begging them, in view of the Ulster crisis and the importance of the Parliament Act Bills, to do nothing,

either by speech or action at this supreme moment which would in any way weaken the power of the Prime Minister to deal with a difficult and complicated situation. . . . With everything at stake for which generations of Liberals have laboured I am relying upon your constant attendance and support for the remainder of the Session.

This was written on July 13th. There was no hint or idea in the Chief Whip's mind that his government was about to plunge into a war which would not merely endanger but destroy 'everything for which generations of Liberals have laboured'. On the following day, July 14th, Molteno replied rather sharply that the difficulties were entirely due to the Chancellor of the Exchequer who had been acting in contravention of Liberal principles. 'If private Members should be restrained by the Parliament Act, it is surely much more incumbent upon Ministers not to do anything which will embarrass the Prime Minister.' He thought it was 'of the highest importance that the Government should set the example to the community of observing agreements once entered upon with taxpayers'.

During the debates on the Finance Bill, besides criticizing the excessive growth of expenditure, Molteno took exception to the provisions for taxing foreign investments. He contended that they would injure Argentina and other countries in which hundreds of millions of British capital had been invested — countries which paid their interest to us by exports of essential foods and raw materials. Eventually the grants to local authorities were postponed, the new rate of income tax was reduced by a penny and the clauses relating to income tax on overseas investments were modified. After these concessions Mr. Lloyd George got the Third Reading of his Finance Bill passed without a division on July 23rd.

Looking back over Molteno's correspondence during the year we can realize the perplexities that embarrassed independent supporters of the Government. Thus at the end of March in a letter to his valued friend, Provost Halliday of Lochmaben, who had congratulated him on his speech about the Curragh incident and at the same time had urged him to oppose the growth of armaments, he said: 'I have never seen the Liberal Party more determined to resist the unconstitutional and unwarrantable encroachments upon the liberties of Parliament'.

re Ireland  
 He felt that the attempt to use the army to defeat Home Rule and the Parliament Act 'must be resisted at all costs'; but he was equally determined to maintain his opposition to the Churchill policy: 'You are quite right about the danger of these excessive armaments. They have never been called for by the Liberal Party, but are constantly being called for by the Tory Party. We have now unmasked the use to which they wish to put them'.

The Ulster crisis was so serious that he warned his agent to prepare for the possibility of a general election at midsummer. In addition to his other activities he was working constantly on a Bill to amend the Scottish Smallholders Act. The Irish danger seemed to have been averted at the end of March by Asquith's assumption of the Ministry of War. This, wrote Moltano to one of his constituents, 'was a brilliant stroke of genius, and will put the situation right'. But the Ulster trouble grew more and more threatening until, on June 17th, Percy wrote to a South African friend: 'The two armies are now being organized and drilled in Ireland, and we may be landed in a disaster.' However, the Home Rule Bill would soon be on the Statute Book and the Opposition would have to decide whether or no they would come to an arrangement. Though he recognised that under these circumstances they could not press the Government very hard, he arranged with R. D. Holt, Gordon Harvey, J. F. L. Brunner and others to see the Prime Minister in connection with armaments finance. The deputation saw Asquith in the middle of June and impressed their views upon him. Towards the end of July Moltano reiterated his views in a letter to Provost Halliday:

As you will have seen from my speech on the Finance Bill, over seventy-two per cent of the yield of the 1909 Budget has gone to the Army and Navy alone instead of to social reform. This has necessitated enormous taxation, which must have a crippling effect upon trade and employment. Yet I have had to listen to attacks from so-called Liberals upon Bright, Cobden and Gladstone because of their economy in public finance; and it was actually left to a Labour Member to be the first to step in and defend them. I certainly never thought I should live to see such a day.

In the middle of June Anglo-German relations had improved to all outward appearance, and when the Kaiser reopened the Kiel Canal on June 17th a friendly visit was paid by vessels of the British Navy, including the battleship *King George V* which was inspected by the Kaiser. Outside Ireland all looked peaceful, and pleasant summer holidays were anticipated by all who could afford them. But on June 28th a foul crime was perpetrated at Serajevo, the capital of Bosnia, where the Heir Apparent to the Austrian throne, the Archduke Francis Ferdinand and his wife the Duchess of Hohenberg, were shot by Princip, a member of the Greater Serbian Party after another assassin had failed to kill them with bombs. The complicity of the Serbian Government was suspected and was afterwards proved. This detestable crime caused universal horror, and addresses of sympathy were moved by Asquith and Bonar Law in the Commons and by Lords Crewe and Lansdowne in the House of Lords. No one imagined that this was to be the spark which would set Europe on

fire or that millions of our soldiers and thousands of millions of our money would be involved in the greatest and most calamitous war of modern history, with the Serbian Government as our ally.

~~For two or three weeks longer people went on as if nothing much had happened.~~ On July 1st Percy was busy with a Smallholdings Amendment Bill which he was afraid would be thrown out by the House of Lords. On July 8th he wrote to his brother Charlie:

You say that the stock prospects are very good and that the only cloud on the horizon is the fall in the value of ostrich feathers. . . . The ostrich feather industry is now feeling the effects of the Balkan war and the disturbances in Mexico, with the consequent general unsettlement which has taken place recently. . . . The reckless extravagance of the Government in defiance of all their pledges is having a serious effect upon their followers. . . . It is deplorable that, when we are facing such a difficult problem as Home Rule for Ireland, we should be embarrassed by reckless and improvident finance, and by Ministers like Lloyd George and Churchill playing for their own hands, instead of all uniting to bring the avowed policy to a successful issue. It makes our prospects for the next election very bad.

Even as late as July 22nd Ulster was still the main cause of anxiety, but on that day he wrote to a relative, who was engaged in a foolish speculation, that the London Stock Exchange was in a bad way. "There is always something occurring to trouble it. Now it is the difficulty between Austria and Serbia which has sent everything to pieces." Nevertheless he was still confident enough to arrange with Thomas Cook for some of his young friends to tour on the Continent during August and for his promising nephew George Murray to visit Sweden for the purpose of studying agricultural developments there.

George M. (to) visit Sweden by the way so many Murr

By July 30th he was thoroughly alarmed and wrote to a trusty friend at Dumfries:

We are going through a most critical and difficult time in regard both to Ireland and the European situation. We (i.e. his group in the House of Commons) are doing everything to secure this country should not be dragged into this miserable affair. It is monstrous that a set of cut throats like the Serbians should be allowed to endanger the peace of Europe, and it would be supreme irony, and indeed a crime of the first magnitude if we were dragged in. I don't know when I can have my Annual Meeting. The situation here is so critical that I cannot possibly leave while it remains so.

It should be added here that in the divisions of July, including the motion for the adjournment on July 27th, Molteno voted with the Government. His last speech before the war on July 29th was in supply on Scottish agriculture, smallholdings and forestry. He thought that the development of small holdings had been held by the excessive compensation paid to landlords, and he made some interesting and critical observations on afforestation.

Percy - Excessive compensation Scottish

Of his private life and correspondence before the Great War in 1914 little need be said. His wife and his sister Caroline Murray, who had been staying at Palace Court, left for a visit to the Cape in January. Bessie enjoyed herself very much and returned in the middle of May. Soon after her departure he lost his brother-in-law, Sir Frederick Merrilees. Early in March he took his

TZ Bessie TZ

Frederick Merrilees die in 1914 - His brother in law

daughter Margaret, and his friend Mr. and Mrs. Selous to Cambridge where they visited many of the laboratories and museums, including that of Professor Nuttall, to whom he soon afterwards sent a handsome cheque 'towards the cost of bringing out your work on Parasitology'. Towards the end of April he took a party down to Witham, in Essex to see the farm of his friend E. G. Strutt, whose system of bookkeeping he thought of introducing at Parklands. At this time he was helping a nephew in Kenya to develop his farm, but was doubtful about his estimates for a new sawmill. Percy wrote:

Selous  
friendly  
Helping  
Murray's  
Kenya

TL

You have left out in your working expenses one of the most important items, amounting to far more than the interest on the capital. I mean depreciation on the capital. You must allow at least 10 per cent for depreciation. Your engine, your capital, everything, is wearing out at least at the rate of 10 per cent.

How many fine schemes have been wrecked on this rock! Molteno was very strict about accounts and believed them to be essential in every kind of business. Few men have better understood the art or science of investment.

He was just as critical about public accounts and national budgets. In May he was advising Merriman to 'note very carefully what is going on in France'.

'Each successive Ministry comes in for a few months and then goes out without imposing the taxation necessary to make revenue and expenditure meet. The evil day is deferred only to make it so much worse when it does come. It is very sad to see the Governments in every direction squandering and wasting the resources which good times have put into their hands. We shall have a crisis brought about by this before long.'

During the rest of his life he was to see this ominous forecast fulfilled over and over again in every part of the world, in a series of crises, which were to throw the budgets and currencies of almost every state into confusion and chaos.

When the House of Commons met on August 3rd Mr. Lloyd George introduced a moratorium and the title of a Bill entitled The Postponement of Payments Act 1914 which gave the Government power to postpone payments by Royal Proclamation. This postponement might extend to any Bill of Exchange or negotiable instrument, or any other payment in pursuit of any contract for such time and such conditions as might be specified in the Proclamation. The Chancellor of the Exchequer also announced that at the unanimous request of the bankers and merchants of the City of London the Government had decided to extend the August Bank Holiday for three days. The extension applied however only to Banks and not to ordinary business.

After this Bill had been passed Sir Edward Grey made his famous statement, entitled in Hansard's report 'Great Britain and European Powers', starting from the terrible preliminary — 'It is clear that the peace of Europe cannot be preserved. Russia and

Murray

rays!

essie  
into  
individual

Cape on her own in 1966

Germany have at any rate declared war upon each other'. He then claimed that up to the present crisis we, the Government, 'have consistently worked with a single mind, with all the earnestness in our power to preserve peace'. They had been successful in the Balkan crisis but in the present crisis there had been little time and in some quarters there had been a disposition to force things rapidly to an issue. Without saying where the blame seemed to lie or which Powers were most disposed to risk peace, he went on: 'I would like the House to approach this crisis in which we are now from the point of view of British interests, British honour and British obligations, free from all passion as to why peace has not been preserved'. So far as British interests were concerned he declared his belief that thanks to the British fleet 'If we are engaged in war we shall suffer little more than we shall suffer even if we stand aside'. This astounding error was followed up by an equally false assertion given by way of explanation; 'Foreign trade is going to stop, not because the trade routes are closed but because there is no trade at the other end.' What happened was that British trade and commerce in many parts of the world, passed to the United States and Japan, which last country, though nominally at war had become at the end of it our most formidable competitor in Eastern markets. Another statement which was not to be confirmed by events was this: that 'the one bright spot in this terrible situation is Ireland'. The choice that Grey put before the House was between neutrality and war in support of France. But the Government was committed already, they could not proclaim their neutrality because as he said 'We have made the commitment to France that I have read to the House', namely that if the German Fleet undertook hostile operations against the French coast or shipping, the British Fleet would give all the protection in its power. They had not however made any arrangement to send an expeditionary force out of the country; but the mobilization of the Fleet had taken place and the mobilization of the army had begun. The question of the neutrality of Belgium was still at issue and Sir Edward Grey put it somewhat hypothetically though he discussed the actions and attitude of Mr. Gladstone's Government in 1870. The difference between his attitude and Gladstone's was, as it turned out, that he was honourably bound to go to war if France went to war, and therefore he could not promise to remain neutral if neither France nor Germany violated the neutrality of Belgium. Finally he said that the situation had been forced upon us so quickly that the country had not had time to realize the issue:

'It perhaps is thinking that the quarrel between Austria and Serbia and not the complications of this matter which have grown out of the quarrel of Austria and Serbia. Russia and Germany we know are at war. We do not know yet that Austria the ally whom Germany is to support, is yet at war with Russia. We know that a good deal has been happening on the French frontier. We do not know that the German Ambassador has left Paris.'

Having thus as he said placed the vital facts and underlying issues before the House Grey said that the Government was forced to take its stand upon those issues and

believed that it would have the support not only of the House but of the country when the people realized what was at stake and 'the magnitude of the dangers impending in the West of Europe'. Bonar Law rose to promise the unhesitating support of the Opposition, and Mr. John Redmond expressed a hope that the armed nationalist catholics in the South would join hands with the armed Ulstermen in the North in case of war, so that from this situation might spring a result which would promote the future welfare and integrity of the Irish nation. Generally Irishmen were in favour of peace, but if the dire necessity of war were forced on Great Britain, they would unite to defend the coasts of Ireland. Mr. Ramsay MacDonald followed. While admitting that Grey's speech was impressive and that it had moved the House in his favour he said:

I think he is wrong. I think the government for which he represents and speaks is wrong. I think the verdict of history will be that they are wrong. We shall see. The effect of the Right Hon. Gentleman's speech in this House is not to be its final effect.<sup>2</sup>

After MacDonald had spoken there was an attempt to close the debate. But Mr. Philip Morrell insisted that it should be continued. The Prime Minister refused to agree to its continuation on the same day. But eventually at the Speaker's suggestion it was agreed that the discussion should be continued at 7 o'clock on a motion for adjournment. After another statement by Grey about Belgium which pointed to a German invasion, the discussion was resumed by Philip Morrell, Wedgwood, Edmund Harvey, Arthur Ponsonby, Sir A. Markham, Sir Albert Spicer, and Arnold Rowntree, who all criticized with more or less emphasis the policy of going to war. After another postponement Molteno resumed the debate in the most closely argued of all the speeches — 'a great speech' as the late Mr. Ellis Davies (then a member of Parliament sharing Molteno's views) described it to me in a letter dated January 13th, 1938:

After Grey's speech he added, I recall that Molteno came up to me and asked me to take part in the debate, which I did rather ineffectively, to be followed by Pringle and his 'blood and iron' speech.

It is remarkable that Molteno's 'great speech' should have presented in small compass at the very outset the main argument and some of the principal quotations in support of it, which appear in Loreburn's *Truth about the War*. Here is the speech as it appeared in Hansard, August 3rd, 1914.

Though Ramsay MacDonald had to pass through four years of unpopularity and abuse he never withdrew from this position. Grey fell from Office midway through the war and never regained it. MacDonald was restored to the leadership of the Labour Party, and held office as Prime Minister three times before his death.

Only Labour Party resists War

Perry spoke in this crucial Debate

MacDonald's Courage

Handwritten mark resembling 'TL' with a large arrow pointing from the right margin towards the text 'Molteno resumed the debate'.

432-460

39373 Moltano 432

2961w

WAR IN EUROPE

Postponed Proceeding resumed on Question. 'That this House do now adjourn.'

MR. MOLTANO: As a supporter of the Government that came into power as a Government of peace, and with a sense of my responsibility to my Constituents, I do not feel that I can keep quite silent on this stupendous occasion, when we are asked practically to assent to a course which may involve us in this terrible war. No part of this country has been invaded at present; no vital interest in this country has been attacked. Yet we are asked to assent to war with all its terrible consequences. The Government have no right to plunge this country into this war for anything short of our own vital interests. The Secretary for Foreign Affairs, in his presentation of the case to-day, said that he would be very frank with the House. I can only say that I regret that in the statements which have been made by him and by the Government in regard to this matter on various occasions we have not been treated with equal frankness, because I feel that we have been placed in a false position by these statements. The right hon. Gentleman began by saying that we were under no obligation, and that the House was perfectly free to come to a decision on this matter. Yet, before he had got very far, he told us that we were under such obligations that, in his opinion, we could not get rid of them. I may remind the House of the attempts that have been made to ascertain what was the real position of the country in the event of a European war. I will first recall what the Prime Minister said last year in the Debate on the Address. Lord Hugh Cecil, in the course of the Debate, said:

'There is a very general belief that this country is under an obligation, not treaty obligation, but an obligation arising out of an assurance given by the Ministry in the course of diplomatic negotiations to send a very large armed force out of this country to operate in Europe. That is the general belief.'

The Prime Minister rose and said:

'I ought to say that it is not true.'

That was entirely satisfactory to us. I come now to a later period of the same year, the 24th March, 1913. The question was then put to the Prime Minister:

'Whether the foreign policy of this country is at the present time unhampered by any treaties, agreements, or obligations, under which British military forces would, in certain eventualities, be called upon to be landed on the Continent, and join there in military operations, and whether in 1905, 1908 or 1911, this country spontaneously offered to France the assistance of a British Army to be landed on the Continent to support France in the event of European hostilities.'

That touches on the very position which was outlined to-day. The Prime Minister, replying to that interrogatory, said:

'As has been repeatedly stated, this country is not under any obligation not public and known to Parliament which compels it to take part in any war. In other words, if war arises between European Powers there are no unpublished agreements which will restrict or hamper the freedom of the Government or of Parliament to decide whether or not Great Britain should participate in a war. The use that would be made of the naval or military forces if the Government and Parliament decided to take part in a war is for obvious reasons not a matter about which public statements can be made beforehand.'

Those were the assurances given last year on this subject with regard to the obligations of this country and of Parliament. In the House of Commons, on the 28th April this year, the hon. Member for the Frome Division of Somerset asked the Secretary for Foreign Affairs:

'Whether he is aware that demands have been recently put forward for a further military understanding between the Powers to the Triple Entente, with a view to concerted action on the Continent in case of certain eventualities, and whether the policy of this country still remained one of freedom from all obligation to engage in military operations on the Continent?'

The reply of the Foreign Secretary was as follows:

'The answer to the first part of the question is in the negative and

Percy believe  
GW write  
Parliament

as regards the latter part, the position now remains the same as was stated by the Prime Minister in answer to a question in this House on 24th March, 1913.'

That, again, was entirely satisfactory. I come now to the 11th June this year, hardly more than a month ago. The Foreign Secretary was asked:

'Whether any naval agreement has been recently entered into between Russia and Great Britain and whether any negotiations with a view to a naval agreement have recently taken place or are now pending between Russia and Great Britain?'

And the Foreign Secretary went out of his way to give a very full and a very complete reply to that question. He said:

'The Prime Minister replied last year to the question of the Hon. Member that if a war arose between European Powers there were no unpublished agreements which would hamper or restrict the freedom of the Government or of Parliament to decide whether or not Great Britain should participate in a war. That answer covers both the questions on the Paper. It remains as true to-day as it was a year ago. No negotiations have since been concluded with any Power that would make that statement less true. No such negotiations are in progress and none are likely to be entered upon so far as I can judge. But if any agreement were to be concluded that made it necessary to withdraw or modify the Prime Minister's statement of last year which I have quoted, it ought in my opinion to be, and I suppose that it would be, laid before Parliament.'

There we have the most recent undertaking on the part of the Government that no agreement of any kind, published or unpublished, was in existence, yet we are told by the Foreign Secretary to-day that there are obligations which have been incurred since 1906. He told us that negotiations had gone on with France to the extent of her naval and military commanders consulting with ours in regard to the eventuality of war. What did that mean? Surely a hope and an expectation were held out. For a period negotiations were set on foot of which the Foreign Secretary told us, and the course of those negotiations have been such that in his opinion we are now bound to France to such an extent that we are obliged to go to war. I think there must be some very curious feeling on the part of the Foreign Secretary if he thinks we can regard that statement which he made to-day as a satisfactory one. We had understood from him that we were under no obligation in regard to France, and that we were perfectly free to choose what to do. Surely many of us in this House if we had known what was to happen, would not have rested in such a position as that in which we now stand, and we would have been clamouring for that freedom which the Foreign Secretary assured us on occasion after occasion we did possess. Yet we are now told that our obligations, though not obligations of Treaty or of agreement, are so strong and so binding that we shall be compelled to take up arms in defence of France. I complain that we, who are supporters of His Majesty's Government, should have been led into this state of false security on this most vital and important question. I ask the Prime Minister, and I ask the Foreign Secretary, I ask the right hon. Gentlemen on that Bench, who informed the people of this country that they were a Government of peace, and they would seek to maintain peace, whether they are not compelled, by their highest duties, to consider their obligations to the people of this country.

For what interests are they asking us to enter upon this tremendous struggle? Have they stated any interest? They do not pretend to tell us. They speak to us of some vague fear, some sort of obligation of honour that impels us to this course. Surely in a case so serious, so tremendous as that of war and peace, we ought to be absolutely clear, and there should be no doubt in any one's mind as to what is the real position and what the real obligations of this country are. We are not in that position to-day. It is extremely difficult for us to discuss this subject to-night, and I do not want to say a word that might do harm, in the position in which we now stand. We ought to have more information, in order that we may be immediately put in a position to make up our minds as to what our duty is on this question. I wish to ask whether we are to have a fair and straight opportunity of considering, discussing, and deciding on this question. But they have brought us to the brink of disaster without our knowing, and without our being warned. I say that, at

the last moment, they should give the people of this country a chance to decide. This is a continuation of that old and disastrous system where a few men in charge of the State, wielding the whole force of the State, make secret engagements and secret arrangements, carefully veiled from the knowledge of the people, who are as dumb driven cattle without a voice on the question. And nobody can tell the country what are the important considerations that ought to weigh with us in taking part in this tremendous struggle.

One other point, that is the question of the neutrality of Belgium. The Foreign Secretary informed us that it depends on an old Treaty, the Treaty of 1839. That Treaty does not compel us in any sense to go to war. That is admitted; in view of the fact that a fresh agreement for that very purpose was made in the year 1870, which agreement was to continue for the period of the war, and one year after. There was no question then of going back to the existing Treaty of 1839, and that fact conclusively proves that we, as one of the signatories to that Treaty, are not compelled to take up arms. In regard to Belgium, I ask for full information on the point. I support the appeal made on this side of the House to the Government not to abandon even the last shred of hope before we are committed to this frightful struggle. The Foreign Secretary has himself informed us that there have been attempts on the part of Germany to try and meet our view. We all feel and know that these nations are struggling for their very existence, and we must place ourselves in their position. Germany has made, according to the Secretary for Foreign Affairs, some advances to us with a view to avoiding the necessity of our going into the field. I do not ask that the most should be made of those advances, and not the least, and that an endeavour should be made to enlarge them in such a way as to avoid this terrible struggle and make some settlement possible. I regret the tone of the Foreign Secretary's reference to those advances. He had the appearance — I may be wrong; and I hope my impression may be dispelled — in the course of this Debate that nothing would satisfy him short of war. That was the impression given to us by the language of the Foreign Secretary. I feel very strongly on this subject. I feel that I am engaged to my Constituents on this matter, and I must give them some account of what I am doing, and how I supported the Government which has led us up to this position. I ask the Government to be prepared to make every effort and every endeavour to maintain peace with the rest of the world, and, as to this horrid 'balance of power', which one would have thought had been disposed of by the eloquence of Cobden and Bright, it would be absurd for me to say anything more where their voices have not succeeded.

After this there was a brief diversion in the debate to the problem of food supply and rising prices, but the main subject was speedily resumed by Mr. Llewelyn Williams, an old friend and political enemy of Mr. Lloyd George, who left him on the war.

He made another plea for peace and fell heavily on Grey for saying that there would be very little difference in the price we had to pay whether we went to war or not. He realized that even if we remained neutral we might suffer from unemployment and financial derangements. But 'Has anyone ever thought of the terrible misery, wretchedness and desolation which will ensure in this country if we go to war? Hundreds and thousands of homes will be bereft of their bread-winners, and there will be thousands and hundreds of thousands of people who will be bewailing this sacrifice of blood. It is going to be a popular war in another fortnight, but I would ask the Government to take a longer view than a fortnight or a month . . . if we go into this war the whole fabric of our social reform — of which we have been so proud — the whole achievements of this Government for the last eight years are imperilled.'

The next speaker referred to the alliance with Tsarist Russia and its brutal treatment of Finland and Persia. Another, Mr. Joseph King said that Grey's policy was in direct opposition to that of the late Marquis of Salisbury whose diplomacy was placed not on the balance of power

but on the concert of Europe, not on onesided agreements but on freedom from all foreign complications. He also asked if the Cabinet was united, and referring to Russia said that in Russia at the present moment there are a hundred thousand people in prison without trial and executions of three a day without any semblance of justice. Sir John Jardine, a friend of Molteno's, pleaded for diplomatic delay. Hitherto no ultimatum had been presented to Germany and he reminded the House that two or three months after the commencement of the Crimean war 'Lord Aberdeen at Oxford wept tears over Cobden's shoulders because, he said, he had been pressed into the war by his colleagues against his better judgment'. Sir William Miles spoke of the war excitement and the shouts of exaltation from the Opposition benches at the prospect of England plunging into the hostilities. 'Not more than a dozen men in Europe', he declared, 'have brought this thing about; yet tens of thousands of people in these four or five nations will be reduced to terrible want and misery.' He reminded Grey of the very different action which had been taken by Gladstone and Granville in 1870 and of an article in the Anglo-French and Anglo-German agreements of that date, which confined our action in case either were broken to operations within the limits of Belgium.

Annan Bryce, brother of James, Viscount Bryce, said there had not been a single cheer for Grey from the Liberal side of the House and when this was contradicted he said that at all events only one Liberal Member had spoken in favour of Grey's statement. He asked why if the Italians could be neutral and leave the Triple Alliance, why should the French join the Russians on a point of honour and we the French on a point of honour. He thought the real point of France was to get back Alsace Lorraine. Was that an enterprise on which we ought to embark. He dwelt also on Grey's attempt to minimize the difference between war and neutrality. R. D. Denman who followed asked whether it was in the best interests of Belgium 'to make it the cockpit of this Armageddon'. He resented the suggestion that advocates of peace were guilty of cowardice or that advocates of war showed special bravery. Ellis Davies added a plea for neutrality. Then, after W. Pringle had spoken in favour of war, Balfour urged that 'this relatively impotent and evil' debate should come to a close. He spoke of the very dregs and lees of this debate which brought Colonel Seely on his feet to protest indignantly that 'The views that have been discussed on this side of the House cannot be dismissed so lightly' though he himself held that the Government were right. On the following day August 4th, Asquith announced that the German army had violated Belgian neutrality and that the British Government had sent an ultimatum to Germany to expire at midnight, which made it practically certain that we should be at war next day. The last debate on the war policy took place when Mr. Asquith moved a vote of a hundred millions for the Army and Navy. The estimates were voted unanimously, but Sir Wilfred Lawson, Mr. Aneurian Williams, and Mr. Allen Baker

reiterated the views of the Liberal and Labour minority. Sir Wilfred, a veteran Liberal of the Bright and Cobden school, declared his belief that 'The only sound principle and practise, especially for a country geographically situated as we are, is to have friendship with all nations and entangling alliances with none'. He added:

'We have heard a great deal in the last few days about honour; we have heard something about morality, and something about self-interest. As to honour that is a very illusive term.' As for interest 'We are or ought to be the guardians, as well as the representatives, of the millions of people who live in the cottages in this country, and surely the greatest and most supreme of British interests for them and for us lies in peace and not in war; and their happiness is worth more than all the so-called honour in the world.' As for morality 'When we are engaged, as we now are in organized murder, I think the less said about morality the better.'

To him as a Liberal who had been sent to the House of Commons to support a policy of peace, retrenchment and reform, it was an added bitterness that war came from a liberal government. His loyalty had been strained to breaking point and he could not follow further upon this road to ruin.

And so with heavy hearts the fine band of Liberal stalwarts, which Molteno had helped to guide and direct in unflagging efforts to support the sacred cause of peace and goodwill among nations, dispersed to their homes.

#### CHAPTER XXIX

##### THE FIRST NINE MONTHS OF THE WAR—FALL OF THE LIBERAL GOVERNMENT

ON August 4th, before the British ultimatum to Germany expired, the Foreign Affairs Committee, of which Molteno was a member, passed the following resolution:

After hearing Sir Edward Grey's statement this meeting is of opinion that no sufficient reason exists in present circumstances for Great Britain intervening in the War, and most strongly urges His Majesty's Government to continue negotiations with Germany with a view to maintaining our neutrality.

In his notes on the European Crisis, dated Wednesday, August 5th, 1914, immediately after the declaration of war, Molteno wrote:

In considering Sir Edward Grey's statement I am struck by the fact that, as stated in my speech in the House of Commons on Monday, we have been lulled into a false security by the assurances of himself and the Prime Minister that we were under no engagement, published or unpublished, to participate in war. Yet he had made with France the engagements which he detailed in his speech.

The appeal to passion, when Sir Edward Grey spoke of the (possible) bombardment of the (French) Channel Ports by the German Fleet, struck a false note, because subsequently he said the Germans had agreed not to take this course if we preserved neutrality.

When Grey spoke, there had been no violation of Belgian territory; but on the previous day, Sunday, we had given France the assurance of our help to protect her coast ports. Thus we had taken the part of one of the belligerents before the question of securing Belgian neutrality had arisen. We therefore did not go with clean hands to Germany to ask them to maintain Belgian neutrality, so that the question of Belgian neutrality is not the one which has

*Grey was alienated from dominant faction in Liberal P.*

*Grey a Foreign Affairs etc*

*J. K. P.*

His View of Origin of  
WWI excellent fluid  
correct

plunged us into war. If Sir Edward Grey's statement was correct, and had we desired to avert war then, we could have said to Germany: 'If you will not bombard the Channel and north-west ports of France, and if you will respect Belgian neutrality, we will remain neutral.' But Sir Edward Grey did not make this offer.

Molteno was quite right. As Asquith afterwards frankly admitted to Morley the British Government did not follow the precedent by which Gladstone and Granville had saved Belgium and Luxembourg and preserved peace for Great Britain in the Franco-Prussian war of 1870. When Prince Lichnowsky asked him whether Great Britain would remain neutral if Germany refrained from attacking France through Belgium Grey refused to give an affirmative answer.

After quoting a German statement reported in the *Morning Post* of August 5th Molteno continued:

The impression made upon my mind is that we had decided to take part in war, whether to crush the rising power of Germany, or because of our long-continued course of association with France, as described by Grey, having committed us to go to war in any event.

The fact that France had acted upon a plan to concentrate her Fleet in the Mediterranean leaving her Channel and north-west ports unprotected, relying upon communications which had passed between us, made our participation in the war almost automatic.

The bearing of this fact on the attitude of France in assisting Russia in a quarrel in which she had no interest, must not be lost sight of. It would naturally encourage France to take the opportunity of getting her revenge on Germany.

Molteno then summed up his view that as Great Britain and the British Empire were not threatened the Ministry had no right to plunge us into a purely European struggle with which our vital interests were not concerned. He went on:

I personally have been relying upon the assurances of Mr. Harcourt that he would be my 'hostage' so long as he remained in the Cabinet (the word Hostage being his own term) that we would not enter into any arrangement with France that we should automatically go to war to assist her. This was since the Agadir incident and the threat of Mr. Lloyd George, to which I took profound exception and against which I protested in the House in my speech on July 25th, 1912.

During the crisis, from July 29th to August 2nd, I very frequently saw Mr. Harcourt. He assured me that the Cabinet as a Cabinet would not intervene in the war, and that so long as he remained in the Cabinet I could rely upon that.

On Sunday, August 2nd, he modified his statement to the extent that, if the Germans would not agree not to attack the Channel ports of France, and would not respect Belgian integrity and independence in return for our neutrality, then he might be disposed to go to war.

We have now joined in a war brought about by militarism with the international and traditional hatreds of the Continent. This has only been possible because we have abandoned, as I hold, the true policy of non-interference in Continental wars.

Liberal  
Minister  
who  
resigned  
at start  
of War

Eventually the only Cabinet Ministers who resigned were John (Viscount) Morley, Mr. John Burns, Earl Beauchamp and Sir John Simon; but the two last were prevailed on by Asquith to withdraw their resignations.

In a further note on the course of events before the War, written on August 25th, 1914, Molteno wrote:

When I took the Deputation to Mr. Asquith in December, 1912, I urged upon him at the conclusion of the interview the desirability of our endeavouring to arrange matters between France and Ger-

TL

many, and as the friends of both to urge them not to make these great increases in their armies, which made no difference in their relative strength but merely impoverished their peoples.

I made the same suggestion to Sir Edward Grey when I met him at the dinner at the National Liberal Club. He did not say anything expressly against it, but he did not endorse it at all.

I suggested that Mr. James (now Viscount) Bryce should be entrusted with an unofficial mission to these two Powers to endeavour to bring about a better understanding. Subsequently I saw Lord Bryce himself and had a talk with him. He did not reject the idea; in fact he discussed it to some extent, and he seemed to think that our relations with Germany had become better.

When Sir Edward Grey had returned from Paris after accompanying the King, I asked him about the official communication which had been issued by the French and British Governments in regard to their joint action in Europe. I said I had noted that the term 'Balance of Power' was used. He said this was a translation of the phrase issued, which he was rather surprised at himself. He said there was only one copy of the declaration published, that it was in French and had appeared in *Le Temps* newspaper. He thought he was the only possessor of a copy in this country, and he would send it me if I liked. I said I was very glad to hear that the term 'Balance of Power' had not been used, as the phrase had very much alarmed me. Three or four days later he handed me a copy in the form of a cutting from *Le Temps* newspaper of the declaration.

It is now clear why we could not approach Germany as an impartial friend, seeing that we had the engagements referred to by Sir Edward Grey in his speech on Monday, August 3rd, as leading up to our support of the French in this War.

On Friday August 7th I saw Mr. Acland, the Under-Secretary of State for Foreign Affairs, at lunch. I said to him: 'How is it that you have not published the German reply to our ultimatum, which the White Paper states is unsatisfactory?' He replied that there really was no reply, and then gave the following account of the position: 'The Cabinet were meeting on Tuesday night expecting to get the German reply. Eventually a message came in code for the German Ambassador telling him to declare war. This the British Government had interrupted and deciphered. Immediately thereupon Sir Edward Grey wrote a letter accepting the German declaration of war, which was sent to the German Ambassador, Prince Lichnowsky. As a matter of fact that German Ambassador did not get the message from his own Government that night because he had gone to bed; nor did he open the letter from Sir Edward Grey for the same reason.'

Details of  
how War  
declared

'As no declaration of war came officially from the German Ambassador, and our declaration that we were in a state of war with Germany had been issued at 11 p.m., a messenger was sent over to the German Ambassador to ask for the return of Sir Edward Grey's letter. This was next morning, Wednesday. The German Ambassador had not opened it, and gave it back unopened, so that, as matters stood then, no reply was received to our ultimatum from the German Government.'

He further said that Prince Lichnowsky, the German Ambassador, had probably misled the German Government in regard to our attitude — that he could not believe we would join in the War as he had been received in such a friendly way wherever he went.

If this was the Prince's state of mind and if, as there seems every reason to believe, the German Government, until it was too late, supposed that Great Britain would remain neutral, could there be a more severe indictment of Sir Edward Grey's diplomatic strategy? He had deceived the House of Commons and his Liberal followers by pretending that we were not committed, and he had not informed the German Ambassador, who remained until the end under a complete misapprehension, so that what would have been a restraining force on the German Government and might well have prevented them attack-

Grey

ing France, was not exercised. If Germany had not invaded Belgium or France the British Cabinet would almost certainly not have allowed Sir Edward Grey to declare war. If France had declared war on Germany and invaded Germany, Sir Edward Grey would probably have resigned, but it is not certain that the French Government would have declared war on Germany, or attacked Germany, without British support.

Mr. C. P. Scott and the *Manchester Guardian* were as strongly opposed to Grey's policy as Molteno, and right up to the Declaration of War the *Guardian* pressed hard for neutrality. Mr. J. L. Hammond in his admirable *Life of Scott* writes:

All these objections to Grey's policy were maintained with a vigour and ability that have rarely been equalled in the history of polemical journalism. Seldom, indeed, has a Government or Minister encountered such skilled and such severe criticism from political opponents as Grey encountered from his political friends. For his policy was under constant fire from five exceptionally telling critics, Mr. H. Sidebotham in the *Manchester Guardian*, Mr. H. W. Massingham and Mr. N. H. Brailsford in the *Nation*, Mr. A. G. Gardiner in the *Daily News*, and Mr. F. W. Hirst in the *Economist*. The Liberal Foreign Secretary found himself depending almost entirely upon Conservative support, a support often embarrassing and misleading, for among Liberal writers his only steady advocate was Mr. J. A. Spender, the able and experienced editor of the *Westminster Gazette*. If Grey had been less aloof and silent by nature, his policy in some cases would have been judged less severely, for his critics certainly underestimated his difficulties. The series of British documents, edited by Dr. Gooch and Dr. Temperley, have made public for the first time the obstacles that Germany offered to a policy of friendship, and the lengths Grey went in attempting to overcome them. Of Liberal journalists Mr. Spender alone was fully in Grey's confidence.

Hirst also  
opposed  
to War

Scott wrote very little in these years on foreign policy, but he had strong views, and he shared to the full both the anxiety and the hostility that Grey's policy excited. It was in one sense unfortunate that the only Minister with whom he discussed foreign policy closely was Loreburn, Lord Chancellor from 1906 to 1912. Nobody could know anything of Loreburn without admiring his courage, his independence, his sincerity. Alike by his character and his intellect he gave distinction to any cause that he helped to lead. But though a most important member of the Cabinet, he was kept very much in the dark about its foreign affairs. This he resented bitterly and justly.<sup>1</sup>

Two facts within my own knowledge should be added. C. P. Scott hated Grey's friendliness to Tzarist Russia, which involved the vile partition of Persia and acquiescence in the brutal oppression of Finland. Secondly on the eve of the war nearly all unofficial Liberal writers and journalists—Bryce, the Trevellyans, Massingham, Hobhouse, Holson, Gardiner, etc. etc., favoured British neutrality. But for the German invasion of Belgium war could only have been declared by a Coalition Government.

Molteno was determined that there should be no mistake as to his views about the origin of the War or about the facts on which he relied in justification for them, or about the stand which he took from the beginning to the end, or about his opposition to the Treaty of Versailles and to the post war policy of the Lloyd George Coalition.

I have no doubt that he intended to incorporate them in an extensive autobiography with a large appendix of

<sup>1</sup> Hammond's *Life of Scott*, p. 150.

✓ Percy had intended to write his Autobiography  
— maybe that is why Margaret &  
Jenni got Hirst to write this Biography  
(to find Percy's work)

Parsons fell 51

documents and citations from Hansard, etc. etc. In this book I can only reproduce his opinions and arguments and a few of the corroboratory facts and quotations. In one of his boxes I found a MS. of ten pages entitled, 'My Views on the Origin of the War', which runs as follows:

Parsons View of the War's origin

I had always felt the greatest objection to War as an outbreak of unbridled violence and the greatest threat to the existence of our civilization as we know it.

All enlightened men, he went on, see war as an anachronism which should be ended, but a survival in the minds of the majority of mankind from barbaric ages. It is more dangerous than ever because our material progress and command over Nature has been enormously developed by modern science without a corresponding moral development, so that the most recent achievements of science have created forces which are being used to mould weapons by which our civilization may be utterly destroyed. We are like children entrusted with dangerous arms.

Gladstone's foreign policy of peace with freedom of entanglements in the quarrels of other powers appealed to me strongly as the principles which should guide England's foreign policy.

I had opposed the Boer War as based on a complete misunderstanding of the situation in South Africa and of the nature of Boer people and their aspirations, and this has now been admitted generally even by those who were in the British Cabinet at the time the war was entered on (see Lord G. Hamilton's statement in his *Memoirs*).

I was in close touch with Sir Henry Campbell-Bannerman, Lord Loreburn and other Liberals, who were strongly opposed to war as any solution of the problems confronting us at that time in South Africa.

When I entered Parliament in 1906 I was associated with all movements for the reduction of armaments and for peace, and attended various Inter-Parliamentary Conferences before the Great War, especially those in London, Berlin and Geneva.

I believed that the leaders of the Liberal Party were pursuing our well-established policy of freedom from foreign entanglements and making no secret engagements which would compromise it. Our Debates on armaments were conducted on this basis, and nothing was said in Parliament by Grey, Asquith or anyone to warn us of liabilities being incurred, which should have been known to Members of Parliament who were asked each year to vote the strength of our armed forces; otherwise Parliamentary control is a farce.

But we discovered long before Lord Haldane in his *Memoirs*<sup>2</sup> told us that he and his colleagues made a point of concealing from the House the vital actions of himself, Grey and others, and even from their colleagues in the Cabinet.

I was intimately associated with Campbell-Bannerman, Loreburn, Morley, Bryce and other Liberals such as John Ellis, Sir Wilfred Lawson and many others. Peace was our great aim and the reduction of militarism and great armaments. I took part in Debates in the House of Commons on these lines throughout the period of my membership from 1906 to the outbreak of the Great War in 1914.

The first grave doubt as to Sir Edward Grey's policy arose out of the Agadir proceedings, and Mr. Lloyd George's speech at the Mansion-House, in which he threatened Germany with war if she did not recognize our intervention in the dispute between France and Germany. I at once protested to those members of the Cabinet with whom I was in close touch against this public threat of war to a great Power, and I recalled Sir Henry Campbell-Bannerman's rebuke to Sir Arthur Lee when he made a threat of a similar kind some years before. I did not then know that the Cabinet was quite unaware that this threat was to be made. A meeting of the Cabinet had taken place that morning and nothing was said about it. It was the act of Grey, Lloyd George and Asquith, and like many others was concealed from the Cabinet as a whole, with very disastrous consequences as appeared later on.

There followed later in the year the speeches of Sir Edward Grey in the House explaining his Agadir negotiations. These aroused in me

<sup>2</sup> This dates the completion of Molteno's manuscript.

VE

My opinion of WWI - as they saw it.

very great concern. I at once approached members of the Cabinet and pointed out that Grey had put us in the dangerous position that France could automatically commit us to war at any moment without our having any say in the matter. Some of these members of the Cabinet said the position was not as I feared, but I pointed out that I went entirely on Grey's own record of what he had done and I urged that the position should be made quite plain that we were not committed. To make the matter clear, questions were put to both Grey and Asquith as to whether there were any commitments which involved military aid, and we were assured each time that there were none. These questions were repeated each year right up to 1914 and met with the same denial from Asquith and Grey.

In a Debate on the Address (1914) Asquith denied that there were any commitments of this nature. Then Lord Hugh Cecil rose, and said there was a widespread impression that under some conditions and in certain circumstances we were committed to send a force to take part in military operations on the Continent. Asquith emphatically denied this, and declared there was not a shadow of a foundation for the impression. The House was never undeceived.

In 1911 for the first time the Cabinet as a whole learned that there had been secret Naval and Military conversations between our officers and the French as to the steps to be taken in supporting France in a war with Germany. The Cabinet was greatly concerned on learning this and passed a Resolution that these Conversations should henceforth cease. The House of Commons was kept in the dark on all these matters, and especially on the letter written by Grey to Cambon in which it was arranged that the French should concentrate their Navy in the Mediterranean and we would protect their Channel ports and their Western coasts. This was only divulged to the House on August 3rd, 1914, by Grey, in his speech, when he urged us to take part in the war against Germany. Even then he mutilated the letter, and left out a most important part as to our carrying out preconcerted arrangements in the event of war. In his book he excuses himself by saying that there was an interruption, and he forgot to read it. But I was in the House listening with the utmost attention to his story, and there was no interruption. Hansard has the mutilated version, which was never corrected; and our knowledge of it only came when Viviani, the French Premier, read out the whole letter in the Chamber.

I was shocked beyond measure when Grey enumerated a long list of commitments which in his opinion obliged us to support France in a way we could not get out of. And this after he had up to then stoutly maintained that we were not in any way committed to anyone to go to war. Yet now he argued that we were so committed, that we could not in honour get out of it. I heard all this with nothing less than horror. The House of Commons had been grossly deceived; all our hopes of peace had been ruined without our knowledge or consent. All the assurances given us turned out to be false assurances, which had lulled us into a state of false security, by men whose duty it was to tell the House of Commons the truth, especially on such a vital matter as Peace and War. I voiced this strongly in the discussion on his speech and recorded the assurances that had misled us, which their author now declared to be false.

Horror

As in the days of old the Monarch and a few men secretly committed their peoples to war, so was democratic Liberal England with its boasted Parliamentary Institutions secretly committed to war by three or four men, [by proceedings] unknown to the Cabinet as a whole, or to the House of Commons, to whom they were constitutionally answerable.

To return to events in the House of Commons before the war. Some of us were much concerned in 1913 at the state of Europe and the rumours of great additions to the Navy. Gordon Harvey, Member for Rochdale, one of the finest characters in the House, and I, were so much concerned that we discussed the situation with other Liberal Members with whom we had worked for years; and during the autumn recess we organized a Deputation of Liberal Members to the Prime Minister for an intimate talk with him on the European situation and its bearing on our affairs. About 100 Liberal Members signed the Memorial to Mr. Asquith, and an interview with him was arranged at Downing Street. I was the spokesman of the

Peraj's initiative

H?

leading anti-war vol

1913

9 mths before war broke out.

Députation. I said we were anxious to know the real state of affairs, so that we could with knowledge do our duty in regard to our forces, especially our Naval forces. Though we were anxious to limit expenditure on armaments we would not risk the defence of the country and would vote any necessary funds for this purpose; but we must know the risks. Mr. Asquith received us in a very friendly way, and said there was no really serious or pressing danger in Foreign Affairs. With regard to Germany, he said, our relations were very friendly and the only matter was their shipbuilding programme; and as we could and would build two for every one they built, the situation in that regard was not serious, and he would do all he could to keep the Naval expenditure within reasonable bounds.

When he had finished I said we were not satisfied as to the state of Europe and its dangers. We saw that France and Germany had spent all they could from revenue on their armaments and were now each spending a capital levy on them. This made no relative difference to their positions, but created a state of tension which was endangering the peace of all Europe, and we were not content to see matters left in this state. We suggested that he should as the friend of both Powers go to them and ascertain whether he could not help them to a better state of things as their increasing expenditure on arms was increasing tension to an extent dangerous to Peace.

I reminded him that he and Grey had just been thanked by the Chancelleries of the Powers for their successful efforts to avert a European war arising out of the recent Balkan war. I had mentioned the matter to Grey and said I was going to put this proposal to Asquith. He made little comment, but said the Germans regarded their armaments as an internal question and resented discussing them.

I therefore continued that, if it was difficult to open the matter up officially, it might be done by an unofficial approach on the lines that were taken when Cobden's discussion with the French Emperor in 1860 led to the Anglo-French Treaty of 1861.

I suggested that he had the very man to undertake this to his hand in Lord Bryce, who had just returned from America, where as Ambassador he had settled many difficult questions with the U.S.A. He was not in any way concerned in recent events in Europe and would come fresh to the discussions of the situation. He was also enough of a diplomat not to be indiscreet in such a matter. I had sounded Bryce and found he was willing to undertake the mission. Had this course been taken there was the possibility that the war might have been warded off. Colonel House came to Europe later on with a similar idea, but too late, as it was already June (1914) when he arrived.<sup>3</sup>

Parliament adjourned from August 10th to August 25th after passing the Defence of the Realm Act (DORA) and other measures which gave the Government control over the Press and made it clear that in this war Englishmen would suffer in their liberties as well as in their lives and purses to an extent unknown and unimagined save by the few who like Moltano had studied the character and technique of a great modern war.

Moltano went north to join his family at Glenlyon house. Thence he sent a brace of grouse and an invitation to his friend Gordon Harvey, the member for Rochdale. Business in Lancashire was utterly dislocated and Harvey could not leave his Cotton Mills at Littleborough. He wrote:

<sup>3</sup> Moltano intended — as appears from a pencil note — to have added a passage on the Origins of the War. But the omission is not serious, as he had helped Loreburn with his book on *How the War Came About* with which he was in agreement.

39373 Molteno 443

Town House, Littleborough,  
August 15th, 1914.

I am glad you are getting some relief from the madness of the last few days. I thought lately that you looked as if the worry and the anxiety were telling on you.

I am passing a very quiet time, meeting business and (for the first time in my life) financial worries with calmness and equanimity. I am giving nothing, and shall see myself in no subscription lists; for my strict responsibilities to the people I employ and their dependents will demand all that I can give and all the organization I can direct.

I have publicly declined all controversy, and I must say that on the whole my opponents (he was M.P. for Rochdale) are behaving well, though of course there are some microbic creatures who jeer about the Little Navy I am supposed to have demanded!

Were it not for the horrors of the situation I could laugh aloud to think of the amazing accuracy with which we foretold the course of events. A time will come when we can proclaim it.

There is going to be a great shaking up in Courts and diplomatic circles bye and bye; and although I told you I felt tired of the whole struggle, I now feel inclined to see it through. The world in its progress is not going to be shocked backwards by solemn fools in official armchairs, and the cause of a reasonable internationalism is going forward in spite of royal ambitions and the venom of journalistic hacks. Up to now there is one reason for joy. The people are calm and unembittered. The German people are not hogs and bandits in people's minds that they were five years ago. I pray that this may not be upset, and I ask myself— when France is safe and the war is Russo-Germanic, shall we be forced to go on?

Report  
attitude  
to Germany

As regards the junior officers and soldiers at the front on both sides, Harvey's hopes were well founded. It will be remembered that at Christmas, 1914, when the long trench warfare in France had begun, German and English soldiers fraternised and played football together until they were forced to return to the business of mutual slaughter, which they loathed. But German submarine warfare and reports, some true, some false, some exaggerated, of atrocities in Belgium inflamed opinion at home; and even if the German Government, recognising stalemate had been willing to negotiate a stalemate peace our Government was already making such arrangements for dividing territorial spoils with actual or prospective allies, that reasonable terms of peace were soon to become impossible. Molteno replied to Harvey from Glenlyon on August 21st:

Xmas  
1914

I only returned from Dumfries last night. I can quite understand that you must have much to do to adjust your business to the new conditions and that all your resources and energies must be for your own people.

Though I am largely out of active business, still I have not quite escaped that phase of the trouble. One of the companies I am interested in has had three steamers seized by the Germans, and its trade is now at a standstill— officers, crews and ships absolutely idle.

We have agreed in my constituency\* to drop all controversy between the parties.

We must begin to consider what is to be the object we have in view in fighting. H. G. Wells and Bernard Shaw have been called in to bless the war, and Lord Eversley in yesterday's *Daily News* very effectively disposes of them. But how curious to have this controversy as to what we are really fighting for!

Yet it goes to the point of the question you put. Suppose Belgium is free and France safe, what then?

I see the *Manchester Guardian* of yesterday tackles this question— not very wisely I thought as to cutting up Austria. The cutting up of the Balkans has not aided peace!

Impact  
War  
Peru's  
Business  
Interests



Now, if you will look at the White Book No. 123 you will see that we (Sir Edward Grey) refused on any terms to be neutral, even if Belgian neutrality were not violated, and if the integrity of France and her Colonies were guaranteed; and when this was refused, the German Ambassador pressed Sir Edward Grey to formulate conditions on which we were to remain neutral. But Grey would only say that, 'We must keep our hands free.'

What did he mean?

But as yet these thoughts could only be communicated in private. The early successes of the German army, which occupied Brussels in a fortnight and drove rapidly on into France, despite the splendid bravery of our Expeditionary Force, called urgently for a great volunteer movement. Molteno was as convinced as anyone that the nation, as he put it, must make a united effort to drive back the German army. He encouraged recruiting in his constituency, where volunteers flocked to the colours, and sent a stirring letter of appeal to a county meeting in Lochaber.

*NB*  
During W.  
- Perry for  
into the f  
mobilise  
effort  
TL

The crisis [he said] has found the British Empire ready to stand as one man in defence of its common interests and common honour, thus affording the most magnificent proof of the solid basis of freedom, liberty and self-government upon which it is founded.

Six of his own near relatives were already in the Army or Navy. Those who could not take part in the fighting might aid by 'pledging ourselves to see to it that the wives and dependents of those who were going to the front in their country's cause should be well cared for'.

*Molteno*  
relations  
armed for

On September 1st he sent the Prince of Wales a contribution of £500 to the national relief fund and promised another £500 to follow. He asked that £250 should be earmarked for Dumfriesshire.

But unemployment quickly disappeared as the young manhood of the country was drained away into the Army and new dangers emerged. From the very first Molteno saw that the attempt to raise an army of continental size would imperil the primary need to keep command of the seas and provide ourselves and our allies with food and raw material and munitions of war.

When the War broke out his grief and dismay were fully shared by friends and relatives in South Africa, where the situation was complicated by bitter animosities cherished by some of the Boer leaders against Botha. Among the Dutch there was a Germanophile section which hoped for the success of Germany as a means of creating a Dutch republic in South Africa. The story of Beyer's rebellion and its speedy suppression, or of the wars which ended in the conquest of German South-West and East Africa, cannot be retold here. Merriman was shocked and surprised at the widespread hatred of the English connection. 'As we sowed from 1896 to 1902 so we are reaping now. Much indeed do we owe to Milner!' But he predicted that the Maritz rebellion would soon 'fizzle out'. Happily Botha had plenty of Dutch support, and Merriman paid a tribute to the Government. He regretted that Smuts, the 'brain carrier', was overworked. 'Botha has behaved admirably. We English people owe him a deep debt of admiration for his moral qualities — but he is no administrator.'

*SA*  
- response  
in 1914

X2

# Financial Impact of War on Molteno

39373 Molteno 445

Percy's family suffered many losses in the commercial slump and the ruin of the ostrich-feather industry in the course of the war. He gave generous help throughout to his relatives and to nephews who volunteered. At first it was very difficult to ship seed potatoes, and he told his brother Ted that he thought South Africa would have to rely more than usual upon its own food supply.

Generosity

On September 11th Percy wrote to his brother Charlie deploring the death of Lord Chief Justice De Villiers, 'a life-long friend who has done an immense amount of good work for South Africa and the Empire'. He thought the rally of the British Dominions to aid Britain 'magnificent'. By this time the tide had turned in France,<sup>4</sup>

and although the position is not free from danger, still it looks as if the worst were over . . . it wanted the utmost skill and judgment to extricate our men from a position which was almost dangerous at one time, as the French gave way on our right, and the Germans broke through the line and took our troops in the rear. Several regiments lost almost all their officers.

Wrong Judgment re Course of War

German methods of warfare by land, sea and air seemed to indicate the ferocity of desperation. The struggle was desperate.

The casualties are enormous. Many personal friends have already been killed, and every day brings fresh lists. It is a terrible spectacle for the twentieth century to see the most civilized nations engaged in this death struggle, and now we are faced with great anxiety as to what may happen at Antwerp within a few days.

Antwerp Eyed the Admiral

The Antwerp expedition was Mr Churchill's first adventure, or, rather misadventure. Antwerp fell soon afterwards and the country lost half its naval reserve. Most of them were interned in Holland for the rest of the war.

Hudson (Tan 8199)

In South Africa the Dutch were at loggerheads over the proposal to attack the Germans in South-West Africa. Molteno did not see how operations could have been altogether avoided, because 'the ports there would have been used to harbour hostile cruisers, and would have made the navigation of the Ocean between South Africa and England very hazardous'. Later on, in November, he thought the wiser course would have been to occupy the two seaports and guard the Union frontier, because 'the ring of desert which surrounds the country makes offensive operations extraordinarily difficult'. When Maritz was joined by Beyers and De Wet, Percy felt very uneasy, but on December 11th he heard the joyful news of 'the drowning of Beyers and the collapse of the rebellion'. His brother Wallace was badly hit by the collapse of the ostrich-feather industry. 'I have always said', wrote Percy, 'that it depended upon peace, which was vital to it; and the considerable profits it brought in can only be regarded as a windfall'. But when peace was re-established, he thought it would again become a paying business, 'and I hope you will be careful to keep some of your best strain of birds'. Luckily wool was selling well, and Wallace's new clip was sure to be profitable.

Dec 1914 Rebellions Wallace

<sup>4</sup> In the battle of the Marne.

Ernest Anderson

T

Percy's nephew, Ernest Anderson, went to France in October with a Brigade of the Life Guards, 'a splendid set of men, magnificently horsed'. London at that time presented a strange spectacle at night:

London 1914

it is very dark and gloomy in the streets, and I should think the depression caused by this is almost worse than an occasional bomb dropped by a zeppelin or an aeroplane. All the so-called statesmen and diplomats of Europe, with hardly an exception, deserve to be hanged for having brought Europe to such a pass.

Writing to his brother Frank on October 23rd, he mentioned that Ernest Anderson's Cavalry Brigade had landed on the Belgian coast, some at Zeebrugge, some at Dunkirk and some at Ostend. So far they had only lost two men, though in one case fire was opened on them from a maxim at thirty yards.

Barkly

Barkly has had a very near shave of being torpedoed by a submarine. Margaret has gone to Cambridge and seems thoroughly interested in her work at Girton. Jervis is also back, and has joined the O.T.C. He says that 700 of the remaining 1,200 who are now at Cambridge have joined it.

T  
Jervis in OTC

Margaret goes to Cambridge

On the same day he wrote to Charlie: 'The flight from Antwerp has been a horrible business. Many parts of Holland are overwhelmed with refugees.' In England there was a sudden dearth of leather, as all the spare saddles had been used up. Luckily, the exchanges with South Africa had been re-established very quickly owing to the large amount of gold there. In November he was finding useful recreation on his farms at Parklands and Glen Lyon. At Parklands he was planting wheat as an experiment and increasing his herd of cows. 'At Glen Lyon I have gone in for heavy pedigree Ayrshire milkers, and I have recently bought from Lord Rothschild a very good pedigree bull and cow'. The Board of Agriculture had allowed fifty Friesland cattle to be imported to improve the strain here. 'They were publicly sold the other day, and fetched enormous prices, the average being £253. Lord Rayleigh and my friend Strutt bought some of them.' Towards the end of November he wrote:

Parklands family

With regard to the war here, the casualties are really terrible. The destruction of young human life is awful. I hear from Barkly from time to time. The conditions are most trying. They never get their clothes off, and he sleeps on the upper bridge. The alarms from submarines are constant. . . . The loss of the *Monmouth* and *Good Hope* is the most serious disaster we have yet experienced in naval warfare.<sup>5</sup> We hardly know enough about it to judge how it came about; but I think Cradock was unwise to engage the enemy. . . . We have also lost one of our most recent battleships by a mine; but this is not allowed to be known. The capture of Bruges and Zeebrugge by the Germans was very serious from the point of view of submarines. The country has done splendidly in recruiting, and we can get all the men we want by voluntary enlistment. They are improving rapidly, but it is very difficult to clothe and arm them quickly enough. It is indeed a titanic struggle such as the world has never before seen.

Barkly

Leslie Wiseley

His wife's nephew Leslie Wiseley was at the front in the artillery, and another, Donald Mirrilees, was with the Surrey Yeomanry in Kent. As a set-off to the Chilean

Donald Mirrilees

<sup>5</sup> In the battle of Coronel with von Spee, on November 1st.

Mirrilees also in War

affair, the *Emden* and *Königsberg* had been accounted for. Stupendous efforts were being made to raise funds for carrying on the war, 'and financing everybody, not only the Colonies but the Allies, including even Servia'. His brother Ted, at the suggestion of Merriman, was on his way to England to promote a scheme for settling Belgian refugees in the Cape Colony; but Percy warned them not to expect success:

Ted wants to recruit Belgian refugees

12  
NN 1924

~~the Belgians won't want to go.~~ Belgium is an industrial as well as an agricultural country, and the industrial population, who are chiefly displaced, will all be wanted to restore things in Belgium itself when the war is at an end.

By way of diversion, he wrote at this time to his friend the famous florist H. Cereven, of Schenebourg, Geneva:

Percy's love of Botany

You mention that you have great difficulty in growing the *Belladonna*. Well, I have succeeded in Surrey, and I enclose you two photographs of the blooms as they appeared this year, grown right out in the open with only a little bracken covering in the winter. They love a very sandy dry hot position, where they can get thoroughly baked in the sun. I grow them also in a frame where they can get the protection of the glass but without heat. In this case I have to cut down the luxuriant foliage in July in order to allow the bulbs to be properly baked by the summer sun. I have about a hundred blooms this year.

with job rdge

The spot represented in the (South African) photograph is one which would be intensely interesting to you or any other botanist. It is crowded with all kinds of different flowers. The vegetation is not high, 3 to 4 feet, and when this is burnt by a veldt fire it gives an opportunity to all the bulbous plants to flourish for a time. On these spots so burnt the *Belladonna Lily* is to be found in hundreds, so also are the *Watsonias*, *Protea*, *Irises*, *Gladioli*. Last year a fire of this kind took place and the whole hill-side was a mass of colour. Naval officers reported that it was a very striking sight from the sea. The whole of the Cape Peninsula ought to be kept as a most fascinating botanic garden.

We are living in strange and trying times and even your neutral country will not escape some of the difficulties; it is pleasant for a few moments to take one's mind off the tragedy in Europe.

On December 3rd, Percy wrote to his brother Charlie:

Scale of Carnation

I was at Folkestone this week end; it is swarming with Belgians and French. The Belgians are returned from there to the fighting line, that is the soldiers, after being in hospital here. There are still about 32,000 wounded Belgians in England. They have lost 30,000 killed, and have about 20,000 in the fighting line still. The cross-Channel boats are meeting large numbers of floating mines. Barricades were being erected in the streets near the harbour. I suppose this is in case of a sudden dash at the Port; but invasion is inconceivable while the Navy remains intact. At the same time the whole country is being entrenched in every direction both on the sea coast and in many inland places. The new Armies are training well.

A week later he added:

You will be glad to see the successful issue of the operations near the Falkland Islands. You will find that Admiral Sturdee's force included battle cruisers, which accounts for the small loss to our ships, as the big guns they carried would far outrange the German guns.

On December 17th Percy sent his brother-in-law, Tom Anderson, an official record of the work of the Cavalry Brigade with which Ernest Anderson was serving.

Loss of Officer

You will notice the terrible loss of casualties among the officers, only 44 being left out of 400. They seem to have gone through some of the hardest fighting of the whole war. You will have heard of the bombardment of Whitby, Scarborough and Hartlepool, a senseless

2

and cruel attack which can have no military effect, and is quite contrary to the recognized laws of warfare and especially to the Hague Convention on the subject of bombarding unfortified places, particularly without notice. It is regrettable that the enemy was able to escape owing to the small range of visibility, due to mist and fog.

December 31st, to Dr. Murray:

*Perce  
sees  
immobility  
of Trench  
Warfare*

The German raid on Scarborough and Whitby was no doubt intended for an attack on the Elswick works. Barkly writes that he had a very exciting time. The raiders would have been caught had not the weather turned misty. The war on land still drags along without much change. I think Jean Block is going to prove correct in pointing out that decisive battles could no longer be expected in modern warfare. The combatants, he said, would dig themselves into improvised trenches, bombarded by cannon which would be invisible. This is exactly what is now taking place. When we take the offensive, we shall need enormous numbers to force the German line, and then we shall be met by the same sort of tactics as those we are now employing against their attack.

Had the truth of this forecast been recognized, and had the Governments known that the war would last nearly four years more, with ever-increasing losses of men and money, they would almost certainly have been ready to negotiate peace at this time, when President Wilson's emissary, Colonel House, thought that the Germans, in spite of their great victories over Russia, had come to feel that they could not win the war, as their plan for overwhelming France had failed with enormous losses.

At the beginning of the new year 1915 Molteno had important talks with Earl Loreburn and Viscount Morley, which are fully recorded in his political diary. The talk with Loreburn took place at Loreburn's house, 8 Easton Square, on the afternoon January 4th, when they had tea together. Molteno's record of this conversation runs as follows:

*Perce h  
P. h  
Dian  
J. h  
J. h  
d. h  
S. h  
on P  
War*

We agreed that the men responsible, Grey, Asquith, Lloyd George and also Haldane, had deceived not only Parliament but their own colleagues in the Cabinet. He did not see how they could be trusted in the future and thought the moment war was over their action should be exposed and made known to the country. We agreed nothing could be done publicly while the war continued, to go into these matters or to show any division whatever to the country. He thought a Liberal Party ought to be formed independent of the Caucus and that independent candidates should be found to run in as many constituencies as possible — men who would vote according to what they thought right and not merely in accord with the Party Whips or Ministers.

He agreed that it was impossible for this country if it was to remain democratic, to take part in European quarrels. The country could not follow the intricacies of these quarrels and as a result would have to trust to secret diplomacy carried on by auto-crats who would dispose of the interests and lives of our people without their knowledge and consent, as had been done in the present war. I suggested that owing to the entangling Entente with France and Russia we constantly had the excuse made by Sir Edward Grey that he could not tell Parliament what was being done because of the interests of France and Russia.

He told me that an intrigue was now going on to get rid of Haldane (from the Lord Chancellorship) in order to put Rufus Isaacs in his place, and he thought a spoke ought to be put in the wheel of this intrigue.

We also agreed that the war has been brought about by our departure from the accepted principle of non-intervention in Continental complications, and held that we must get back to non-intervention as a policy. Touching our relations with France and

Germany he referred to the Military and Naval Conversations mentioned by Sir Edward Grey on August 3rd as having taken place in 1906. He said this had only become known to the Cabinet in October 1911 (after the Agadir crisis). When it did become known the Cabinet was very indignant and passed a resolution that nothing of this kind should be done without their knowledge and consent. Subsequently (after his retirement I think) he found that these conversations were going on, though, when he challenged their existence, a denial was given him that any such thing was being done.

*Minister*  
*Lord of*  
*Colleagues*  
Loreburn often spoke to me about this Cabinet meeting held on October, 1911, at which after a heated discussion a resolution was passed and a promise given, that in future the Cabinet should be kept fully informed. Grey must have had twinges of conscience. Like Loreburn, he was a Balliol man, and both had distinguished themselves in athletics. Both had played for the Varsity at racquets; Loreburn had kept wicket for the university, and Grey was one of the finest anglers of his day. At Cabinet meetings, Loreburn told me, he and Grey sat side by side and were always friendly in spite of dissensions on foreign and colonial policy, which went back to the Boer War. When this October Cabinet ended and Grey got up to go he muttered to himself, but loud enough for Loreburn to hear: 'I always said we ought to have told the Cabinet.'

Two days later, after hearing a statement by Lord Kitchener in the House of Lords, Molteno met Loreburn in the Lobby. Loreburn took him aside and they had another talk about the situation. Loreburn said (January 6th, 1915) that things were moving very rapidly. He thought some of the leading Tories were 'in the know' about the Government's policy and were to that extent responsible for their secret diplomacy. Of course the Government would want to cover up their position, and to do this would seek Tory aid; and in all probability there would be a Coalition Government so as to make the position of both sections secure from the double attack (1) that they had conducted secretly a diplomacy which had led to war and (2) had made no (adequate) preparations for such a war.

He was in full sympathy with the idea of having some public print to express our views. I said I had been thinking over the matter and thought possibly a weekly magazine might answer the purpose; it would not be so costly as a daily paper, as the latter would lose large sums of money at first.

From this talk originated the idea of Common Sense, a weekly publication which eventually appeared in the autumn of 1916. On the same day January 4th Molteno had a talk at the Reform Club with Sir Henry Norman, who had just come from Boulogne where he and Lady Norman were running one of the hospitals. He told Molteno that the 'soldiers were magnificent' and recounted stories of some of the wounded. Many of the men in hospital had been broken down in nerves. 'When the London Scottish were relieved in the trenches the relieving forces at first could not get them to leave; they were so exhausted and dazed.' He did not think it possible to advance through the present fighting line, but hoped that when the 'German people found they were no longer fighting for victory but only for terms they would not go on very long.' Unfortunately neither the German people, nor any other people, could make known their longing for peace. The soldiers were helpless under the iron laws of military discipline.

Kept a  
201

was usually  
in talk  
at the time

see forced  
very during

A new  
Journal

Next day, Tuesday, January 5th, Molteno lunched with Lord Morley at his house, Flowermead, Wimbledon Park. Morley had been lunching several times with Lord Rosebery at the Durbans, Epsom. There he had met Dr. Jameson, a pleasant man who had spoken 'very nicely' about Molteno. Morley also recalled a lunch at Palace Court where he had met Generals Botha, Delarey, and de Wet. Of Milner, who had been on his staff at the *Pall Mall Gazette* Morley said: 'Yes, he is a Prussian.' Lady Morley and his sister, Rose Morley, were at lunch:

After lunch we had a long talk about the negotiations which led up to the War. Morley said there had been a powerful section of the Cabinet against war, led by Harcourt, and that up to Sunday, August 2nd, they were in the majority. So confident was he of this that on that morning he said to Churchill, who was sitting next to him at the Cabinet, 'I have beaten you.' A number of Ministers had met at Earl Beauchamp's, among them Lloyd George; and Morley thought it was practically decided that they should all resign if the war policy were persisted in. He sent in his own resignation on Monday morning, August 3rd. When he had done so, he met Lloyd George who said to him: 'What a position you are leaving us in.' Harcourt wrote him a letter, which must have been a most painful one for him to write, saying that he hoped his action had not misled him (Morley) but that for Imperial reasons he (Harcourt) was not going to resign.

As to Grey and Asquith, Morley said they were the two men responsible for the policy. When I said they had deceived the House of Commons, he said they had not only kept the 'Cabinet in ignorance' but — that was the term he used — they had 'jockeyed' the House of Commons. I told him my view that Grey, Asquith, Lloyd George and Haldane were the men responsible, and referred to the Agadir incident and to Lloyd George's speech to the Bankers on July 21st, 1911, that being in my opinion the period when the tension commenced. He said: 'You are quite right, that was so.' He also agreed with me that the military and naval conversations and the interchange of letters about the fleet in the Mediterranean had put us in a position in which we were dragged at the heels of France and Russia and no longer arbiters of our own fate and destiny.

As to the remoter origin of events and policy he agreed that my sketch was correct. It was our departure from the policy of non-intervention followed by Gladstone and Salisbury and our entanglement with France over Morocco, used by the French in a manner hostile to Germany, which had laid the train. Grey had himself recognized this at the last moment when he asked Germany to work with him for peace, when he would endeavour to arrange a Concert of Europe which would guarantee Germany from hostile attack by France or Russia.

We then spoke of the position at the moment. He agreed that nothing could be done at present owing to the gravity of the position and the danger to the country, however that danger had been created. But as soon as the country was secure he thought it essential that all these matters should be made public and gone into most closely.

I said I did not see how we could remain a democratic country if we were to have intervention in the politics of the Continent. Our democracy could not follow the intricacies of diplomacy in the Balkans. Besides, we were constantly told by Grey and Asquith that they could not give us information regarding foreign policy because our friends of the Triple Entente were concerned and did not wish it. This, I said, meant that the lives, fortunes and fate of this country were placed in the hands of one or two autocrats who could dispose of them without its knowledge and consent.

He entirely agreed.

Molteno then referred to the case of Morocco where our public engagements were nullified by a secret engagement with France. Those concerned in this, having begun on these lines, had been led on to deceiving the House of Commons and the Cabinet. This was a grave political crime. Morley agreed.

Long Term  
Cause of W

*Grey  
new  
Asquith*

Then came a discussion of Asquith. Molteno described him as 'a fine silver trumpet who could announce a policy once settled and support it with arguments better than any one; but he had no initiative'. Morley added that there was no continuity about Asquith's attention to questions. Asquith, said Morley, was at his best presiding over a meeting of the Committee of Defence. His wonderful memory and clear presentation of the arguments of one side and of the other were really very fine. Turning to Grey, Morley said he meant very well but was narrow, went in blinkers, concentrated on a particular problem at the moment but without realizing its wider circumstances and consequences. And of course he was one of those who favoured the South African war, and was of the Jingo type of mind.

Churchill, he said was very clever but absolutely without principle and he was out for having this war. As to Lloyd George, he had no convictions or principles, but perhaps he was sound about one thing — the disestablishment of the Welsh Church. He did not think him capable of making a budget of a far-seeing type; but of course he had an attractive manner and a powerful voice. 'Yes,' interjected Molteno, 'he is a real demagogue, and no man has a better idea of the demagogic arts.' Morley thought it a very serious thing for the country that the younger men should be of the Churchill and Lloyd George type.

Speaking of the Tories and their sense of responsibility Morley said that many of them did not desire the war, and instanced Lord Hugh Cecil, who was against it. Then he spoke of Bonar Law's letter to Asquith, written on Sunday, August 2nd. Bonar Law he thought had no right to publish it. It quite gave away the case because at that time there was no question of Belgium; and the Opposition, without knowing the course of the negotiations, had rushed in to support France. Of course, he added, the question of Belgium had brought in to support the war an immense number of people who might otherwise have hesitated.

The House of Commons, said Morley, had fallen into contempt, and little weight was attached to anything it did. It had allowed itself to be ignored and had abdicated.

*Kitchener*

(Kitchener) in Morley's opinion, was now a sort of Dictator to whom the Government felt obliged to give anything he asked for. He was now asking for more and more men, his object apparently being not only to drive the Germans out of Belgium and France but to interfere in Central Europe. This was a great mistake, a most serious matter; and when the Germans were driven out of France he thought the French would hesitate to go on in an attempt to invade Germany. On the part of the Cabinet, said Morley, there had been no thinking out of the problems created by the War, or of the possible effects of a successful war upon Russian policy. It was quite likely he thought that Russia would declare that she was going to Constantinople, and further that she intended to annex not only Northern Persia but the neutral zone as well, telling us we could do as we pleased about the Southern part.

*Law*

In spite of what he had said about the House of Commons he thought that, if Molteno could get together even a few men who would be careful about their facts and avoid reckless statements, there would be large support even on the Tory side for maintaining the rights of the House of Commons. In this connection he was impressed by the point that Churchill had raised his Naval Division<sup>6</sup> without the sanction of Parliament, and thought it might be brought up when the House met next month.

Throughout the interview Morley was in good spirits and good form and looked better and more vigorous than for some time past.

Some days later (on January 13th) Molteno had a conversation with Mrs. J. R. Green, the widow of the historian, who was devoted to the cause of Irish Nationalism. At the outbreak of the War, she said, Asquith had tried to form a Coalition Government which would include Bonar Law, Carson and John Redmond, but Redmond would have nothing to do with it; he insisted that the Home Rule Bill should be carried through. She thought the Irish Nationalists were getting very hopeless about the Bill; they did not trust Asquith and felt they were going to be dished. They saw that

*Ireland*

<sup>6</sup> For Antwerp.

owing to the War there would be no money to carry Home Rule through. There had not been much recruiting in Ireland. Carson had promised the Ulster volunteers that they would not be called upon to go to the Front. She seemed very despondent (as well she might be) about Ireland.

Not many Irish troops - RC or Protestant

At the beginning of March reports came that Japan was threatening China. Molteno then notified Grey's secretary, Primrose, that some of them intended to raise the question of the Japanese demands on China. On March 9th Molteno was asked to see Sir Edward Grey in his room after Questions in the House of Commons:

1915 Japan engl War to grab China

'I did so and he asked me what I wished to raise. Molteno said he wanted information, as Japan's demands seemed to indicate an attempt to obtain complete control of China. Apparently she wanted not only Southern Manchuria and its railways but Shantung and its railways, also collieries and mining concessions in the Yangtse valley, and concessions in the Southern Province of Fukien. There were other demands, e.g. that half the munitions used in China should be manufactured in Japan or under Japanese control. Altogether it looked like an attempt on the part of Japan to get complete control of China.

Grey replied: 'We could not deny the Japanese development in China as Australia and America would not admit the Japanese, and so they could not get equal facilities with other powers.' Molteno replied that he had no desire to see Japan in a worse position, but her demands were of an exclusive character, indicating a desire to control the greater part of China.

Grey said the whole situation was a very delicate one. Molteno replied: 'I quite appreciate that, and so far from wishing to embarrass you I think giving publicity to the position would strengthen your hands.'

After some thought he replied: 'I do not say that such action would not strengthen my hands', but added, 'we cannot have another war on our hands' - which Molteno quite appreciated.

In this connection Molteno had a talk with Lord Inchcape, who doubted the wisdom of our treaty with Japan and feared that it might be 'so carried out as to give her the complete control of China by the end of the twenty-five years' during which it was to run.

On March 24th Molteno's diary for 1915 contains the following entry:

Dined with Lord Welby last night. Present Lord Inchcape, Lord Bryce, Sir Hugh Bell, Mr. C. P. Scott of the *Manchester Guardian*, Mr. F. W. Hirst of the *Economist* and Mr. H. W. Massingham of the *Nation*. The finance of the War was discussed in its amount, its bearing upon Free Trade and Protection, upon the duration of the War, the manner in which the necessary funds should be raised, and by what taxation. Opinion was in a very fluid state but discussion was considered most desirable. Eventually it was agreed that Lord Welby, who had prepared certain statements and figures, should circulate as soon as possible a printed statement to all those present for their consideration and comment. A further dinner was to take place at Lord Inchcape's after Easter.

Percy's private correspondence during the early months of 1915 is of absorbing interest for the sidelights it throws on the terrible drama that filled his thoughts. On January 15th, after the safe arrival of the Balmoral Castle with his sister Caroline Murray, her daughter May and her brother Ted, he wrote to tell his brother Charlie that there were nearly three million men under arms:

'They are billeted in hundreds of towns and villages as well as in huts which have been put up in hundreds since the war began.' In the Western area the lines were so

Jan 15

After Editor of The Economist - before

Problem Tragic that much of Percy's private co

strong on both sides that they could not be carried without enormous losses. They ran from the sea to Switzerland so that outflanking was no longer possible. It was an impasse and perhaps for that reason 'Men who know a good deal hold that the war will end in April'. To his brother Barkly who commanded the cruiser Antrim he wrote: 'The new army is being prepared, but we have not enough artillery for the first hundred thousand men, and it seems to me that the deadlock in the west will continue for a long time.' Barkly, he wrote to Wallace had had a thrilling time at a fight in the North Sea when the Bluecher was sunk. The Germans only just escaped a much greater disaster than the loss of a battle cruiser. The *Lion* had suffered some damage, but repairs would not take long:

Barkly  
in  
War

Silly

72

I went over her some time ago. She has tremendous speed and gun power. The German ships which escaped must have been terribly punished. You will note the enormous distances at which fire was opened and was quite effective. In the Falkland Islands action the average range was from 13,000 to 15,000 yards. These incredibly great distances would seem to make accuracy impossible. Yet it is not so. Indeed at such ranges the danger is greater, because it becomes a plunging fire and so attacks the decks instead of the sides of the ship. At these distances the height to which the projectile rises is about 22,000 feet at the highest point of its trajectory.

The North Sea is strewn with mines. Barkly says a great many were seen during the action and on returning, and we were very lucky not to be struck.

The difficulties over here are enormous, and I can see no hope in any military measures of a solution for a very long time to come, as you will see for yourself the Russians have been seriously worsted and are still suffering tremendous losses.

To a friend in South Africa who saw that the war, like a juggernaut was killing or maiming the best men in Europe Percy wrote:

This war is exactly like the former wars in Europe, fought for the chimera of the Balance of Power. After the Crimean War we decided to stand out from these traditional and racial hatreds. Without our knowledge and consent a few men in the Government changed the policy of this country to one of interference and meddling in European affairs. Instead of acting as a Peacemaker we have really acted as an irritant, and endeavoured to keep the German and French peoples apart—*vide* all the Morocco negotiations and the secret agreement with France in 1904. The Germans seem determined to do everything to justify all the hard things that have been said of them by their enemies, and their latest submarine warfare is the culminating atrocity.

Our long-range blockade of Germany, and the German retaliation in what they called a submarine blockade caused much friction with neutrals and a dangerous controversy with the United States. Our reply to Germany's submarine action constituted a new departure in naval warfare, practically an abandonment of the Declaration of Paris. 'Gibson Bowles', wrote Moltene, 'will be very pleased at this as he has advocated it for a long time.' Merriman's letters threw a lurid light on the troubles in South Africa.

In January Merriman wrote to Percy about the mutiny and rebellion in South Africa:

There has been a melancholy recrudescence of race hatred. I do not think I ever recollect it worse. Educated men, too, who ought to know better. It may

Anti-war  
Nationalism  
↑

915 Centre, Mary & Ted and the UK

WWI & during

responsibility look

perhaps lead to good by separating the sheep from the goats and creating a stronger body of South Africans who are prepared to put the race question on one side once and for all.

There were, he said, 'malcontents among the Dutch who hate Botha even more than they hated the English — and of course not for his mistakes but for his good deeds.' Some of the ministers of the Dutch Reformed Church were busily fanning the flames of racial hatred, and Merriman drew attention to the 'nauseous piety' of a preamble to some of the resolutions they had directed against the Government at one of their seditious meetings. Financial conditions, he added, would have been difficult but for British subsidies:

Lloyd George has been a sort of earthly providence, and we gather our loan money as the Israelites did the manna — out of your pockets. Whether this is for our ultimate good or not, I leave you to judge. 'Light come, light go' is one of the truest of old adages, and for a time the dance of mad extravagance goes on right merrily. The exchange of doles for votes is a fatal way of keeping a majority together.

*Correspondence with Earl Loreburn between December, 1914, and December, 1916 and two letters of 1917.*

After the Battle of the Marne, when the long stalemate massacre of trench warfare had begun, Molteno was constantly stirring up his friends and employing all his resources as a Parliamentarian to pave the way for peace and to facilitate pacific diplomacy. After their resignations John Morley and John Burns had relapsed into something like fatalism, or 'iron silence' as Morley called it; and the only leading statesman outside the Cabinet who fully shared Molteno's views was Earl Loreburn. In his judgment and clear, vigorous understanding Molteno rightly placed confidence, and they conferred together throughout the War, partly by letter, still more by personal talk in Loreburn's town house at Eaton Square, or in his favourite country home, beautifully situated on Kingsdown, about a mile from Walmer Castle. As I too was a frequent guest at Kingsdown and constantly talked over the situation with him and Molteno in London, I could have written with some confidence about this exchange of ideas, even if their correspondence had perished. Fortunately Molteno preserved most of Loreburn's letters and memoranda, as well as copies of the more important of his own letters to Loreburn.

It is a great pity that Loreburn took so little interest in his own papers and failed to entrust them to a competent literary executor. His was a fine character. No one ever doubted his love of truth, his independence, his integrity, or his power as an advocate on the platform, in the House of Commons or in the House of Lords, of the causes he had most at heart — peace abroad and liberty at home. He had been the most intimate political friend of Sir Henry Campbell-Bannerman, who had made his appointment to the office of Lord Chancellor (most distasteful to Haldane and the Liberal Imperialists) *sine qua non* when he formed his Cabinet after Balfour's

Very precise  
for peace  
Negotiation

Arra dos  
Meegre of  
Percy's at  
This time

Loreburn

resignation in the late autumn of 1905. Loreburn had also been from his college days at Balliol, where he was the most distinguished scholar and athlete in the College, a personal friend of the Marquis of Lansdowne; and their acute differences over Home Rule and the Parliament Act did not prevent them from co-operating at a later stage of the War, when Lansdowne made his famous move for peace by diplomacy, as against the Lloyd George-Northcliffe policy of a knock-out blow and unconditional surrender.

Loreburn's friendship with Molteno dated as we have seen from the Boer War, and it was to Loreburn's influence more than that of anyone else that Molteno owed his adoption as Liberal candidate for Dumfriesshire, the home county of Robert Reid's family.<sup>7</sup>

The first letter in the Loreburn correspondence during the War is dated Kingsdown, December 24th, 1914. After a few words about the bad situation on the Eastern Front he went on:

I think things may have to be worse before they come better. The strangest thing is that all the combatants seem equally convinced not only that their country is in the right but that there is nothing whatever that any honest man can say for their irredeemably wicked adversaries. French, Russians, Austrians, and Germans are in this respect quite indistinguishable. I believe our own people are the sanest of all, and we must help to keep them steady. I am sure that somehow or other it will so work out that before long there will be a chance of this war ending before the youth of Europe is half exterminated; but I own I don't see where daylight is dawning.

A few days later he wrote expressing agreement with President Wilson's statement of regret that two such great nations as the British and the Germans should try to annihilate one another:

This talk about crushing Germany or Prussia is quite foolish. Militarism has been enthroned by our action; nothing but German action can dethrone it. I shall be very glad to see you. We hope to reach London about 4.30 on Monday next, January 4th. If you could come, say five o'clock, we could talk things over.

After the talk Molteno wrote on January 6th, to Loreburn:

I have taken out the published lists of casualties, officers and men, from December 21st up to and including today, and I find that the total amounts to 8,292.

We have had no information from our Government in regard to the operations though this was promised us when the House rose.

Would it not be possible to ask for information in the House of Lords in regard to these enormous casualties and point out that we have had no information.

On February 24th Molteno gave a dinner to a number of Liberal M.P.s at the Grosvenor Hotel to meet Loreburn — among them were Gordon Harvey, Charles Trevelyan, who had resigned from the Government, Sydney Arnold, and C. T. Needham.

Loreburn had come to the conclusion that some questions and answers in the House of Commons regarding the war aims of Russia and the terms of the Franco-Russian alliance, together with a statement by Mr. Churchill that even if France and Russia withdrew from

<sup>7</sup> Loreburn's father supported the Reform Bill of 1832 and became Chief Justice of the Ionian Islands.

*Harvey  
entertain  
p.d. colleague*

the war Great Britain would fight to the bitter end, 'remove the chief reason for reticence, and no harm can now be done by expressing an opposite view. Indeed, Asquith's answer almost provokes such an expression of opinion.' After the dinner Gordon Harvey wrote: 'We cannot remain passive under such abominable and mischievous utterances.' But he thought the best strategy at the moment was to 'be content with private representations to Ministers' and also to promote discussions of a peace policy after the War, which would draw nations together, and so divert people's minds from thoughts of revenge. He recommended his friend to look at a remarkable interview with Mr. Lloyd George, which had appeared in *Pearson's Magazine*.

At the end of March Percy put on record a talk with Sir Francis Hopwood. Hopwood, a distinguished member of the Civil Service, was then taking an important part in war administration. They met in the park and walked some distance together:

(1915) 'I gathered from him that the Dardanelles operations were pretty much Churchill's idea. He had thought the older battleships could do the trick but found they could not. Then he had to send better ships such as the Inflexible and Queen Elizabeth.' Moltano said it seemed a terrible waste of resources to send a fast battle cruiser and a fast battleship to do work where no speed was required, particularly in view of our small superiority (over Germany) in battle-cruisers.

He said the sudden change made by the Government from the policy of sending out eighty to a hundred thousand men in the Expeditionary Force to a policy of sending two millions had given rise to enormous difficulties. He told me that the Expeditionary Force had been under contemplation for years past, and as a result General Sir John French had got every good officer in the Army, so that when the Expeditionary Force left, the Army that remained was denuded of good officers.

He said also that the power of equipping the men was hardly equal to the recruiting. It was as much as we could do to equip the weekly drafts to replace casualties.

News Chapelle Casualties  
After the battle of Neuve Chapelle, which began on March 10th Percy had written to his brother-in-law Tom Anderson: 'The casualties are terrible. Captain Newcomen's regiment, which went in a thousand strong, came out only three hundred. Nearly all the officers are killed or wounded.' Other regiments suffered even more severely. He could hardly think that an advance of a few hundred yards justified such an expenditure of life. On April 1st in a letter of deep gloom to Charlie he told his brother how much the German submarine campaign had embittered feeling in England, making the prospects of peace more remote than ever. The action of Neuve Chapelle had been disastrous, we had lost, he heard, over 700 officers, the full complement of 28 regiments, and about 25,000 men. 'These are some of our best and cannot be replaced.'

In one of the engagements 'a section of our force was terribly cut up by our own artillery. The Scottish Rifles were nearly annihilated. The men coming home wounded are most indignant, and their tales almost led in one place to a mutiny of the men who were going to the Front. I understand some of the Generals have been relieved of their commands. We failed to carry out what was intended, and have nothing but a few hundred yards of advance to show for this terrific sacrifice. Ernest tells me that a hundred and twenty

Dardanelles Operations - Another Churchill's idea

Capt. Newcomen

Q. L. H. 17

thousand shells were fired — more than the number in the whole of the South African War. No wonder we are short of munitions of war.

*Dardanelles* The Dardanelles affair is another serious matter. It was entered upon I fear without proper consideration. It cannot be successful, as they have now found out, without a considerable land army, probably 250,000 men. This means a dispersal of our forces and munitions of war, which is very serious in view of our inferiority in numbers in the Western field of operations. I fear the whole thing is one of Churchill's ventures which is involving us in far more than was expected when it was commenced. The reverse sustained by our ships was very much minimized in the Press. Not only were three ships sunk, but others were most seriously damaged. Meanwhile the losses of life are appalling. All the Red Cross nurses in the country have been called out to deal with the wounded we already have. What will it be when we have larger forces engaged! He was glad that the South African rebels were being treated leniently and that De Wet's life had been spared. 'It is very important,' he wrote, 'to consider the future and do everything possible to avoid an unbridgeable gulf growing up between two sections of the population.'

In the middle of April Parliament had met again but 'in face of the serious situation we cannot discuss matters freely.'

On May 4th he wrote to his nephew, Ernest Anderson, who was Surgeon-Lieutenant in the 7th Household Cavalry Brigade: 'I am very much interested in what you say about the Bromine gas. Is it worse than the fumes of Lyddite? You say they have a 17 in. gun firing on Poperinghe. The bombardment of Dunkirk is reported to be by a 12 in. gun, firing from an enormous distance; but I hardly think it can be correct that it can fire from a distance of over twenty miles. Poor old Ypres seems to have been smashed to pieces altogether, which is very sad. I had hoped it would be possible to save some of it.'

'The casualty lists in the papers today and yesterday are very long; they contain together over four hundred officers.'

May 5th, to Charlie: 'You will notice the gigantic figures of our expenditure given yesterday by Mr. Lloyd George. The burden will become stupendous if this war goes on much longer. So far as the military position is concerned I see nothing to terminate the war at present. It is very alarming that the Germans should have succeeded in forcing our lines in the neighbourhood of Ypres, where they have taken a depth of two miles and seven miles in length, and this morning's news shows a further withdrawal by us from the untenable narrow salient beyond Ypres. If after six months or more to fortify and consolidate our lines they can be forced in this way, it shows either that we are unable to resist the German attack or that the necessary men and munitions have been sent to the Dardanelles instead of to the decisive area in the West. . . . I am afraid the well-known rule to concentrate your forces has been neglected, and this I understand is due to want of judgement by Churchill, who undertook to get through the Dardanelles without any land force at all.'

'There seems to be now a growing feeling of uneasiness and discontent with the Government's conduct of things, and if the other side had any men fit for replacing, they would quickly go.'

'I have heard from Ernest lately. He spoke of the gas used by the Germans as being very pungent and dangerous.'

May 14th, to his brother Wallace: 'I have just returned from Edinburgh, whither I went on the chance of meeting Barkly. Bessie, Caroline, and Jervis motored from Glen Lyon at the same time. His ship had arrived the day before, and we spent the afternoon together, and again on the next day we saw a good deal of him. I am glad to say he was looking very well. We did not go on board his ship but saw it in the distance, as well as others; in fact there was a vast armada there; but I think it better to refrain from giving more details in case this letter fell into hands for which it is not intended.'

'The casualties, both in the West and at the Dardanelles, are appalling, and now we have news of the *Goliath* being sunk, and are most anxious to know the fate of young Parker, who was a lieutenant on board.'

Ernest

Gas

be a relative by marriage?

He deplored the anti-German riots in Johannesburg because it meant venting wrath upon innocent men, women and children; but he was not surprised that the sinking of the *Lusitania* had caused tremendous feelings of indignation. He hoped the occupation of Windhuk meant that the campaign in German South-West Africa was nearly over.

On the same day he wrote to Charlie that for four months Captain Barkly Moltano had not set foot on shore.

Now when they come in he can land, and they have very nice parks opposite to where they lie. Lord Elgin and Lord Linlithgow are most kind; they have given the men football and cricket grounds and the officers the run of their places. The dangers and risks from submarines are still very great, and most exacting precautions have to be taken at all times while they are at sea. His ships were attacked by German submarines as they were coming in on the last occasion.

The *Lusitania* tragedy was 'proof if any were wanted to the whole world of German ruthlessness and disregard for every consideration of humanity'. Leslie Wisely was in the thick of the battle near Neuve Chapelle. Donald Mirrielees was also at the front, and 'young Fergusson, who is engaged to Marjorie Wisely, has been wounded in the Dardanelles operations'. Moltano knew several people on board the *Lusitania*, including D. A. Thomas (afterwards Lord Rhondda) who was saved, and Sir Hugh Lane who was drowned. The war casualty lists were 'gradually involving almost everyone I know in the Services'. All this time Moltano and his wife were doing their best to provide relatives and friends at the front or on the sea with comforts and luxuries, from tooth powder to plum cakes. Since the sinking of the *Lusitania* there had been a number of 'senseless riots directed against the aliens here'. He thought General Botha had done magnificently.

Wisely  
Mirrielees  
&  
Fergusson

Relations  
the  
war

long & Sec.  
sending  
presents

I admire his address to the troops on the occupation of Windhuk and also the protest he sent to the people of the Union against the riots. These riots are doing exactly what we complain of in the Germans — attacking non-combatants who have nothing whatever to do with the German barbarities. They are a disgrace to us in every way and tend to forfeit the good opinion and sympathies of the neutrals, which have been so strongly with us.

In another letter, he mentions the losses of officers: 'We started the War with 10,000 officers and we have lost nearly 9,000 already; but of course an immense number have been trained since. The Germans I am told have lost about 30,000 out of their 50,000 officers.'

May 19th, to Charlie:

You will see from the Press the political crisis here. I can only hope that Churchill will not be allowed to remain at the Admiralty and that Fisher's services will be retained there. You will see Lord Kitchener's statement in the House of Lords yesterday that we are to use poisonous gases and that he wants 300,000 more men.

May 19 1915  
UK decides  
to use gas too

I, Tho 1915 ~ 1916 }

May 20th, also to Charlie:

I enclose copy of a letter just received from Ernest. You will see what terrible conditions he has gone through and also realize how serious the situation must be if the finest cavalry in the British Army is being dismounted and put in trenches. The Dardanelles business is responsible for the situation being so unfavourable in the West. The political crisis has developed further and we have witnessed the end of the Liberal Party — a prophetic statement!

Since March political rumours had been busy and doubts had been dropped, not only in the Lobby but in the Conservative press, about the efficiency of Asquith's Cabinet and the desirability of replacing it with a better one. Mr. Asquith still commanded a majority in the House and as yet a Lloyd George Coalition was impossible. It happened too that the collapse of the Liberal Cabinet came about owing to the blunders and misfortunes of Mr. Lloyd George's ally, Mr. Winston Churchill. The Antwerp fiasco had lost him the confidence of the Navy and in May the far more disastrous failure of his expedition against Constantinople could no longer be concealed or extenuated. His quarrel with Sir John (Lord) Fisher, the first Sea Lord, ended on May 17th in the latter's resignation. Two days later, May 19th, Molteno entered a note on the Coalition crisis in his diary:

On the Motion for Adjournment Mr. Asquith confirmed newspaper statements that a Coalition Ministry was in contemplation, but added that nothing had been settled, that the change would be for the period of the War only, and that the Ministry as reconstituted would be submitted to Parliament on its reassembling. He gave no reason whatever — so Molteno notes in his diary — why this course should be taken. There had been no demands in the Press generally, or in the House of Commons, for such a step. A meeting of Liberals took place in a Committee Room after Mr. Asquith's statement. About eighty Members were present, great hostility to a Coalition was expressed, and it was proposed to shorten the adjournment by a motion. Then a suggestion was made that Mr. Asquith should be invited to attend the meeting.

Mr. Asquith came and made a confidential statement; but it did not amount to a great deal as he said he could not give the reasons for the course taken, except that it was done to avert a discussion in the House, which would have been disastrous in the critical state of things now existing. The military and naval situation would affect the diplomatic situation, which was most critical, as there was a chance of getting in those who might prove a deciding factor in regard to the success of the War. If the Liberal meeting took an adverse view of the Coalition, he said he would not go on but would resign. He asked for the confidence of the Party. He did not like the idea of a Coalition and had given expression to this feeling a few days before; but since then facts had been disclosed and a situation had arisen which he had not contemplated when he expressed the view that a Coalition was undesirable. In the highest interests of the country he now felt that all Parties should be in a position to know confidentially what the situation was, and this could only be done by a Coalition. Nothing had yet been done; it might all fail.

'The meeting realized the gravity of the appeal. No amendment was moved to shorten the recess; nor was any resolution taken by the meeting. Subsequently the Government moved to shorten the recess from June 8th to June 3rd. I have never seen the Prime Minister more troubled and tried than on this occasion.'

Though the proceedings in the Committee Room were confidential 'a very fair summary of the position', according to Molteno, appeared in the *Daily News* of the following day. On May 21st Percy wrote to his brother Frank, after hearing that one change was certain: 'It will be an unmixed blessing to get rid of Churchill at the Admiralty. It looks as if Italy may now come in; if so, that may bring in others and help to finish the war'.

So ended the Liberal Administrations, which had lasted for nine and a half years, in a humiliation as spectacular as the triumph that followed Sir Henry Campbell-Bannerman's assumption of office.

This was the first of the Coalition Governments, which have since so often governed, or misgoverned Great Britain and Ireland. It also marked the decease of the old Gladstonian Liberal Party along with the political and economic freedom which it had maintained for over half a century.

In my next chapter I shall have more to say about the advent of the first Coalition Government. This one may fitly conclude with a terrible account from his nephew in the Life Guards, who had just returned from the trenches. They went into them 2,400 strong at 10 p.m. on May 15th.

At 4 a.m. the first Jack Johnson came and burst in our line of trenches just to my right. For two solid hours the place was an absolute inferno of shells. We were made quite deaf and covered with mud and stuff. The ground was churned up and the place so black with smoke that you could not see the German trenches. Sutton was hit next to me in his face by a splinter, but nothing serious. Direct hits, of course, did not leave much of people.

They then commenced to attack and we opened fire on them. The result was another bombardment for an hour, and then they came on again. We opened fire, and this resulted in the third bombardment, for about the same time. They then came on again for the third time. Our front line wavered for a moment, but Stanley told them to hold on and would shoot anybody who left, Astor rushed right out into the open and brought the men back. However, we found the troops on our right coming back, and we had to go. The Germans were actually climbing into our trenches when we cleared out.

How we got away I don't know. I came right back with Sutton over about 900 yards of open country. Shells ploughed up the ground all round and bullets were spurting up the ground all over the place, but neither of us was touched. We got back to a chateau just in the rear of the support trenches, where the Generals had their dugouts. Here one had more work cut out as the wounded streamed in. Although shells were bursting all round we got the ambulance and we must have got rid of 500 wounded during the day.

At 2.30 we counter-attacked, and the 8th Brigade drove the Germans out of the trenches. The Germans then bombarded them again with the same fury and our men had to withdraw, but during the night we reoccupied them. I can tell you big guns and Maxims are everything in this war, and men are useless without them; you simply cannot live under the heavy fire. Sitting under it and being unable to do anything and hardly an answer from our guns make one feel pretty rotten. We must have more guns and ammunition. We lost five officers wounded and one killed out of twelve and altogether 91 out of 289 all told. We have been refitting, and the Brigade can now turn out two squadrons. The poor Leicesters cannot help as they lost all their officers and have only 89 men left.

The lack of shells was due to the Dardenelles expedition, as Molteno constantly pointed out. It helped to bring down the Government through the disgust of both the Army and the Navy.

Who?  
Ernest's (?)  
description  
of Trenches

Should check or attend

## CHAPTER XXX

THE FIRST COALITION AND  
THE DARDANELLES

ἡ κίστα γὰρ πόλεμος ἐπὶ ῥητοῖς χωρεῖ.

Thucydides, i. 122.

'Of all things human, war moves least in accordance with plans.'

'You will write me down as a pessimist; but I am afraid it merely means that I look a little further ahead than people generally.'  
Percy to Barkly Molteno, June 2nd, 1915.

No reader of my previous chapters can be in any doubt that in public as well as in private life Percy Molteno displayed three qualities which are seldom united. In the first place he had in a very high degree critical acumen, sagacity and foresight. To these he added a second gift, that of patient, scientific research. Whatever the subject in view, whatever the pursuit, he was always accumulating facts, figures and information. He would not move forward to action or conclusion until he had mastered the relevant details. This habit saved him from the blunders and misdirected efforts that so often wreck the half-baked projects of amiable visionaries or the ill-laid schemes of would-be statesmen. In the third place, when things went wrong either in business or politics, after hard work and critical investigation had cleared the ground and disclosed the causes, he almost invariably had a constructive remedy to put forward.

For some time before the collapse he had seen the growing weakness of the Asquith Government, and anticipated its fall as a result of rising distrust and a general disappointment with its conduct of the war. There was much bitterness and disgust, not only among the best officers and officials, but among the people at large, that the rapid growth of our army in France, with the appalling and ever-increasing losses of life and treasure there as well as in the Dardanelles, seemed to be bringing the war no nearer to a victorious conclusion. A few weeks before the political crash, Molteno, realizing the failure of the Dardanelles expedition, formulated the remedy as follows in a note written at Parklands:

Inquiry is the proper duty and function of the House of Commons.

When British arms have suffered a reverse, this duty has always been performed.

Thus when Minorca was lost in 1757, Mr. Fox consented to an inquiry.

Thus when General Burgoyne capitulated in 1777, the House of Commons inquired into the cause of the disaster.

Thus when the Walcheren expedition failed in attaining the chief objects of the enterprise, the House of Commons inquired.

Inquiry (and its due exercise) is indeed at the root of the powers of the House of Commons.

If from vicious organization, public affairs are ill administered, the remedy is better organization.

If from delay and confusion in the execution of orders, injury has arisen, the subordinate officers should be removed. If from negligence, incompetency, or corruption, Ministers are themselves to blame for the failure that has been incurred, those Ministers may according to the nature and degree of their fault be censured, or removed, or punished.

When Asquith found that the losses in the Dardanelles and the consequent shortage of munitions, especially of

shells, in France were exposing him to criticisms which might prove fatal, he was driven to make the best terms he could with Balfour, Bonar Law, Walter Long and the other Tory leaders, who were eager enough to return to office after long years of exclusion. To find room for the newcomers he had to part with many old and loyal colleagues. The removal of Mr. Churchill from the Admiralty — he was transferred to the Duchy of Lancaster — came as a matter of course; but when the Tories insisted on the removal of Lord Haldane (who, besides being unpopular in the House of Lords, was constantly being reminded that he had called Germany his 'spiritual home' in a recent philosophic address) Asquith and Grey felt bitterly the humiliation of parting from a bosom friend and an inseparable political ally. Haldane, who had reformed the Army and provided the Expeditionary Force in accordance with secret staff conversations, never forgave them, and after the war — when the Labour Party came in — he developed enough socialism to accept the Great Seal from Ramsay MacDonald.

Haldane!

On May 28th Moltano and other Liberal M.P.'s heard from the Chief Whip, J. W. Gulland, who wrote that 'in view of the national circumstances' he felt sure they would appreciate the difficulties of the Prime Minister and rally to his support. He enclosed a letter from Asquith who regretted that 'our Irish Nationalist friends' had refused to participate with Carson in the new Government. 'The transformation', continued the Premier, 'implies a temporary abandonment of the system of Party Government which has ever since 1832 dominated our political arrangements', and was in his opinion 'under normal conditions the best adapted to our national requirements'. He understood the astonishment 'and even dismay' which the sudden upheaval had aroused among devoted Liberals. 'It was only because the conviction was forced upon me that a non-Party Government would prove the most efficient instrument for the successful prosecution of the war that I have taken a step which has caused me infinite personal pain.' It was in truth the only way to avert an outburst of destructive criticism which would probably have overturned his Administration. However, when the national cause had been vindicated against the enemy — so Asquith assured his followers in the House of Commons — 'we shall take up again the unfinished tasks to which the Liberal Party has set its hand'. Moltano knew better. The irony of events passed on this promise of days which were never to return. Asquith was fated neither to preside over victory, nor to resume the unfinished tasks of the Liberal Party. Yet he must surely have shared Moltano's forebodings that this surrender to a Party of Conscriptonists and Protectionists would speedily compel him to compromise and abandon Liberal principles and traditions.

At the end of the month — May 29th — Moltano had a letter from his veteran friend Lord Eversley (George Shaw Lefevre) on the collapse of Asquith's Government. Though an octogenarian, Lord Eversley's memory was as good as ever, and he was as keenly alive to the political situation as if he were still at Westminster instead of

being in retirement at his house near Kingsworthy on the Itchen. He regretted the Coalition for many reasons.

It was brought about, he wrote, in part by the disastrous mistake of a naval attack on the Dardanelles without the support of an army. Though it had been entered upon against the advice of the First Sea Lord, Sir John Fisher, Fisher must share the responsibility with Churchill, since he did not resign.<sup>1</sup> The second cause of the fall of the Government was, he thought, that Kitchener had proved unequal to the task of combining the military functions of a Commander-in-Chief with the civil work of the War Office and especially with the supply of munitions. Asquith's difficulty was that he could not face a discussion in the House of Commons about these two failures. In ordinary times such a discussion would have led to a hostile vote and a change of Government. Eversley thought the best course would have been for Asquith to tender his resignation to the King, at the same time advising him to send for Bonar Law, the leader of the Tory Party. But Bonar Law might have refused because, in Eversley's words, 'the Tory Party as regards its personnel in the House of Commons is not competent to carry on a Great War.'

In this respect he compared its position at the commencement of the Crimean War in 1854, when Lord Derby had the opportunity of forming a Government, but refused to do so on the ground that his party in the House of Commons was not competent for the purpose. 'On the present occasion the same causes have resulted in a Coalition Government. I think this is to be regretted. . . . Differences of opinion and policy are certain to arise on such subjects as that of conscription.' Further, 'there will be no alternative Government in the event, almost certain, of mistakes again being made.'

'As regards the Liberal Party, it seems to me that what has happened is its virtual extinction for long years to come.'

'Though it is called a Coalition Government, it is practically a Government relying for its main support on the Tory Party. As differences occur in its ranks, it will shed its more Liberal members. Those Liberals who remain in it will supply brains to the Tory Government and will eventually be merged in it. For twenty years or more the Tory Party will be in virtual possession of the Government.'

A shrewd political prophecy from one who was in the House of Commons under Palmerston, who had been a personal friend of Cobden, who had served on the Board of Admiralty and in the Cabinets of Gladstone and Rosebery. Eversley knew Eastern Europe. He had visited the trenches at Sebastopol and had stayed in Constantinople after the Crimean War, riding on horseback from Vienna through Hungary and what is now Bulgaria.

His view of the position at the Dardanelles was as pessimistic and correct as Molteno's. Not only was it drawing away troops and ships which could ill be spared, but even if we succeeded in gaining possession of the Gallipoli peninsula, 'I do not believe', he wrote, 'that we shall be able to send our battleships through the Dardanelles to the Sea of Marimora and Constantinople. Another army will be required to occupy the southern shores of the Straits, and the Turks have a very large army which fights best behind entrenchments.'

Nor did he see how British interests would be subserved by driving the Turks out of Constantinople and handing it over to Russia.

Eversley had just published a book on the Partitions of Poland. He sent Molteno a copy, thinking that it might be of some value at the close of the war.

Percy's naval brother at this time was comparatively hopeful. Even in the Dardanelles, he thought, 'the situation is not yet nearly as bad as you make out, and as to the general outlook, if we are in a bad way, the Germans are in a far worse position'.

<sup>1</sup> Fisher was replaced by Sir Frederick Jackson.

What do you think of the reconstruction? [wrote Percy to Loreburn on May 28th]. The disastrous results of the Dardanelles venture are becoming more apparent every day; and in view of submarine activity on the part of the Turks and Germans I do not see how we can maintain our position there. It seems probable that we shall have to withdraw, if not at once, then after further disastrous losses to our ships.

Another dismal forecast, which was soon to be verified.

He thought Balfour a bad appointment. He was too vacillating and irresolute to make a good First Lord of the Admiralty.

Meanwhile Mr. Lloyd George made much political capital out of the shortage of munitions, and it is true that his energy, after he became Munitions Minister, helped to increase the output enormously. But Molteno held that Mr. Lloyd George was responsible for the shortage, both as a Cabinet Minister who had approved of the Dardanelles expedition and as Chairman of the Munitions Committee. On June 9th he had a talk with Sir Richard Cooper, a Conservative M.P. who had offered 5 million shrapnel shells to the Government in March, and also 2 million high-explosive shells.

He said that the Government were now in process of purchasing. I asked why they had not bought them before. Because, he said, they had appointed J. P. Morgan and Co. to be their sole agents in America. The shells he offered were controlled by Rockefeller and Co., who refused to go through J. P. M. and Co.

On the following day, June 10th, Molteno resumed his diary of the Coalition crisis:

'The new Coalition has not made a good impression. Lloyd George's speeches at Manchester in the week before were evidence of his intention to force the hand of the new Cabinet on the question of compulsory labour and conscription. He appeared as an advocate of both. The suspicion which surrounds the Coalition in the minds of Liberals, owing to the failure of the Prime Minister to give them any reason for it, and the suspicions generated by Lloyd George's speeches, came out very forcibly in the debate on the Munitions Bill. It was so worded as to be open to the interpretation that compulsion might be applied to labour under it. When this interpretation was put upon it, the new Home Secretary (Sir John Simon, who had refused the Lord Chancellorship) in charge of the Bill did not deny it; but as Member after Member got up and denounced an attempt of this kind he was compelled to call in the Prime Minister, and in his presence repudiated this interpretation. Good speeches were made by Philip Snowden and Will Crooks on the dangers of compulsion. On Tuesday the Ministry of Munitions Bill was amended by the Home Secretary to make it quite clear that there was to be no compulsion under it.' After mentioning that the wrangling over salaries and offices made a bad impression 'and intensified the feeling that it was a question of a scramble for the spoils', Molteno went on to say that the Coalition had been arranged by Asquith and Lloyd George alone; 'other Ministers, including Sir Edward Grey, simply received a circular letter asking them to resign'. He added:

It is clear that Lloyd George is going over to the Tories. First came his betrayal of the Welsh Members by the introduction in the House of Lords of the Welsh Church Postponement Bill without their knowledge and consent. This was arranged between him and Balfour. Again there was his attack upon the Irish Party, stating that the House had been intimidated by brewers and publicans —

which was intended to refer to the Irish Party. Various expressions of his made in private against them had also been reported. This is evidently a final breach between him and them. These two, the Welsh Church Bill and the abandonment of Home Rule, are the gifts which he brings to the Tories in making friends with the mammon of unrighteousness. In addition he has gone over to their view of compulsion and conscription. Sir Edward Grey being disabled temporarily, he sees his chance now of getting the Premiership with the aid of the Tories, and he is pushing his chances for all they are worth. He is trying to force the hand of the Coalition on compulsion and conscription. It is said that he and his co-conspirators have determined to get rid of Asquith, whose own weakness is proving fatal to his position.'

Molteno at this time expected a reconstructed Cabinet and more Liberals turned out in the near future, or even a general election of a khaki kind to consolidate a new Coalition with Lloyd George as leader. He did not foresee that Asquith might hold on for more than eighteen months by yielding to the demand for conscription.

June 15th was the 700th anniversary of Magna Charta, and Molteno seized the opportunity of writing a letter to *The Nation* which its editor, H. W. Massingham, published on June 19th, as from a Liberal M.P.

We are daily threatened [he wrote], with infringements of the rights secured by Magna Charta. Mr. Lloyd George in his speeches in Lancashire has claimed power over the disposition of the liberties of our working men, while Mr. Churchill at Dundee used the following words: 'As to the rights of the State in the hour of its need over all its subjects there can be no dispute. They are absolute.' These doctrines are of course the Prussian doctrines — that the individual exists for the State, that the State is accountable to no one, and can dispose of the lives and liberties of its subjects as it pleases. This (he went on) is not the principle of our British institutions, which from Magna Charta onwards has limited the right of the State over the individual. He recalled King John's claims and his surrender at Runnymede and how 'King Charles lost his head in attempting to take away what King John had given'. The late Administration [he continued] is commonly supposed to have failed owing to inadequate supplies of munitions of war. But both Mr. Churchill and Mr. Lloyd George were in it. The one has been displaced from the distinguished position he occupied, which rather indicates failure, while the other was Chairman charged with the provision of munitions of war. Not only had he control of this matter, but on April 21st he announced that the House of Commons might rest assured 'that not only shall we be able to produce munitions of war adequate to the great armies which have been raised, but shall be able to give assistance to our Allies'. If the late Administration failed, then *he* was the Minister specially responsible for that failure.

The 700th anniversary of Magna Charta has come as a warning to the people of this country and as a reminder that vigilance, eternal vigilance, and nothing less, is the price of liberty.

One welcome change in the Cabinet was the appointment of Mr. Reginald McKenna to be Chancellor of the Exchequer in succession to Mr. Lloyd George, who had become Minister of Munitions.

During the Session Percy was much occupied with the finance of the war. He records in his diary:

The postponed dinner at Lord Inchcape's house took place on May 11th. There were present Lords Loreburn and Bryce, C. P. Scott, H. W. Massingham, F. W. Hirst, Gordon Harvey and myself. There was considerable discussion but without any very definite result.

One of those present (myself) has a vivid recollection of our host, Lord Inchcape, saying that we might, without

ruinous consequences, add 2,000 millions to the National Debt, but not more. We were horrified at the bare possibility of such a sum being added to our deadweight debt, which a year before was only 640 millions. If Inchcape had hinted at a limit of 8,000 millions we should have thought him crazy.

At this time the debt was piling up rapidly owing to the growth of the Army and the frightful cost of the expedition to the Dardanelles — a case in which distance added enormously to the drain on our finances. On October 3rd, 1915, the Treasury estimated the expenditure for the financial year ending March 31st, 1916, at £1,590,000,000 and the revenue at £305,000,000, leaving a deficit of £1,285,000,000. Such colossal figures and such a deficit had never before been known or dreamt of. But they were soon to be exceeded. Molteno was fully alive to the dangers of the financial situation. He left a box devoted to the Lloyd George and McKenna budgets of 1915 with a record of his own questions, speeches and amendments. He and Gordon Harvey agreed that much heavier taxation should have been imposed from the very first, and criticized Mr. Lloyd George's budget of May 4th on the ground that it did practically nothing in this direction. There were two means of reducing the deficit — the first by diminishing waste, the second by increasing taxation, and Molteno pressed for both. The new Chancellor at once made known his opinion that 'national and domestic economy is a vital need'. He tried to impress the gravity of the financial problem on Parliament and his colleagues. The country, he said — as Molteno noted on June 26th — has to pay for imports of food and munitions from the United States, not only for ourselves but for our allies, and it can only do so either by sending out goods in exchange or by selling securities in America. Meanwhile the manufacture of munitions and the rapid transference of labour from agriculture and useful industry were reducing our reserves of manufacturing power for exports. Molteno knew that Mr. McKenna recognized the dangers of dispersing our forces and of increasing the army indefinitely, regardless of the submarine danger and of financial considerations. He pressed on Mr. McKenna's notice the serious results of indiscriminate recruiting, enclosing letters from a Dumfriesshire firm which manufactured food products, 'pointing out the straits to which they would be reduced if more men were taken for military purposes'. He added:

I hope the Government will take into the most serious consideration the question of harmonizing the requirements of the country, in the shape of financing ourselves and our allies, with the recruiting of men. The latter is evidently being carried to excess, and will paralyse us in regard to the former. It looks very much as though no one has this matter in hand and each Department is acting on its own. I know you appreciate the gravity of the financial position. I have written to War Office and I have seen the Munitions Department.

On June 21st Molteno joined in a discussion on the war loan. He thought the terms for the conversion of Consols too generous to holders. On the Third Reading of the Finance Bill in July he congratulated the Chan-

Loc 51  
Wet

cellor of the Exchequer on the success of the loan. It gave him breathing time to consider his next step. 'I do hope that he is not going to rest on his oars. I know he will appreciate that simile.' (Mr. McKenna had rowed for Cambridge.) Molteno also said:

I join in the request of the hon. Member [Gordon Harvey] who has just spoken that the imposition of special taxation should be considered, and considered at a very early date. . . . We have the money to-day; there is no question that the country to-day can bear increased taxation infinitely better than it will be able to do two or three years hence.

So far our free trade system had stood the strain, while Protectionist Germany, France and Italy had all had to abandon their food taxes and the revenue derived from them. He pointed out that we were not paying out of tax revenue anything like so large a proportion of our expenditure as in former wars. In the Crimean War half the cost had been made good from increased taxation. By this time he had persuaded the Government to appoint a retrenchment committee under the chairmanship of Mr. McKenna. Another useful service to sound finance was rendered by a return which he obtained on July 19th, showing the estimated amount of war charges up to March 31st, how they were met, and how the money borrowed was raised.

His longest and most important speech during the session was made on July 21st, when the Prime Minister moved another Vote of Credit for £150 millions and announced the composition of the Retrenchment Committee. Molteno dwelt on the 'vast expenditure we are asked to authorize'. No one could tell how long the war might go on. They ought to institute very accurate accounts, and he quoted reports showing the strict economy which Lord Kitchener had exercised in the South African war. The Prime Minister commended his 'instructive speech', and a few days later, on July 24th, Lord Welby, once Gladstone's right-hand man at the Treasury and the greatest living authority on public finance, wrote to Molteno from his London house in Stratton Street:

I have read with great interest your weighty speech on the Vote of Credit for the huge cost of the war. It is time indeed that public attention should be directly called to the subject,

Your remonstrance against the plea of *inevitable waste* is especially well-timed. I remember in former days when Lord Salisbury pleaded about the growing peace expenditure: 'Who are we (the Government) that we should oppose the national drift?' or words to that effect. It always seemed to me that that was abnegation of the first duty of responsible Government and the House of Commons should be pulled up for opinions of a like nature.

It cannot be too often repeated, as you urge, that proper control does not mean interference with active measures. The deputation of Fleetwood Wilson to act as financial adviser in the South African War is a precedent of the highest importance; and if important then, how much more now? Your quotations from the Report to Lord Kitchener is exactly to the point.

The public ought to know if the pertinent recommendations made then have been acted on and are being applied now.

The answers of the Government are not satisfactory to my mind. A mild and half-hearted acquiescence in what they appear to think a counsel of perfection is not a satisfactory answer.

I can understand (I don't know that it is altogether valid) that it would not be wise to *publish* a report on the expenditure now ; but that is no argument why the report should not be made now and available for use in the great spending departments.

Meanwhile he was glad to hear that the Chancellor of the Exchequer would apply himself at once to a careful overhauling of expenditure.

Before Parliament adjourned Molteno gained yet another success. He had been pressing with his friend, Mr. (now Sir) Richard Holt, and others for a simplification of the income tax. On July 23rd the Prime Minister promised a deputation from the City that the income tax should be thoroughly revised and that taxation for carrying on the war should be considered immediately.

On July 27th Molteno had a long conversation with an English business man who had left his home and factory in the Baltic Provinces.

He said that the Russians had received four disastrous blows, and were suffering much from the losses of guns and munitions in their retreats. He estimated that about 1,500,000 Russian soldiers had been taken prisoners by the Germans and Austrians. He also said that the Russian Poles were looking to France and England to secure for them the autonomy after the war which had been promised them by the Grand Duke Nicholas. The proclamation had been signed by the Grand Duke but not by the Tsar. This was regarded as leaving an opening for repudiation later on. Molteno's friend expected the fall of Riga and Kovno and predicted that if the Germans took Warsaw and Brest-Litovsk they would probably stop their offensive on the Russian front and detach large forces elsewhere.

On the following day, July 28th, Molteno had a talk with Mr. John Burns in the House of Commons. Mr. Burns held that if we had made our intention to be neutral clear in good time Serbia would have given in, Russia would not have forced the pace, and there would have been no war. "The other policy, which he did not advocate, but which would have been much better than what was actually done, would have been to say clearly to Germany that in the event of their attacking France and Belgium they would have to reckon with us. But we did neither; we shilly-shallied, and joined in when the m $\acute{e}$ l $\acute{e}$ e had begun. Mr. Burns thought it highly probable that, if the war went on for any considerable time, there would be social revolution throughout Europe. The working men of this and other countries did not intend to allow themselves to be killed at the rate at which they had been done to death recently."

Of these revolutions foreseen by Mr. Burns the most catastrophic, that of Russia, was to be the first, and before very long premonitory rumblings began to be heard.

*Percy's Generosity* From Molteno's correspondence during the session a few extracts may now be given. His private subscriptions and those of his wife were very generous. In June, 1915, they sent a cheque for £200 to the Lord Mayor's Sick and Wounded Fund, and later in the year they subscribed the same amount to a fund which had been opened in London to supply comforts to the wounded in South Africa. They had also sent £200 to Belgian relief. To these were added a contribution to the Aliens' Relief Fund <sup>2</sup> and many private benefactions. Molteno's papers abound in pleas from many societies and benevolent institutions to which he subscribed. Nearly all told of a rapid decline of members and reduced revenue. In many cases officials and servants had been drawn off to

<sup>2</sup> A fund started by the Archbishop of Canterbury, Lord Bryce and others to provide comforts for persons of enemy nationality caught in Britain at the outbreak of the war.

the war or to war services of various kinds including what were called 'cushy jobs' at home.

On June 2nd Percy wrote to Barkly in reply to several questions from his naval brother:

'Italy coming in will not I think have a decisive influence unless it brings others. It is very difficult for her to get at Austria owing to the nature of the Italian frontier. She will act however as a diversion and lessen the intensity of the attack on Russia and also close up a possible source of supply to Austria. I should be very doubtful of her army as compared with the German army for instance.

*Dardanelles*  
~~'As to the Dardanelles I regard our going there when we did as a supreme disaster. We have already lost five battleships, two bagged by one submarine in three days, and it is inevitable that we must lose more, and transports as well. It seems to me impossible to protect the ships there from submarine attack. The operations there I fancy are affecting our position of security in the North Sea. We have had to detach a large number of destroyers and will have to send more. In my view we wanted every destroyer we had to meet the growing submarine attack on our ships round these islands. We should be in a position to detach at least six destroyers the moment a submarine is reported anywhere, to worry and harry it; and then of course we need a large number to go with our larger ships whenever they move.'~~ He thought, correctly as it proved, that it would soon become 'very nearly impossible to maintain our force of ships and transports off the Dardanelles, and we may have to abandon our position after the loss of several more battleships'. The Dardanelles side-show had also weakened our Army in the decisive area in the West. ~~'This great outcry about the shortage of munitions is entirely due to the Dardanelles business. When the attack was first undertaken, no provision was made for sending any men or munitions. The result is that it has taken every ready man, ready gun and ready shell, to the extreme detriment of the position in the West.~~

'Ashmead Bartlett's account of the terrific bombardment of the Turkish positions, and then — when we attempted to assault them — of the terrific rifle fire, gun fire, and machine-gun fire with which we were met, shows what little effect these blind-eyed bombardments have. Everyone who has to consider attacks by ships on land forts should have in his mind the results and history of the attempt of the Allied Fleets to bombard the land forts at the entrance to Sebastopol.' The Dardanelles expedition, he added, had started a new war at a distance greater than America.

As to the new Ministry, he thought it inferior to the old. Men had been put in places not for their ability to fill them, 'but solely to get a combination which will render discussion in the House of Commons unnecessary. . . . Intrigue will start from the beginning. Asquith did not control his own Cabinet, and he will not be able to control this, which is composed of much more heterogeneous elements. I don't think it will last very long. If conscription is proposed, we shall have serious differences both in the country and the House of Commons.

'You will write me down as a pessimist again, but I am afraid it merely means that I look a little further ahead than people generally. The Zeppelin raid was of no military importance and did surprisingly little harm.'

To his brother Frank on June 11th he wrote: 'You speak of the question of conscription. I can see no need for conscription or compulsory labour at all. All these cries are being used to cover up the mismanagement of those at the head of affairs. It is their want of foresight and incapacity that have caused the want of shells, which has nothing to do with the workmen, who for the most part are working magnificently. I know for a fact the Government have refused millions of shells offered them months ago which now at last they are arranging to take. . . . There will be a profound split in the nation if they attempt either of these things. I fear however that Lloyd George is going over to the Tories and will join them in attempting a policy of this kind, which will cause a break up of the new Coalition Government.'

*Percy  
 anti-  
 conscription*

In the middle of June the Molteno family spent a few days at Eastbourne where Percy 'was very pleased to see the great activity of the destroyers, escorting ships up and down off Beachy Head'.

At this time Dr. Charles Murray wrote from the Cape about the preparations that were being made for a general election. Botha's Dutch opponents had received a large bequest from the death of Jan Marais, and the money had gone to the National Committee which was working under General Hertzog. 'In fact', he wrote, 'the Marais bequests have set up the Hertzog Party. It is thought he will come in with quite a large following.'  
 X Dr. Murray's son Lennox was engaged in severe fighting day after day against the Germans in East Africa.

In a letter to Charlie on June 25th Percy dwelt on the stupendous losses — in the last month the casualties amounted to 100,000 in France and the Dardanelles. In neither theatre could a forward movement be made. He feared that Bulgaria would join the Turks and the Germans. 'The Russians are being knocked to pieces, and I hear very gloomy accounts from Petrograd.'

Early in July he reported an interesting conversation with Parker, whose ship, the *Goliath*, had been torpedoed in the Dardanelles:

He was asleep at the time. Three torpedoes hit her. He said the force of the explosion was terrific, shaking the masts like reeds. The ship immediately heeled over and sank in five minutes. Most of the crew perished before they could get up on deck. He was thrown into the water and eventually picked up.

Ian Hamilton's despatch showed how desperate was the situation in the Dardanelles.

Wallace By way of relief from politics there came a letter from Wallace all about his farm and a minor tragedy caused by the slump in the market for ostrich feathers.

72 Last week [wrote Wallace — the letter is dated Kamfers Kraal, July 21st, 1915]. I sold my famous ostrich cock, Karoo King, bred by me, for £100 cash. I have felt dreadfully sad over it, in fact have felt it even more than I thought I would. I consulted Charlie over it. I think he was quite the finest bird in the world.

A very black picture of Cape politics came from a friend who lived at Blanco. The Dutch in his neighbourhood, he said, were for the most part secretly or openly seditious. They regarded Botha as a traitor to the Republican cause and had circulated a report that he was aspiring to obtain Princess Mary's hand for his son! On the other hand 'Botha's army, Dutch and English, simply worship him'. Merriman too was pessimistic.

Out here [he wrote in August to Percy] things are very bad. Open sedition is preached sedulously, and quite recently the Nationalist Party, which advocated the Republican programme, have elected to their governing body Kemp and three associates who are serving their time for High Treason. . . . Botha's Government alone stands between us and civil war.

Two months later things had not mended. 'Rancour and bitterness are increasing daily. There are even mutterings of a fresh rising.' Botha had actually been pelted with mud by some of his ungrateful countrymen.

On Monday, September 13th, Molteno came across Sir Henry Lunn in the train from Scotland.

'Sir Henry expressed his belief that Germany did not want to attack us. Sir Edward Grey, he said, had always been very hostile to his own efforts to bring about better relations with Germany, and had strenuously resisted a scheme for bringing over the President and fifty Members of the Reichstag to visit this country.' Referring to Mr. Lloyd George's speech to the bankers on July 21st, 1911, Lunn related that on that night he was with a gentleman in the 'know' who said to him, taking his watch out of his pocket, 'Mr. Lloyd George is now delivering his ultimatum to Germany; we may be at war to-morrow.'

Molteno remarked that the Liberal Imperialists had been in favour of every war and of several which had not taken place. Thereupon Sir Henry said Lord Rosebery had once given Peter Claydon notes for a leading article on war with France over the frontier of Siam. This he had from Claydon. Lord Rosebery subsequently withdrew the notes.

Sir Henry Lunn was at this time and afterwards a strong supporter of Mr. Asquith as against Mr. Lloyd George.

Two days later (on September 15th) Percy Molteno wrote a 'strictly private and confidential' note of an interview with Bonar Law, who had left the leadership of the Opposition to be Colonial Secretary in the new Coalition Government:

I asked him whether there would not be a possibility of an Armistice in Africa to provide for the neutralization of the Conventional Basin of the Congo. I pointed out that the fighting in Africa would not lead to any decision in this War. I pointed out the demoralization of the natives and atrocities committed by native troops on white men as disastrous. I told him we had gradually educated the natives in South Africa to give up savage warfare such as maiming and mutilation, or burning of houses and farms, and that on the occasion of the late rebellion in Natal the natives left all private property untouched, as they said their fight was with the Government.

'He said it would give the Germans a wrong impression if we made any attempt to open negotiations, and that they would demand the restoration of German South-West Africa.' Molteno agreed that negotiations would have to be arranged through a neutral, and went on to suggest that we could not spare any more men for the conquest of German East Africa. 'I said I thought we had gone too far already in dispersing our forces, particularly in the Dardanelles. He at once agreed, regarding this as a disastrous error. He said that although he and his friends who had accepted office had no responsibility for the original decision, yet some responsibility would be attached to them now, and that if the Dardanelles expedition were unsuccessful it might be fatal to them. He thought the position there very serious. Even without any special attack the casualties there were about five thousand a week, and the difficulty of maintaining a force in the winter would be enormous.' (Bonar Law was one of those who insisted upon the withdrawal, see *Nat. Dict. of Biography*.)

Molteno then suggested that if the Germans got possession of the second railway behind the Bielstock-Brest railway the Russians would be able to do nothing on that front and might be held by a comparatively limited number of troops. 'He said: I see you appreciate the Russian situation, and that Russia is really out of it for the time being.

'He then said: I think Lloyd George is a man who has become desperate in face of the seriousness of the situation. Hence his

demand for compulsory service. I know the stories about his intrigues against the Prime Minister, but I don't think they are correct.'

Molteno argued that it was of 'the first importance to preserve national unanimity and that proposals for compulsory service would divide the nation'. Bonar Law replied that before the war he had never assented to compulsory service, but he said that recruiting had fallen off very much and that if unanimity could be maintained in the Cabinet and in the House of Commons he thought the country would accept the decision in that direction. They also discussed the events that led up to the war. Bonar Law said: 'We have all been wrong in regard to Germany, and you peace people have only been a little more wrong than we. Even if we had come into power, we might have tinkered a little with the Army, but it would have made no substantial difference in the end.' Molteno replied: 'We were not allowed to know the situation; if we had known the risks of the policy pursued by the Government, we would have discussed the policy; we would either have accepted or rejected it. If we had accepted it, we would have been prepared for it, and that might have had the effect of preventing the war.' Bonar Law did not dissent from this. He thought that if Grey had been in a position in the critical week to say definitely that we would go in with France and Russia, it might have prevented the war; but he recognized that Grey was not in that position, as his own Party would not allow him to do so.

Molteno argued in reply that, if Grey had said definitely to France and Russia we would on no account join in regard to a matter which did not affect us, there would have been no war, and alluded to the mobilization of Russia which caused the German declaration of war. He also alluded to Sir George Buchanan's interview with Sasonof, when Sasonof told Buchanan that Russia was intending to mobilize generally, and when Buchanan asserted that this would mean war with Germany Sasonof replied that it might be so.

To this Bonar Law answered that Germany had been taking steps for two days which were tantamount to mobilization, and that this had brought about the Russian action. (On this Molteno afterwards made the comment: 'I cannot find that this was the attitude of Sasonof when he spoke to Buchanan.')'

'Mr. Bonar Law further said he believed Germany wanted war at that particular time and had used Austria to bring it about. I said I could not see that that was true.

'It is clear from the above that Bonar Law was extraordinarily frank in his conversation with me. I gathered that he regarded the position as very desperate and thought there was no certainty that we could win the war, though of course he did not say so.'

Early in October Molteno noted in his diary: 'The situation in regard to Bulgaria and the landing at Salonica is causing intense anxiety.' On October 14th he had a few words with Gulland, the Liberal Whip, in the Lobby:

'I said I hoped we were not going to advance in a rash way on a single line of railway from Salonica. He said the Prime Minister and the military authorities were dead against it, but some Tory Members of the Cabinet favoured it.

'Later on, while the Zeppelin shelling was taking place, I had a further talk with him on the terrace. By then there were many rumours that the Cabinet was to break up, and that Carson had resigned but had withdrawn his resignation. Gulland said that Curzon, Lloyd George and Churchill were pressing conscription on the Cabinet, but he thought they did not realize how dangerous the attempt might be. By way of illustration he said that three men had been imprisoned under the Munitions Act at Fairfield, and it was just touch and go whether the whole lot there would not strike.'

Carson, he added, 'was very much upset about the Serbian position'. On the same day Molteno had a talk with Mr. (now Lord) Noel Buxton, who knew probably more about the Balkans than anyone else in Parliament. Buxton considered that Grey had made a

terrible mess of the Balkan affair. Nothing could now prevent Germany getting into Bulgaria, reaching Constantinople, and then adding to her reserves those of the Turkish Empire, where he thought a million men could be found. If, he said, Germany can do this, our position at the Dardanelles is impossible. This view was confirmed on the same day by Sir Francis Hopwood, who told Molteno that he had sat next to the Prime Minister at dinner the night before. The Prime Minister 'was extraordinarily calm and untroubled'. As to the move from Salonica, Hopwood thought it would be 'absolute madness on a single line of railway, threatened the whole way by the enemy in great force'.

On the same day Molteno wrote in his diary: 'It seems to be generally felt that Grey's recent statement in the House of Commons that we would support Serbia with all our strength was made without consulting the military authorities. . . . The whole situation is as black as it well can be.' Delcassé had just resigned.

On October 20th Molteno had another talk with Hopwood, whom he met in the Park. Hopwood said there was 'a forward party' in the Cabinet who wished to withdraw everything from the Dardanelles and put everything on Salonica. Those who favoured this course were the conscriptionists and Mr. Churchill, 'who was anxious to do anything to save himself from the effects of his fatal decision to go to the Dardanelles'. With regard to that decision he said 'Sir John Fisher was quite against it; he had tendered his resignation over it; he had said it would bleed the British Army white. He withdrew his resignation at the urgent request of the Prime Minister, but only on the distinct understanding that his objections should be recorded in the minutes of the Committee of Imperial Defence. Churchill subsequently went on sending ships to the Dardanelles until he had a Fleet there about as strong as the German High Seas Fleet. Fisher considered it quite wrong and telegraphed for the *Queen Elizabeth* to come home. This had brought about a breach between him and Churchill, and led to the crisis. Hopwood said the Cabinet were all quarrelling among themselves, that Lloyd George and Kitchener were at daggers drawn, that Asquith took his usual line of smoothing things over, and had not the grip or force to come to decisions at the right time. But it was extraordinary how well he kept and how lightly he took all these troubles.'

'Is there anyone', asked Molteno, 'who is harmonizing the various requirements of the country — to keep the sea open, to finance ourselves and our allies and to send military forces to the continent?'

'No one,' was the reply, 'every department is working for itself.'

'What will be the end of it all?' asked Molteno. Hopwood said: 'We must, I suppose, leave it as a game of attrition. We can only hope that the other side will be reduced by this before we are.'

At the end of October there was quite a row in the House owing to Mr. Churchill's refusal to answer a question from Molteno about the Navy League, and there is a long note on the incident in Molteno's diary for October 27th. Churchill pleaded that he had not seen the question, that he had no department, and that no question should be put to any Minister other than the Prime Minister on a matter not concerning his own Department. Subsequently he agreed to answer it after meeting Molteno in the Lobby.

On October 14th, Molteno wrote a good description of the Zeppelin raid over London which had taken place the night before:

'I was returning to the House of Commons after dining with Lord Loreburn. The streets were very dark. Just as I got out of the taxi at Palace Yard there was an explosion. What is that? asked the driver. I said I thought it was probably the backfire of the engine of a motor-bus. At the Members' entrance I found a group of Members and police. There it is, said someone, and sure enough there it was. The searchlights playing upon it lit it up. It looked like a cylinder six feet long and one in diameter. Then there was a great flash which lit up the sky over the Local Government Board offices and the Foreign Office and the back of St. James's Park. This was followed by a loud explosion and then a shell burst near the Zeppelin. The

Zeppelin  
Raid on  
London

shell looked like a little red star. This effect would be given, because it would be surrounded by its own smoke, and the light when it burst would be obscured by the smoke. A number of guns along the embankment were firing at it. It must have been just about over Waterloo Bridge and south-east of Waterloo station. It soon disappeared over the roof of the House, and then I went down to the terrace where a number of Members, including the Home Secretary, were watching the shelling. In a few minutes we heard that eight people had been killed in Waterloo Street, Strand, and that damage had been done at Moorgate Street and other places in the City. Two Zeppelins were seen by most people. They appear to have come across the east coast, and no doubt followed the River Lea to London. At Palace Court two Zeppelins were seen at some distance off. They were being fired at by guns in Hyde Park. Our two little dogs were much upset at the firing.' On returning he found that his wife had been out in the Bayswater Road with large numbers of neighbours all looking at the bombardment. 'Mr. Johnson told me this morning that near his house at Broxbourne an anti-aircraft gun had been placed in a meadow, and at 8.30 p.m. there was a tremendous explosion. A Zeppelin had located the gun and was dropping bombs on it. One of the men was slightly injured, the searchlight was demolished, and the hut where the gunners took their meals was shattered. He thought the airship was at an altitude of 1,500 feet.

'The night was perfectly calm and starlit. The approach of the airships had been signalled sometime before, and all trains approaching London had been stopped. It is very annoying that we have not succeeded in bringing down these monsters of cruelty when we were warned in good time that they were coming. The use of aeroplanes at night is not possible yet, as they cannot land in the dark and cannot remain up all night.'

An example of Molteno's pertinacity in resisting (and eventually overcoming) the stupidities of officialdom deserves record. In the autumn of 1915 he noticed as he was driving through Farnborough, that the roofs of balloon sheds which had just been erected were glaringly visible, being of light corrugated iron and easily seen by enemy bombers. He at once suggested to the departments concerned that these and similar roofs should be painted and camouflaged. No notice was taken; but he went on writing to Tennant at the War Office and to Macnamara at the Admiralty; and at last Tennant replied on December 13th, 1915, with an apology for delay: 'You will be glad to hear that arrangements are being made for the roofs of the Balloon Sheds at Farnborough to be painted.'

It will be convenient to defer our account of the movement for conscription, starting with the National Registration Bill, introduced on June 29th, as the subject requires a separate chapter. But some references to it are made in Molteno's short diary between July and December which deserve attention.

#### EXTRACTS FROM DIARY.

*July 26th, 1915.* In answer to Molteno the Prime Minister supplied a list of casualties, showing that the total number of killed, wounded and missing up to July 18th was over 11,000 officers and 255,000 men in France; over 2,000 officers and 47,000 men in the Dardanelles, and 415 officers and over 5,000 men in other theatres of the war, including German South-West Africa.

*August 7th and 9th.* *Westminster Gazette* on Prince Louis of Battenberg and fleet mobilization.

August 11th. Letters and leader in the *Manchester Guardian* on conscription.

August 12th. Molteno left London for Glen Lyon.

September 7th. Trade Union Congress at Bristol discusses conscription and is addressed on the 9th by Mr. Lloyd George.

September 14th. Parliament reassembles. Casualties for first twelve months of war 382,000. 'Conscription crisis commences.' Asquith moves Vote of Credit for £250 millions. John Dillon speaks against conscription. Kitchener's speech in H. of L. Mr. Lloyd George's war speeches are published with preface. J. H. Thomas speaks against conscription.

September 21st. McKenna introduces Budget.

September 29th. Molteno asks three questions about Treasury control over war expenditure and offers one or two criticisms on the Budget in the House of Commons.

~~October 13th. Zeppelin raid, with a terrible death-roll.~~

October 14th. Sir E. Grey on the Balkans.

~~October 15th. Casualties to Dardanelles Expeditionary Force up to October 9th are 4,200 officers, including 1,201 Australians and New Zealanders, and 92,000 men, including 27,000 from Australia and New Zealand.~~

October 19th. Sir Edward Carson resigns from Cabinet. Molteno and Gordon Harvey ask questions about Lord Derby's functions and about the use of the National Register.

October 26th. Lansdowne replies to Loreburn about the Balkans, and Grey makes statement about the offer of Cyprus to Greece.

October 28th. In reply to Molteno Prime Minister states that total British losses to October 9th were 493,294.

October 30th. Death of Lord Welby. Molteno lunched with Morley at Flowermead.

November 2nd. Churchill replies to Molteno re Navy League. Prime Minister's statement on general situation.

November 4th. Molteno speaks on Budget about re-taxation of non-residents.

November 5th. Tea at Palace Court to consider political situation, Loreburn, Hobson, J. A. Farrer, N. Buxton and Hirst.

November 8th. Kitchener's visit to the East. Suppression of *Globe*.

November 9th. Yesterday's speeches in House of Lords by Loreburn and Courtney are published. Lord Mayor's Banquet. Molteno deals with Road Board in speech on Finance Bill.

November 10th. Premier moves eighth Vote of Credit for £400 millions, making total £1,300 millions.

November 15th. Churchill explains his resignation to the House of Commons and Molteno speaks on the situation in the Dardanelles and on the Eastern question.

November 17th. Molteno speaks on taxation of non-residents clause in Finance Bill.

November 25th. Molteno speaks on Evidence Amendment Bill.

November 29th. In reply to Molteno Premier states casualties exceed half a million but refuses statement as to whether strength of Army exceeds total of three millions authorized by Parliament.

December 6th and 7th. Molteno spoke again on taxation of non-residents.

December 9th. On Third Reading of Finance Bill Molteno made general survey of Budget.

December 11th. Lord Derby's 'attestation' campaign.

December 15th. Statement in *Times* about Lloyd George and Salonica expedition.

December 18th. Derby groups 18 to 22 called up.

December 20th. Mr. Lloyd George on Munitions Bill. Molteno speaks on Munitions Department and lack of supervision.

December 21st. Anzac and Suvla Bay abandoned. Asquith moves vote for a million men.

December 23rd. House of Commons adjourns until January 4th. Molteno speaks on adjournment, dealing with situation under Coalition and the curtailment of discussion and its effect on private Members.

December 27th to 29th. Three meetings of Cabinet. Compulsion agitation commences.

During the autumn session Molteno was constantly asking questions about the war and war finance. He was greatly concerned about the squandering of our resources and the dispersion of our naval and military forces in distant expeditions which might end, and in one case had already ended, in disaster, and could not in his judgment even if successful have a decisive influence in bringing the war to a victorious conclusion. His views are expressed in two or three letters to his brother Charlie as follows:

October 21st: 'The recent attempt in the West seems to have been a failure. Our losses were tremendous; we have now come to a standstill, except for local fighting, and this is likely to be the position throughout the winter.'

Then there was the new German offensive in Serbia: 'It seems quite impossible to expect that the Germans will be prevented from linking up with Bulgaria and Turkey. The Dardanelles expedition has been not only futile but disastrous. There are divided counsels whether the men should be withdrawn immediately, or left a little longer. Now comes the Serbian difficulty and the landing at Salonica. Military opinion is dead against the possibility of a successful advance from there. The railway line is a single one, with very heavy gradients, hardly any rolling stock, threatened and now cut by the Bulgarians at various points.'

'The men who have landed us in this had never thought it all out. They had little knowledge of Europe, and they deceived the country.'

The one bright spot, he added, is the hold which the Navy has established upon the seas.

November 5th: 'I believe it is becoming clearer now to many minds that we would have been far stronger if we had not sent a single man to the Continent, and had adhered to Lord St. Vincent's advice, given after twenty years' experience of the Napoleonic Wars, "that this country, if it were unfortunately dragged again into a war on the Continent, should on no account send military forces there, but should rely upon the Fleet and the subsidizing of allies"'. By this Continental policy we are exhausting ourselves at such a rate that we shall quickly come to an end of our resources, whereas if we had relied upon the Fleet alone, we could have afforded that expense for an indefinite time.'

In another letter to Charlie on December 15th he wrote again about the folly of wasting our resources upon costly and distant expeditions. The Dardanelles affair had 'ruined our chances of success for a long time if not permanently'. The Mesopotamian force was also in a dangerous position.<sup>3</sup> To be humiliated by Arabs, Turks and Bulgars was a dreadful state of things for a great Empire. The Government's incapacity was becoming more patent every day. He added: 'Barkly left on Tuesday to take command of the Warrior. She is one of the latest cruisers. He will be second in command of the First Cruiser Squadron. It is the best appointment he could get with his seniority. In fact he is the youngest man in the Navy occupying such a high position.'

In November, 1915, Mr. Churchill, who had been Chancellor of the Duchy since his retirement from the Admiralty, resigned office and made a personal statement to the House of Commons (November 15th) in which he tried to justify the whole of his naval policy including the Antwerp and Gallipoli expeditions. He argued that the Dardanelles expedition was a legitimate 'military gamble'. Later in the day on a Vote of Credit Molteno made a scathing retort:

<sup>3</sup> Townshend had already been forced to retreat to Kut and was being besieged there by the Turks.

Percy  
critical of  
Dardanelles  
as a diversion.

His  
Strategy

#  
TH  
Barkly as  
Warrior

'We have heard of a gamble in the food of the people, but a military gamble means a gamble in the life of our men and it has not turned out successful. . . . Those of us who have special information have realized that the attack upon the Dardanelles has had a disastrous effect on the campaign as a whole. . . . This side-show, however important, has interfered with our plans in the West. In the spring, when we were all led to believe that the great advance [on the Western Front] would take place, there was a shortage of men, munitions and guns.'

Mr. Churchill's 'side-show' had diverted the men and supplies needed to drive the Germans out of France and Belgium to the Dardanelles, with disastrous consequences. Molteno held that Mr. Churchill was equally responsible for the design and for its execution. 'Why was this campaign [against Constantinople] undertaken when it was known that a joint military and naval force was required? Why was it undertaken by the Navy alone in the first instance?' From this he proceeded to criticize our Balkan policy and especially the hurried despatch of a small force to Salonica. This, as they had heard from Carson (who had resigned from the Cabinet), 'was undertaken against the advice of our military advisers, who had pointed out that the true course would have been to make our position in the West absolutely secure and to bring pressure in that way to bear upon the position in the East'.

He begged the Government not to continue this policy of dispersing our forces but to concentrate them where they were most needed, and to take action 'to save the precious funds of this country, which are being squandered in every direction'. The Prime Minister had assured Molteno on July 20th that machinery was being employed to secure 'effective audit and continuous control over every part of the expenditure of the Army and Navy'. But Molteno knew and asserted that terrible extravagance was going on in every direction and that Treasury control over vast areas of expenditure had been withdrawn. He pleaded also for the maintenance of voluntary service and for the limitation of the Army, as the first duty of Britain was to maintain command of the seas and the second to finance the Allies and provide ourselves and them with warlike equipment and munitions. He deprecated the practice of taking skilled munition workers into the Army.

Control over Expenditure  
↓

Mr. McKenna had introduced his first Budget at the end of September. As a contribution to the finance of the war it was a great improvement on the last Budget of Mr. Lloyd George. In the eyes of Molteno and of nearly all the genuine Liberals in the House of Commons there was one strong objection to it — namely, the so-called 'McKenna Duties' on motor-cars, pianos, clocks, watches, etc. These new customs duties, unaccompanied by excise, were ostensibly imposed solely to discourage luxuries, save ship space and strengthen the exchanges. Molteno joined in a general protest of Liberal Free Traders. It was definitely stated that the duties were to be imposed only for the duration of the war. The motive of Protection was disavowed; but as the Chancellor refused to impose countervailing excise duties it is not surprising that the proposals were suspected as Sops to the Cerberus of Tariff Reform now entrenched in the Cabinet. In Committee Molteno opposed the duties on general grounds.

Penny  
opposes  
duties

'The Government', he said, 'will be judged by deeds rather than by words.' Their verbal reservations would not count against the facts that they had introduced protective duties, and he claimed that their abandonment of the principle of free imports was inconsistent with the political truce which had culminated in the formation of the Coalition.

He quoted the following paradox, which had recently been propounded by a diplomatist:

'A war of liberation is not favourable to liberal institutions. . . . If the British Empire is fighting a war of liberation against imperialism and militarism, then it may expect as a result that its political institutions will become more imperialist and militarist, while if the German Empire is fighting a war of aggression, then it may expect its constitution will as a result be made more liberal and pacific.'

Molteno made this natural comment:

'It is most disappointing that Liberal statesmen should hasten to justify the predictions of this political seer and do so much to facilitate the conversion of Great Britain into a Protectionist, Conscriptivist, and Militarist Power. These import duties are symptomatic of growing and widespread apostasy from all the ideals of democratic freedom which are the very essence and substance of British greatness.'

In so far as the new protective duties on cinema films, watches, gramophones and motor-cars were defended as taxes on unnecessary luxuries Percy pointed out that the Government was leaving an expenditure of £176 millions per annum on intoxicants unchallenged, though the quantity of spirits consumed had increased by 16 per cent. in the last six months. This, he said, was perhaps the most striking modern instance of straining at a gnat and swallowing a camel. A modest increase of 10 per cent. in the duty on spirits would have given more revenue than all the proposed new McKenna duties put together.

Molteno commended the Chancellor of the Exchequer, but regretted that he had not added more to the custom and excise duties. Heavier burdens, he thought, should be laid on the taxpayer rather than on posterity. Few will deny that he was right all through the session in his criticisms and constructive suggestions for the improvement of war finance. He impressed upon the Government, the Treasury and the House of Commons the urgent need for eliminating waste in military and civil administration. He saw that sound finance was essential to winning, what was sometimes called 'a war of attrition' and sometimes 'a war of exhaustion'. At the end of November, 1915, conversing with McKinnon Wood in the Lobby, Molteno asked why the Government persisted in the Salonica enterprise against the advice of their military experts. The Minister said it was on account of France. France had insisted to the extent of hinting at the possibility of breaking the alliance if we did not go on there. Then Molteno asked: 'Why do we not evacuate the Dardanelles at once?' He said it was considered impossible. Molteno came to the conclusion that the French thought the Salonica enterprise would help them to get more financial aid from us, and also that they wanted to divert public attention at home from the failure to drive the Germans out of France.

On the same day Lord Loreburn told Molteno that he had the same information about Salonica. 'He thought that France was riding us to death.' They discussed the desirability of a Want of Confidence motion. Loreburn thought the time was coming very near to consider whether this should not be tried.

Molteno also had a talk with his friend McMicking, who represented a neighbouring constituency: 'He had read my speech of November 11th and said he agreed with every word of it. He had come to the conclusion that Asquith, Grey and Lloyd George would have to go.'

Molteno's last interview during 1915 was, on December 7th, with Bonar Law, who told him that the French had insisted on our remaining at Salonica. He said our military advisers were dead against it, but the French military advisers favoured it as a threat to be held over the Germans against their connections with Constantinople. The French also said that the Serbian Army might still be of some use. When Molteno complained that we were being 'dragged at the heels of France', Bonar Law replied that the French complained that we 'without consulting them had dragged them into the Dardanelles affair, and now we hesitate to support them!' Molteno thought it unfortunate that one foolish action should be made an argument for another! 'Besides there was the exhaustion of our resources, consequent upon carrying out expeditions at a great distance and so using up our tonnage to an enormous extent.' 'That', said Bonar Law, 'was also true of the Dardanelles expedition.'

Here it should be added that in October Bulgaria had declared war on Serbia, whereupon the Allies had declared war on Bulgaria. In November it was decided to evacuate the Dardanelles and the evacuation was successfully accomplished on December 20th.

In December the official list of Prussian casualties (excluding those of Bavaria and Saxony) amounted to over one and a half millions killed, severely wounded, or missing. The British casualties then amounted to about 550,000, including 115,000 in the Dardanelles.

At the end of December Asquith and his Cabinet, with the exception of Sir John Simon, who resigned, adopted conscription.

Casualties  
by Dec  
1915

## CHAPTER XXXI

### CONSCRIPTION AND REPRISALS

FROM the time when the first Coalition Government was formed in June, 1915, Molteno felt certain that the Tory members of the Cabinet would unite with Mr. Lloyd George and Mr. Winston Churchill in pressing for conscription, a measure which he thought should be resisted with all the resources of Liberalism. At the outset of the war Lord Kitchener had no desire for compulsory military service. The response to his appeal for volunteers was extraordinary and more than justified his opinion. As late as April 20th, 1915, Mr. Lloyd George owned that the Government had no ground for thinking that the war would be more successfully prosecuted by means of conscription. Yet on May 19th, in the House of Lords, Haldane, hoping perhaps to propitiate the Tories and ward off their attacks, said the Government might have to reconsider the voluntary system and urged that machinery should be prepared for the purpose — 'a census and registration of the whole male population, noting and verifying the capacities of each one'. But on the same day in the House of Commons Mr. H. J. Tennant, the Under-Secretary for War and the Prime Minister's brother-in-law, painted the achievement of the voluntary system in glowing colours. Compulsion, he added, was 'foreign to the British nation, to the British character and to the genius of our people'. Haldane's conversion and his plea for a compulsory register did not avail him; but at the end of June Walter Long, the new

President of the Local Government Board, introduced the National Registration Bill which he described as 'a grand voluntary movement to secure knowledge of the forces which the country possessed'. On the second reading of the Bill he denied that conscription was 'in any way connected with this Bill'. It was vigorously opposed by Philip Snowden and a number of Liberals who saw what was coming; but it was carried without difficulty after the Prime Minister had assured Sir Percy Alden that neither forced labour nor conscription was contemplated by the Government. But on September 15th Mr. Walter Long stated that information with regard to men of military age was being extracted from the Register and supplied to the Government departments concerned with the supply of men for the Army and vital industries. At this time the cost of the Army had risen to £2 millions and that of the Navy to £600,000 a day. In moving a Vote of Credit for £900 millions Asquith declared that the war had become a war of endurance, and reiterated the Government's determination to stake everything — 'our wealth, our industry, our intelligence, the lives of our children, the existence of our Empire', upon what 'was and is a worthy issue'. In December with the help of Lord Derby, who was entrusted with a recruiting scheme which ended in a muddle, the movement for conscription developed rapidly, in spite of efforts by Redmond, Dillon, J. H. Thomas, R. D. Holt and at least one of the Prime Minister's colleagues, Mr. Runciman, who said on December 21st: 'An unlimited number of men [in the Army] would undoubtedly bring us not success but disaster.' At the end of December a majority of the Cabinet decided for the conscription of unmarried men. On January 4th Sir John Simon resigned, and on January 5th Asquith introduced the Military Service Bill, the first measure of conscription ever proposed by a British Government.

1915 - Cost Army of £7 a year Cost of B

In his diary for 1916 Molteno noted that the House of Commons met after the Christmas Recess on January 4th. There was a scene in the House over Mr. Lloyd George's suppression of the Glasgow Forward. On the following day Asquith introduced the Conscription Bill for unmarried men, and the First Reading was carried by a large majority. The minority of 105 with whom Molteno voted was composed of Irish Nationalists, Liberal and Labour M.P.'s.

No press freedom

Percy opposed Conscription

There was much unrest on the Clyde. Molteno discussed it on January 7th with the Lord Advocate. He said while you may compel men to go into the trenches you cannot force them to work. Conscription, however, might be used as a threat; insubordinate munition workers or strikers could be enrolled in the Army and treated as deserters.

After the First Reading of the Bill a great Labour congress voted by an enormous majority against it, and on Sunday, January 9th, there was a demonstration against the Bill in Hyde Park. Next day it was announced that the Dardanelles expedition, without which there would have been no plausible ground for compulsory

Labour Party anti-Conscription

8/1/1916 TL

service, had been abandoned, all our troops having been withdrawn from Gallipoli.

The Motion for the rejection of conscription was moved (January 11th) on the Second Reading of the Military Service Bill by W. C. Anderson, a prominent Labour Member, who founded his case on a powerful article entitled 'Industrial Compulsion' which had appeared in the *Manchester Guardian*. Its editor, C. P. Scott, after showing how conscription for the Army would deprive men of military age in civil occupations of their liberty, had summed up the measure editorially as 'a Bill which will not, as we think, contribute to the victory of British arms over Germany, but establishes beyond doubt the victory of German ideas over England'. After Chiozza Money had made a characteristic contribution Molteno rose and observed caustically that he wished the Chancellor of the Exchequer had been in his place to hear Mr. Money 'because he would have learnt that the longer the war continues the better off we shall be'. For this Bill, he said, they had to thank the Coalition, which had put an end to Party Government and created a false appearance of union in Parliament where dissentient opinion in the country was no longer fairly represented. The Bill would deprive the nation of liberties secured by the Magna Charta and the Petition of Right, which provided that no Englishman should be placed under Military Law, or sent abroad even under Military Law, without his consent. 'We are asked by this Bill to abrogate those fundamental liberties.' He recalled that in 1813 a proposal for conscription 'was ignominiously rejected by this House'. It was termed 'slavery' and it was said that conscription would carry misery into every family.<sup>1</sup> He cited the authority of the Duke of Wellington and of Lord Palmerston. 'The British regular army', said the Duke, 'cannot be raised by conscription or ballot' because it is liable to be sent out to any part of the world for the defence of a Colony or the conquest of foreign territory, not for the defence of England. 'Men cannot with justice be taken from their families and from their ordinary occupations for such objects.' This consideration and the Duke's authority doubtless explained why Lord Roberts had only advocated National Service for home defence.

Again Lord Palmerston, speaking as Secretary for War, had said that our armies raised by voluntary enlistment were more effective than those raised by conscription. 'A general', he thought, 'would feel more confidence with an army so raised than he could possibly have when leading into battle a band of slaves torn from their homes by force.' When Palmerston spoke, Molteno added, the situation was far more critical; for Napoleon had a great army at Boulogne ready to invade England. In this very able speech Molteno laid stress on the difference between home defence and fighting abroad for the defence or conquest of other countries. 'Parliament', he said, 'has always observed the distinction — you must never force men to go abroad.' In proof of this he cited the General Militia Act of 1802.

<sup>1</sup> See the debate of June 13th, 1813, and the speeches of Lord Palmerston and H. Banks.

Equally effective was his onslaught on the figures by which Ministers had tried to bolster up a case for the Bill. For such a purpose as this overthrow of our traditional liberties the figures adduced should be 'certain, exact and reliable'. But those of the Derby Report were admittedly uncertain and inexact. Kitchener's appeal for volunteers had evoked a wonderful response, and now 'in the very hour of the triumph of the voluntary system' it is indeed sad that a felon blow should strike it down.

A long entry in his diary at the end of January begins:

My speech on the Military Service Bill (January 11th) goes very fully into the question. I should have dealt also with the question how the Prime Minister came to be forced to bring in this Bill through the defection of Mr. Lloyd George and the constant intrigues against him. Time did not admit of this, but my notes for this purpose are with other conscription papers.

The Prime Minister had been caught in a series of mutually contradictory pledges.

1. The pledge given by the Government through Mr. McKenna and Mr. Walter Long that the National Registration Act would not be used for compulsion.

2. The pledge that if men came forward in large numbers the voluntary system would be saved. (Mr. Asquith admitted in his speech on the First Reading that so far as numbers were concerned they *had* come forward in sufficient numbers to save the Voluntary System.)

3. The pledge given to married men that they would not be called up until young unmarried men had been called up.

4. The pledge that nothing like compulsion would be introduced except with general consent. (See Mr. Hodge's speech on the First Reading pointing out that if the Labour Conference decided against it, compulsion could not be said to come with general consent.)

5. The further pledge, which is a rational one, that territorials who had come forward to join the force would not be compelled to go abroad without their consent.

These pledges are mutually contradictory. Almost all Liberals stood in their constituencies against militarism and definitely against National Service and Conscription. They have no right to give away the position without a fresh appeal to their constituents.

The figures of the divisions on the Military Service Bill show the opposition of Liberal, Labour and Irish Nationalist members to compulsion.

The long series of intrigues against the Prime Minister brought about the Coalition against Mr. Asquith's better judgment. Mr. Lloyd George appears definitely to have gone over to the *Times* view, to be run by them to get compulsion (see Evan Charteris's letter to *The Times*). He with Lord Curzon and Mr. Churchill strongly pressed a compulsion policy on the Cabinet. To-day we have, not a Liberal Government, but a Coalition Government. No purely Liberal Government could have proposed compulsion. The conditions of pledge No. 2, the Asquith pledge, were not fulfilled. No accurate or reliable figures have ever been given. Mr. Birrell, who spoke in the debate after me, and after I had called attention to the fact that the Bill was not put forward as a military necessity, distinctly repudiated the suggestion that it was a military necessity, and on this ground defended its not being applied to Ireland. Bonar Law admitted that, if it were a question of principle, it was indefensible to exclude Ireland.

The resignation of the Labour Members of the Government on the vote of the first Conference, which was suspended until the vote of the Bristol Conference (January 26th) shows the absence of general consent. The Bristol Conference voted against conscription by 8 to 1, 1,796,000 voting in the majority; but it also voted in favour of the Labour Ministers remaining in the Coalition.

ma  
of L  
Part  
- be  
N ho

No Conscription  
in Ireland!

Two days ago, on Monday, January 24th, Mr. Birrell said to me in the smoking-room that it was a very bad time for men with principles; but as the majority had none, they were quite happy. Everybody seemed mad, and it was useless to talk sense to them.

Great pressure was put upon Liberal Members. Gulland spoke to me before the Second Reading. He suggested that the majority would be a very small one, evidently hinting that I should abstain.

On Monday, January 17th, he told me he had been down to Dumfries on the preceding Saturday. There he had heard that a meeting of my committee was to be held to consider my action, and he had deprecated their having any meeting or taking any action against me. However, on Thursday the 19th he again spoke to me.

He said he had heard there had been a meeting of my Executive, and he would show me a Resolution which it was proposed to put before the meeting of the Central Committee which had been called for Wednesday, January 26th, in Dumfries. This Resolution I had not previously seen, nor had I heard anything of it or of the meeting of the Committee. He said he would be very glad to do anything he could for me in the circumstances, and that if I would vote for the Third Reading or abstain, he would use his good offices to stop further action. Of course he suggested he was friendly in what he was doing. I said the suggestion did not appeal to me at all.

Next day, January 20th, I received a letter from Mr. McGowan, dated the 19th, enclosing copy of the Resolution and stating that a meeting would be held. No intimation had been given me by him or by any member of the Executive Committee. I have since heard from Mr. A. Kirkpatrick that he did not receive a copy of this Resolution and had to write for it. It was evidently to be sprung on the Committee.

The question is, how did Mr. Gulland come to get a copy of this Resolution? How did he know who was at the Committee meeting and who informed him?

I saw Mr. Gulland yesterday, January 25th, in connection with one or two small matters, and took the opportunity to ask him definitely how he came to get a copy of that Resolution, which was not even sent to members of my Central Committee? He refused to answer, but said it had been sent to him as Chief Whip.

I received letters from Mr. Macmillan and Mr. A. Kirkpatrick, who stated their intention of opposing the Resolution and of defending my action. I saw Lord Loreburn on January 26th, and he told me he had received a copy of the proposed Resolution. He had written to Mr. McGowan stating that he would have nothing to do with it and asking him to read the letter to the meeting. He suggested that I should apply to Mr. McGowan for a copy, which I did immediately.

On January 28th I received copies of two Resolutions passed at the meeting held in Dumfries on the 26th, the one dealing with my action being considerably modified from the former draft.<sup>1</sup>

On the Third Reading of the Bill (January 24th) John Redmond and the Irish Nationalists, having secured the exemption of Ireland, abstained. Molteno was one of a minority of 36 Liberal and Labour M.P.'s who voted; but there were in all 227 abstentions. Nearly all the Unionists, 144 Liberals and 12 Labour Members voted for the Bill.

A Proclamation calling up conscripts between the ages of 19 and 30 was issued on February 15th. It was a black day for the Liberal Party and for all lovers of personal freedom and voluntary service. When the new session opened, the Prime Minister, so Molteno noted in his diary, moved a Vote of Credit for £420 millions 'in a speech of unrelieved gloom'. A few days later the Ger-

<sup>1</sup> These notes were written between January 26th and 30th. The whole correspondence has been carefully preserved in a box labelled 'Conscription'. The Dumfries intrigue came to nothing and had no effect whatever on Molteno's line of action.

Percy  
N. H.  
McGowan  
bead  
J. any  
cove  
d shifted

Pressure  
on  
Percy

mans began their great attack on Verdun, which they had to abandon after heavy losses in April. On February 29th the diary records 'an excellent debate' on the Military Service Act and the work of the tribunals, when Sir John Simon, Philip Snowden and W. R. Pringle took a prominent part in a severe exposure of the War Office. Next day the anti-conscriptionists gave a dinner to Sir John Simon.

A new German submarine campaign started at the beginning of March. Mr. Churchill, now a Colonel, made criticisms on the Naval Estimates, which were easily disposed of by Balfour, the First Lord, on March 11th. In April there was another Cabinet crisis on recruiting, and a secret session of the Commons was held on April 25th. On that day a revolutionary outbreak in Dublin was announced, and also the arrest of Sir Roger Casement who was tried and soon afterwards shot for treason. On April 27th a second Military Service Bill was introduced by Walter Long, but it was dropped without debate. At the beginning of May the Prime Minister again surrendered to the conscriptionists, and a general Military Service Bill (No. 3) was introduced and read a third time on May 4th, when Molteno voted in a minority of 36. On this Bill he wrote a memorandum, dated May 17th, 1916, which is a valuable contribution to our political history. It ran in part as follows:

Easter Rising  
1916

This Bill had a curious origin; it was not the Bill the Government wished to introduce. That Bill was introduced after a political crisis which nearly wrecked the Government. But the House of Commons, upon its introduction, rejected it immediately, Sir Edward Carson leading the attack. This Bill is really Sir Edward Carson's Bill, and duly vouched for as such at a luncheon given in his honour on the day of the Second Reading, when Lord Milner, Sir Edward Carson and Sir Frederick Banbury, all joined in assigning the authorship to Sir Edward Carson. The Prime Minister stated his views very clearly on the 21st December as to the principles upon which men should be taken for the various requirements of the country. He then said:

'I think we should aim at getting potentially every man of military age and capacity, not disqualified by physical or domestic conditions, who is available, consistent with making an adequate provision for our other national necessities. Those necessities are well known. They include, first and foremost, the Navy, and next the business connected with the production and transport of munitions of war. My right hon. friend the Minister of Munitions last night told us that he needed for that purpose—he was in urgent need—80,000 skilled workers and 200,000 unskilled workers; but as is shown by the long and complicated lists and supplemental lists which have recently been issued in connection with recruiting, of reserved occupations, there is a vast field of employment on the continued working of which depends our subsistence, the maintenance of the machinery of our social life, and the export trade which is absolutely essential both for ourselves and our Allies.'

What are Carson's principles? He stated them in the same debate in reply to Mr. R. D. Holt:

'The hon. Gentleman said that he did not suppose the Government had consulted a single employers' association about the number of men they could spare. I venture to think that that is not the question which ought to be put to employers' associations. The real question is, How many men can the Government spare to the Employers' Association to carry on the industries of the country?'

Why then was this Bill brought in by the Prime Minister? Why was it not brought in by Carson? You may ask, why does Carson let the Prime Minister bring it in, for he says he does not trust the

Government. In speaking at the Constitutional Club he said: 'Do not think that because you have got the Military Bill you have succeeded in all that is necessary. Watch the Bill in Committee, and above all watch its administration, because I have grave doubts of the way in which a Bill will be administered which has been brought in by men who do not believe in the Bill themselves.' One most remarkable thing was that Carson's Bill was not to apply to Carson's constituency; for it did not apply to Ireland. He said in debate that the Army was to take all the men and let industry have such men as it could spare. But Ireland is to have for its industries all the men they need without any hindrance whatever.

Sir Edward Carson tells us how he came by his policy, and disclosed his proceedings in the Cabinet. During the course of the debate on the Military Service Bill on May 2nd he said:

'When I went into the Cabinet, being entirely inexperienced, I made up my mind absolutely to back, on all occasions, the military advisers of the Government, but the misfortune was that I found very little to back.'

So that Sir Edward Carson confesses himself that he is inexperienced, that he has no knowledge of the subject, but trusts the military entirely. But what is our experience on the point of military authority? When the first Military Service Bill was introduced in January Mr. Walter Long gave us the military view:

'When this Bill was in its early stages, the Prime Minister did me the honour to ask me to superintend its preparation, and I had a very long discussion with Lord Kitchener. . . . He authorizes me to say he hopes this Bill will pass practically as the Government have introduced it. He authorizes me to say this Bill will give him, by bringing in the unmarried men, all the men he requires. It will enable him to provide the troops that the nation requires. It will enable him to do all that he can and all that is necessary to be done, to use his own words, to secure victory.'

Hardly had that Bill been introduced when it was found to be a failure; the figures were quite wrong, and quite unjustified. We had no explanation how such a mistake came to be made. But both Lord Derby and Walter Long agreed that the figures were all wrong. Lord Derby said he had failed to estimate correctly the number of men who were able to get into reserved occupations, and he said: 'As time went on it was perfectly evident that the whole cause of the shortage was the reserved occupation lists. So that all the stories about slackers and the great numbers of unattested unmarried men (enough indeed to give us victory) were nonsense and moonshine.' Thus was the House of Commons misled.

Well, what is the estimate of the effect of this Bill? Will that be any better, will it be more correct? The Prime Minister and Walter Long say it will give 200,000 men; the Minister of Munitions says it will give many more. We have no evidence whatever by which to judge who is correct.

We have drifted into a dangerous state of things from the point of view of our national interests. We ought to have real responsibility and get back to constitutional methods. The Government are not in power, they are at the beck and call of Sir Edward Carson. Recent events in Ireland show the danger of turning a blind eye to the situation until it gets beyond control. Nothing has been shown to the House during the course of the debate to prove that we have not got all the men we could spare, or who are fit to fight. It seems to many of us that every man now taken is either unfit physically, or his going to the Army is a greater injury to the country than his remaining and serving it in the position which he at present occupies.

In the spring of 1939 when Mr. Neville Chamberlain broke his pledge not to introduce conscription in peacetime, our foremost military critic, Captain Liddell Hart, stoutly defended the voluntary system and gave it as his opinion that the Conscription Bills of 1916 were a mistake.

During these early months of 1916 the defence of liberty at home was Moltano's chief concern. He gave generous assistance to all the organizations that resisted

Percy  
pro  
liberty  
(in old-fashioned, but valid, sense of Freedom  
of the Individual)

or sought to amend the Military Service Acts. One of these was the National Council against Conscription, whose President, Robert Smillie, a stout-hearted Labour leader, issued an appeal on February 7th to all individuals and groups to resist the extension of conscription and prevent its 'permanent establishment as part of our national life'. Another was the No-Conscription Fellowship whose Chairman, Clifford Allen, was soon to be sent to prison as a conscientious objector, and after the war was to be raised to the Peerage by Ramsay MacDonald.

On February 23rd, hearing that Sir Wilfred Lawson, the Member for Cocker-mouth (who had voted against conscription), was retiring from Parliament, Molteno sent Lawson an expression of sympathy and regret.

'We Liberals', he said, 'were elected on a platform of free service, and no one has any right to call upon us to resign because we are supporting it by our votes. It is the other way. There ought to be a fresh mandate for compulsion before anyone votes for it.' He recalled Rosebery's suggestion that the Liberal Party should clean its slate, expunging all Liberal principles and writing across it 'Expediency' instead. Campbell-Bannerman had opposed an emphatic 'No'; but unfortunately Liberal Imperialists were now in power. These men have been in favour of every war in the past, and of some which did not take place.

Lawson's reply (February 27th) shows that he was 'a chip of the old block':<sup>2</sup>

'Thank you so much for your recent kind letter about my retirement from Parliament. It was most good of you to write it, and I appreciate your doing so exceedingly.

'I did not retire because I was called upon to do so. On the contrary, my constituents have been very lenient with me, under all the circumstances. But I have such an innate horror of war and disbelief in it being able to effect any real or permanent good, that I have for long wished to do what I have now done; and I only waited till the convenient opportunity presented itself.'

He was not hopeful about the future of the Liberal Party:

'Zeal for the old-fashioned Liberalism seems to me to have almost completely "gone by the board" already. Of course (as you say) the Liberal Imperialists are at the bottom of that; and I have always said, as a humble individual, that if the Liberal Party were not true to its original article of Peace I could not continue to support them.

In any case let me thank you again most gratefully for your kind and valued sympathy, now especially, coming as it does at a time and on an occasion when such sympathy is rare. I hope you may long continue the useful work I know you do in Parliament. My permanent address, should you ever want it, is Isel Hall, Cocker-mouth.'

Molteno's boxes on conscription contain many private letters from conscientious objectors, from parents grieving that their sons are being torn from their homes to fight in foreign countries, from men bitterly complaining that they were being ruined and were having to wind up their businesses, and from farmers saying that they could not carry on as they were being deprived of their men.

Injustices  
of  
Conscription

When the cruel engine of compulsion began to operate, distressed parents and employers in his constituency, only sons who had to support a helpless mother, men in wretched health who had been exempted by medical

<sup>2</sup> His father, the great Sir Wilfrid Lawson, was celebrated as a temperance reformer and a consistent good-humoured and witty champion of peace, Free Trade and goodwill among nations. See a delightful 'life' by G. W. E. Russell (1909).

officers but were being forced to attest as conscripts by brutal recruiting officers and ruthless tribunals, conscientious objectors who expected to be handed over to military custody as deserters, employers who were being denuded of their men and even of their foremen, poured in letters asking for his advice and assistance. Molteno did everything that was possible, wrote letters of advice, interviewed members of the Government and in some few cases succeeded in resisting the unconscionable treatment that was meted out to those who had no powerful friends to protect them.

In March a Dumfries postman, a Socialist who had moral objections to war, was arrested and brought before the local tribunal for failing to report himself. When the delinquent asked where they got his name and address, Captain Hopkins, the Recruiting Officer, replied: 'From the Register.' Thereupon the postman asked: 'Did not Mr. Asquith give his word that these registration cards were not to be used for conscription or military purposes?' A number of Socialist friends stamped their approval of this thrust, and the Judge threatened to clear the court. Captain Hopkins replied: 'It is not for me to answer that particular question.' The accused then said: 'I'm supposed to be a deserter; how can I be a deserter from that which I never joined?' Captain Hopkins answered: 'You are an absentee under the Military Service Act. By that Act you automatically became a soldier on March 2nd.' In the course of the trial it appeared that the postman's faith and principles as a Socialist and Internationalist had always been opposed to war and militarism. He was quite willing to go on with his work as a postman; but he refused to fight, and claimed the right to express his views 'as they were taking his life'. The unfortunate man was removed to Berwick later in the day in charge of a military escort.

In Molteno's correspondence there are several letters from his friend, Archibald Kirkpatrick, of Thorn Hill, who was lodging an appeal for some of his men and also for a delicate son quite unfit for military service, who had been tricked into the Army. It was useless for Kirkpatrick to seek exemption from the local tribunal, on which there was only one Liberal. The Recruiting Officer for Dumfriesshire belonged to a type with which readers of the *Pilgrim's Progress* are familiar — 'a rough insolent fellow', who cursed and swore when anyone obstructed his proceedings. Kirkpatrick said, in a letter to Molteno of March 1st: 'I will repeat exactly his answer to my request to have the doctor's report returned: "I threw the bloody thing in the waste-paper basket; it is no damned use."'

Many farmers were at their wits' end for labour. While one Department was instructing them to increase their production another was forcing their best men into the Army. Towards the end of March Molteno wrote to one of his farmer constituents:

I had a conversation with the Secretary for Scotland yesterday afternoon after receiving your letter on the question of farm labourers. I urged him that something should be done to reassure the Irish agricultural labourers and get them to come over. He said it had been made absolutely clear that they ran no risk of being impressed for Military Service; but I urged that this was not known to them sufficiently well. Cases had occurred where they had been taken, and naturally the news of one or two cases like these would soon spread among them. So I urged that measures should be taken to bring to their knowledge the fact that by coming over they would not run any risk.

Why Ireland  
rebelled  
1916

1 Next to the refusal of Home Rule nothing did more to  
2 turn Southern Ireland against us than fear of conscription  
and the belief that the exemption of Ireland would  
be revoked.

A business man wrote to Molteno on May 9th:

'The country is now completely handed over to the military. This new Bill will take all our boys as they attain the age of 18. You know business, and you will have an idea into what condition the country will be landed if this war continues. Already we see evidence of financial trouble among our customers, and bad debts are becoming common. We can see that married men under 41 will be compelled to give up business and will leave their liabilities behind them.' This man had a boy in very poor health whom the military authorities insisted on taking. He wrote: 'I would spend my last shilling to prevent them taking him as his mother and I know (and the doctor confirms) that his constitution, which is weak at the best, will be completely wrecked.' A letter signed by a large number of London tradesmen stated that unless the Act was amended 'widespread hardship and in most cases ruin face all shopkeepers between military ages who by their personal efforts and sacrifices have managed to establish their concerns. Even if it were possible to dispose of their businesses at short notice they would only realize a fraction of their real value and would obviously be bought by foreigners, resulting in greater unemployment for Britishers than is already inevitable at the end of the war.' Another unfortunate Londoner who had established a business wrote to Molteno: 'My age is 35 years. I have a delicate wife, three children (eldest 7 years old), a widowed mother and invalid sister entirely dependent on my business which I started twelve years ago.' All his fifteen men had joined the colours and now he was expecting to be forced into the Army. The National Council of Dairymen telegraphed to Molteno and other M.P.'s on May 15th that unless that Act were amended 'hundreds of business men will be ruined'.

In spite of the Government's efforts to suppress opinion a strong agitation by shopkeepers and business men found expression in Parliament and Alfred Yeo, Liberal Member for Poplar, proposed an amendment which sought to protect them from ruin. It was said that thousands of small independent men were being forced to leave their business at a month's notice, and it meant that those who were single-handed had to sell out and sacrifice their goodwill to larger competitors. Besides telegrams begging him to support Yeo's amendment Molteno had many letters of thanks for his stand against compulsory service. To one, Charles Paisley of Langholm, he replied (May 18th): 'It has been a very hard time for those who cannot pocket their consciences, and simply vote for anything they are told, and let the responsibility lie upon the Government.' But he found some consolation in the reflection that the Bill was odious to Liberals. Out of 280 Liberal M.P.'s only 123 could be induced to vote for the second reading of the general compulsion Bill. Asquith's surrender to Carson was another heavy blow to the Prime Minister and his uneasy Coalition Cabinet. The Bill was rushed through its Third Reading on May 15th and from that time onwards Molteno had more and more letters, many of them heartrending appeals from parents pleading for their only son.

Molteno wrote many letters to victims of the Act. One of them began: 'I have yours of July 11th (1916) and am sorry to learn from same that the Court has refused the application, though supported by the Board of Agricul-

ture. Decisions of this kind are having a most disastrous effect upon the agricultural situation.' On August 31st, 1916, 'recruiting officers were still declining to observe the terms even of the Army Council's Instructions and men obviously unfit were being summoned for re-examination and passed for general service.'

Percy  
not a  
pacifist

Though he was persistently assailed Molteno never faltered. He could not accept the position of the Quakers, or of those who thought that blood should not be shed in self-defence; but he supported Philip Snowden and others in the House of Commons who tried to protect the conscientious objector from brutal treatment whether their opinions were based upon the moral law or upon the teachings of Christ. He used every means in his power to save individuals from cruelty and oppression. That he did not mince words with Ministers or those in authority might be shown by numerous illustrations. One will suffice — a letter to Asquith's brother-in-law, H. J. Tennant, then Under-Secretary for War, dated April 20th, 1916:

Percy  
fearless

My dear Tennant,

Thanks for yours of April 13th with reference to Mr. Kirkpatrick. It does not seem to me, if I may say so, quite to meet the case; for the Military Service Act clearly enacts that men medically rejected since August last are outside the Act, and I cannot see how any Regulations can bring him in.

As clearly shown in Mr. Kirkpatrick's letter, his son attested owing to misrepresentation as to the law, and you undertook to the House of Commons to put such matters right.

Yours very truly,

P. A. Molteno.

It may be added that Molteno's interpretation of the law had the support of Sir John Simon.

When we remember what powerful instruments — D.O.R.A., the censorship and conscription — were in the hands of the Government, we can realize the value of fearless independent Members of Parliament, and the point of Lord Loreburn's letter to Dumfriesshire Liberals in which he said that the repression of honest criticism had already done incalculable harm and led to dangerous blunders. 'It may ruin the country to silence very-one who is not a Minister.' Molteno was not silenced. Intrigues in his constituency had no effect.

X

He did not swerve a hair's breadth from his course, and no further action was attempted until the General Election of 1918, when the Liberal Party in Dumfriesshire, as in many other constituencies, went to pieces, and even Asquith lost his seat to a coupon candidate.

Percy  
lost seat  
in 1918 as  
LP  
disintegrated

After June 1st, when the House of Commons adjourned for the recess, public attention was turned by sensational news from the Army to the Navy. A report of a great action off Jutland came on June 3rd. On June 5th Percy notes in his diary: 'More accounts of great battle. Barkly arrived. He has evidently gone through great strain. His ship (the *Warrior*) afloat ten hours, towed by H.M.S. *Engadine* and abandoned in sinking condition.' On the next day the mysterious death of Kitchener became known. The wonderful gallantry and heroism of his brother and the crew of the *Warrior*, filled Percy with enthusiasm. On seeing a fine picture of the *Warrior* in

TL

Jutland  
June 1916

Painting of the Warrior

39373 Molteno 490

action in the *Graphic* of June 9th, he wrote to the artist, Charles Dixon, 'I would much like to secure the original if that is possible for my brother, V. B. Molteno, R.N., who was her captain and brought her through the terrible inferno of shells.' Dixon wrote in reply:

It is very gratifying for an artist to feel that he has conveyed something of his subject and what a subject that was, how appalling and grand. . . . I have sent your letter on the Editor, because Editors never say nice things to one; they only grumble when they get the chance and your letter is — well, I want him to read it.

The correspondence ended in Percy buying the original drawing from the *Graphic*.

Percy then asked W. L. Wylie, R.A., to paint a picture of the *Warrior* showing her position and those round about her. Wylie got to work at once, and he also provided two little pictures of the Horn Reef Battle. His brother Barkly, who was resting near Farnham at the end of June, expressed his delight. 'I have never,' he wrote, 'been so pleased with any picture before.' The three pictures would have immense historic value, as they depicted so splendidly the exact state of affairs at 3.10 and 6.20 p.m. Percy also bought a number of copies of the *Graphic* for his relatives in various parts of the world, and he also had two hundred copies of a collotype colour reproduction of Wylie's oil-painting made for him by the Rembrandt Gallery with a sketch key giving the names of the ships. He also commissioned Dixon to paint him a picture on the basis of the sketch in the *Graphic*. Dixon had just been compelled to work on the farms near his country home by Mr. Neville Chamberlain, the Minister for National Service.

There was some delay with the reproductions, as all the blockmaker's men had been called up to join the Army. Mr. Robert Dunthorne was allowed to exhibit the two colour prints at the Rembrandt Gallery with an explanatory leaflet, to which Percy added the following note:

The first colour print depicts the *Defence* (the flagship of Rear-Admiral Sir Robert Arbuthnot), at 6.10 p.m., with the *Warrior* (a similar cruiser captained by V. B. Molteno) three cables astern of her, and coming under the fire of the enemy battle cruisers.

The second colour print represents the position of affairs seven minutes later, just before the *Defence* blew up under the fire of the enemy battleship.

Almost immediately afterwards the Wylies lost their son at the Front, a promising boy who had just got through his College career.

In September a Junior Naval Officers' Club was started at Invergordon for the use of the junior officers of the Fleet who were stationed there. Percy and Bessie Molteno contributed handsomely, and a tea-room was added to the buildings out of their contributions.

There was no little surprise that Captain Molteno was not recommended for Honours, though his name was in the list of those commended for their part in the action by Sir John Jellicoe. He was, however, immediately appointed Flag Captain in H.M.S. *King George V*, and

My father had these

Barkly promoted

subsequently commanded the *Minotaur*, the *Shannon* and the *Bellerophon*. He received the C.B. and was promoted to the rank of Rear-Admiral in 1921.

REPRISALS IN WAR-TIME, 1915 TO 1917

In common with other chivalrous and humane people Molteno felt the folly and wickedness of reprisals in war-time, when they take the form of killing defenceless people because defenceless people have been killed. Indignation and the natural instinct for revenge are supported by advocates of reprisals with the argument that they may serve as a preventive and also that they may promote success in war by terrifying the enemy and creating a desire for peace in his civil populations.

Molteno not only felt that reprisals of this kind were wrong but used all his influence to prevent them. On June 17th, 1915, he wrote to H. J. Tennant, the Prime Minister's brother-in-law at the War Office :

'I see that the French have made an air raid on Karlsruhe and have dropped a number of bombs, killing men, women and children. My object in writing to you now is to urge that our aviators should have instructions not to drop bombs on open towns and undefended places. There seems to me nothing more diabolical in the whole range of atrocities committed by the Germans in this war than the dropping of bombs on towns and undefended places, not knowing where those bombs may fall or whom they may kill. It is even worse than the *Lusitania*, if that were possible, and no military object is gained.

'I thought of putting a question to the Prime Minister by private notice today, but have desisted from so doing, as I appreciate the delicate position in which we are placed so far as the French are concerned and the desirability of not doing anything which might imply censure or criticism of their action. But as the Official Communiqué stated that it was in retaliation for the dropping of bombs in this country as well as in France by the Germans, we cannot altogether ignore what is being done.

'I do trust I may have a reply from you that we will not indulge in these atrocities.'

On the following day he wrote a similar letter to the Prime Minister, quoting the official French report issued on June 16th:

'As a reprisal for the bombardment by the Germans of open French and British towns, orders were given to bombard this morning the capital of the Grand Duchy of Baden.'

This practice of dropping bombs indiscriminately seemed to Molteno 'murder of the foulest type without even military advantage. It would seem therefore to be one to which necessity does not compel us to descend.'

Tennant's reply was fairly satisfactory, and on June 24th, Mr. Asquith wrote: 'Thank you for your letter of June 18th. I am grateful to you for writing instead of raising the matter in the House.

'I have made enquiries at the War Office, and I may tell you confidentially that strict instructions are given to our aviators to bombard only places of military significance. Moreover, all bombing is carried out under the immediate directions of flying officers of the rank of Lieutenant Colonel.'

In October, however, the Zeppelin raids induced the British Government to take part with the French in bombing reprisals on Stuttgart, and a number of distinguished men including Lord Alverstone, Lord Bryce, Sir Edward Clarke, Professors A. V. Dicey and Pollard sent their protests to *The Times*. Thereupon (October 21st) Molteno wrote to Lord Alverstone thanking him for his letter and telling him of his correspondence with the Prime Minister. It may be noticed here that another correspondent in *The Times* pointed out that it was too late to insist on Hague Conventions; 'the Germans violated them; we — however tardily and half-heartedly — have in self-defence followed suit. The Germans used gas; we now do likewise.'

leaves  
opposed  
reprisals  
on  
civilians

74  
bombing  
starts

On April 19th, 1917, Molteno wrote to Bonar Law with enclosures. Bonar Law replied at once, April 20th:

I have your letter of April 19th and I return the enclosures which you kindly sent me.

The position is quite different since the enemy have started to sink hospital ships, and the action which we have taken was a reprisal.

Thereupon Molteno put a question in the House on April 24th referring to the Freiburg raid and the policy of reprisals. He also put down some notes on the subject from which one or two extracts may be made:

General Smuts has stated that the air raids on London were futile and immoral. Then why imitate them?

Lloyd George in conversation to a crowd said 'Give them hell'.

Churchill had to give way when he started discriminating against submarine prisoners.

What has been the effect of the bombs on London? Has it caused a strong peace feeling? No. Is it likely to have the opposite effect on Germany?

On October 9th, 1917, Molteno wrote as follows to the Archbishop of Canterbury:

'I have not the honour of your personal acquaintance, but I write to you as a Member of Parliament at this critical moment of our national life in all earnestness.

'Upon a previous occasion, when reprisals had been decided upon by the present War Cabinet, I took the earliest opportunity in the House of Commons to draw attention to it. I received letters then from some of your clergy thanking me and asking what they could do to help. Your Lordship took action in the House of Lords, which action was completely successful. I now write to ask your Lordship whether there is any possibility of any action of a similar character being taken on this occasion, and whether in your opinion it is desirable to have some conversation on the subject before the House meets.'

He then offered to call, and mentioned Mr. Asquith's assurance in 1915, adding:

'The danger of falling to the German level of moral degradation in this matter is now upon us, and the time seems to me to be at hand when religious, moral, humane men must dissociate themselves from this policy if they cannot stop it.'

The Archbishop immediately responded. On October 16th Percy saw him in his room at the House of Lords, and wrote the following note:

'I saw the Archbishop as arranged. He explained that he had made his protest, read his letter to *The Times* of June, and said he had come in for much abuse. He mentioned that the Bishop of Ely and others had written to *The Times* yesterday and to-day. He thought it would only weaken matters to protest again. I said it was now a new departure, outlined in Smuts' speech, 'an eye for an eye and a tooth for a tooth'. Also Bonar Law had said <sup>4</sup> that so far as planes could be spared from military purposes they would be used on German towns.

The Archbishop mentioned that, as the French were doing it, our Government were in a difficult position.

I sounded several M.P.'s, and they thought it was not possible to make a protest. Hirst took that view too.<sup>5</sup>

In addition to all his efforts to mitigate suffering at home, and to mitigate the ferocity with which the war was being carried on, Molteno concerned himself with the treatment of native carriers and labourers, and

<sup>4</sup> October 16th, 1917.

<sup>5</sup> Molteno had spoken about reprisals on May 14th, 1917, in a debate on the Consolidated Fund Bill.

His  
rat. and  
arguments  
against  
bombing

Percy's Treatise  
of Apr 24th  
sounding it

especially of those in the African campaigns on which he had a good deal of private information. His correspondence with Mr. Travers Buxton and Mr. John Harris, the secretaries of the Anti-Slavery and Aborigines Protection Society, reveals the range of his activities. In 1917, for example, he prompted measures for the welfare of the South African Labour Corps in France; in the same year he helped to frustrate attempts by the Empire Resources Committee to exploit native labour in Sierra Leone, and in the same year he exerted himself to ameliorate the condition of native carriers in East Africa who were being decimated by disease in the summer of 1917. He attributed the sickness to inferior and insufficient rations, and contrasted the health of these carriers in France where they received civilized usage and hospital attendance. Molteno's exertions and those of his friends to stop the sweating and flogging of the Labour Corps in East Africa, and to improve their miserable diet had considerable success. Eventually in October, 1917, Sir Arthur Steel-Maitland, wrote to him from the War Office that they had sent out a small commission to German East Africa to inquire into the causes of the recent outbreaks of disease, and two months later a letter was forwarded to him from the War Office reporting a very satisfactory reduction of the sickness casualty rates which testified to a great improvement in the health of these native carriers. Molteno's unacknowledged work had the only reward he sought or cared for — a mitigation of human suffering. In German East Africa at the outbreak of the war there were believed to be about 185,000 slaves (mostly domestic) who were being emancipated at the rate of 3,000 a year. In July the Anti-Slavery Society appealed to the British Government to put an end to slavery 'in the former German territory of East Africa'. This appeal, with which Molteno was associated, happily succeeded. It may be added that in 1917 Molteno was constantly putting questions to Ministers at the War Office and the Colonial Office about the treatment of native labour in the war.

TZ

like Donald generation later in SA

## CHAPTER XXXII

## PEACE AIMS AND WAR AIMS

THOUSANDS of books and tens of thousands of pamphlets have been written on the aims, secret and professed, of the belligerents in the Great War. Almost from the first good men and women all over the world tried to persuade the belligerent Governments to listen to the voice of suffering humanity. Surely rulers and statesmen would willingly and eagerly seek means of bringing the frightful carnage and destruction to an end by negotiations. Two difficulties proved insuperable. The first was that the Governments at war dared not conclude a peace without victory. How could they justify going to war if the war ended in a stalemate settlement? The second reason was that the original belligerents not only had territorial aims in view for themselves, but had also in the course of the war induced other Governments to join them by offering

new law

obstacles to peace (2)

a share of the spoils. Accordingly, when at last the Allies won the war, they had to take large portions of territory from Germany and Russia besides breaking up Austria-Hungary. Nevertheless this struggle for reasonable peace terms went on, and among those who persistently pressed our Government to hold an olive branch in one hand, while it brandished a sword in the other, were Molteno, Loreburn and others who had vainly striven to prevent the catastrophe of August, 1914. In this group one of Molteno's most intimate friends was Gordon Harvey, Member for Rochdale, a man of the purest integrity and independence, absolutely disinterested, who united shrewd common sense and business ability with moral and political idealism. Owing to ill health and the claims of business Harvey was often absent from the House of Commons. Consequently there passed between the two friends a good deal of correspondence, which throws light upon their attitude to the war. Molteno was also in constant touch with Earl Loreburn, whose clear and powerful mind was always in eager search for peace.

In September, 1914, some of the strongest opponents of the war, among them Ramsay Macdonald, Charles Trevelyan, J. A. Hobson, Norman Angell and E. D. Morel, formed the Union of Democratic Control and issued a statement setting forth the lines of policy that ought to guide our government. These were in brief:

1. No territory should be transferred without the consent of its population.
2. No arrangements (such as secret treaties) should be entered upon by the British Government without Parliamentary sanction.
3. Our foreign policy should aim not at a Balance of Power but at a Concert of Europe.
4. A drastic reduction of armaments by all the belligerent Powers should be part of the peace treaty.

Though Molteno was in general agreement with this policy, he did not join the committee, probably because he thought that the secretary, E. D. Morel, was too much inclined in his controversial writings to find excuses for the German Government. Nor did Molteno act with the Independent Labour Party, though he admired its courage and independence and often voted with its Members in Parliament.

At Christmas, 1914, there was an informal truce on the Western Front and British and German soldiers made friends and played football together. But they had to return to the game of killing one another.

I have been spending my leisure [so wrote Percy Molteno to Gordon Harvey on December 29th] on going into the question of foreign policy, and I am coming to the conclusion that this war does not differ from any of the other wars in which we have engaged on the Continent. It is one of a series to maintain the Balance of Power.

Here, it may be observed, he was anticipating the conclusion arrived at by Dr. G. P. Gooch twenty-four years later after his exhaustive research of the diplomatic archives. Molteno continued:

Opponents  
War in  
1914

Percy was  
scarce  
Term  
Total

Percy  
ILP

Under Gladstone we maintained the policy laid down by him of the Concert of Europe and no special friendships or entanglements. This was followed most strictly by Lord Salisbury through the whole period of his Foreign Secretaryship; and as I think I recalled to you Sir Edward Grey in the White Paper, when he found himself on the brink of the precipice to which his special friendships had led him, proposed a Concert of Europe to secure Germany from attack.

Largely through the efforts of Bright and Cobden, as you know, this policy was the national policy after the Crimean War. When there was a demand for interference at the time of the Danish War, the question was again discussed, and Sir Louis Mallet tells us:

'The memorable debate which decided the course of our policy in this critical moment decided far greater issues; and the principle of Non-Intervention, the only hope for the moral union of nations and the progress of freedom, became the predominating rule of our foreign policy (under both Gladstone and Salisbury), and, with different limitations and qualifications, a cardinal point in the Liberal creed.'

How did we come to abandon this policy, which gave us peace for so many years, while the opposite policy had involved us in such tremendous wars in preceding years? The key to the situation must be looked for in the history of Europe.

The moving force in creating a new group of Powers was, he thought, the French desire for revenge on Prussia and for the recovery of Alsace-Lorraine. After a period of isolation France established friendly relations with Russia, and in making that relationship closer 'I find that she followed identically the same course as she pursued (later) with us in getting us into military and naval conversations'. The clever French diplomatists said that, as the two Governments were so friendly, they might want to help each other in case of war, and to ensure that the help would be effective it was desirable that the naval and military staffs should confer together. Eventually a definite alliance was concluded.

There was no hope at that time of getting us to join. All the Continent realized that we would not make definite alliances with any Power.

When the Russo-Japanese War disclosed the extreme weakness of Russia, the French cast about to seek more substantial support, and the bait they used with us was our position in Egypt. They were prepared to abandon Egypt completely to us provided we would leave them a free hand in Morocco. This led to the Anglo-French understanding of 1904 and to the Morocco agreement, which as you know was of a dual character — an agreement made public which provided for the independence and integrity of Morocco, and a secret agreement, made public only in November, 1911, which provided for the partition of Morocco between France and Spain.

The Entente with France was supplemented by naval and military conversations which were kept secret from the Cabinet as a whole; and in 1907 an agreement with Russia entangled us gradually in the Russo-French Alliance, and led us into the Great War, though that war

with  
the  
with  
victory)

Concord  
Powers  
Duple  
1904  
Morocco

began with a quarrel between Russia and Austria over Serbia — a quarrel in which no British interests were involved.

From this starting point the two friends and Loreburn began to discuss the implications of the alliances with France and Russia as well as with Italy, when that Power came in to share the prospective spoils. At the beginning of June, 1915, Molteno informed Harvey that Loreburn, with whom he had had a long talk, thought some assurance should be asked of the new Government as to their war aims on such questions as Belgium, Alsace-Lorraine, Italia irredenta ('to which we are being committed'), Constantinople, the Persian Gulf and the German Colonies. 'Are we to be asked to continue the war until all these questions are settled?' In July and August Molteno's group in the House were discussing war aims and peace terms. Harvey was not hopeful of immediate results. As in all previous great wars, so in this, he felt that 'the original causes of war have become shadowed by something else'. That something else was rivalry between the two most powerful nations in the world. Therefore any terms offered with hope of success to Germany must take account of her aspirations for Colonies and overseas markets. Would it be possible to end the war by promoting a world Congress to which neutrals might be invited?

Nothing daunted, Molteno was applying his mind to the possibility of a just and reasonable peace settlement, and was discussing the problem privately and confidentially with a number of friends, not, as he wrote, with a view to any immediate action or publication, 'but in order to clear our own minds and be ready to avail ourselves of any opportunities which may offer'.

On July 27th he sent Loreburn a draft of his own ideas, after reading two new books by Hobson and Fayle. Fayle in the pursuit of nationality wanted to take pieces away from Austria and add them to neighbouring states. Molteno preferred applying the principle of federation within the Dual Monarchy. He scented the danger of a spoils settlement, and foresaw that the war might be prolonged in order to break up a state which, as Bismarck said, would have had to be invented if it had not existed.

Though Molteno's peace project and Loreburn's comments had no influence on official war aims, they are still of real interest. The friends agreed that Belgium must be evacuated and the people compensated for their losses. As to compensation, wrote Loreburn, 'a week's expenditure on the war would more than cover this item'.

They agreed too that the Alsace-Lorraine problem must be solved 'on terms satisfactory to the people of the province and to France'. Loreburn thought France might make some Colonial concession to Germany in return for Alsace-Lorraine. Molteno proposed that the Polish parts of Russia, Germany and Austria should be constituted into a Polish state under Russian suzerainty. Loreburn preferred an independent Poland. Fourth and last among the territorial changes which Molteno wished to embody in the peace terms was an excellent article 'that Constantinople should be a free city and that the fortifications of the Dardanelles and the Bosphorus should be dismantled'. He recalled the Convention of Reichstadt (July 8th, 1876) between Russia and Austria whereby it was agreed to proclaim Constantinople a free city. Loreburn did not think it would be possible to eject the Turks.

From these concrete proposals Molteno passed to the most difficult problem of all, which was already beginning to excite speculation — the problem of guarantees for a permanent peace, a problem that remains unsolved after an interval of twenty-four years and is, as I write (October, 1939) the chief difficulty in the way of peace negotiations with Hitler and Stalin. Nations, he argued, are interdependent and cannot be isolated. Therefore they must try to bring the political and diplomatic systems of the world into harmony with the facts, first by a Congress of Europe to settle details of European peace, and, secondly, by a Congress of all the Powers of the world to guarantee the peace of the world. In support of this he cited Grey's statement in the White Paper of July 30th, 1914, of what he would endeavour to do if the crisis were safely passed and the peace of Europe preserved.<sup>1</sup> He also quoted from Asquith's declaration at Dublin on September 26th, 1914, that the purpose of the war was:

'The substitution for force, for the clash of conflicting ambitions, for grouping and alliances, and a precarious equipoise — the substitution for all these things of a real European partnership based on the recognition of equal rights and established and enforced by a common will.'

Loreburn was strongly in favour of a peace congress provided the neutrals were there, but as to guarantees he asked, 'Do you mean by guarantees a promise to use force?' If so, he objected. Turning to Sir Edward Grey's statement Loreburn made an important criticism, the neglect of which has cost us dear.

'If Grey means merely the establishment of a good understanding and mutual undertaking not to attack one another I agree. If he means a promise of armed support, I disagree.

'We alone have a physical separation from the rest of Europe, and ought to keep out of anything which can lead us to land troops on the Continent.

'I do not believe you can get further than

- (a) a stipulation to have conference always before declaring war;
- (b) a scheme of international arbitration.

'They are not thoroughly reliable methods, but there are no better.

'I would add freedom of seas and neutralization of inoffensive commerce.'

Coming to Molteno's quotation from Asquith's speech at Dublin, Loreburn wrote severely: 'Asquith's language is mere rhetoric. If he means an undertaking to make war on an offender I strongly object. My policy is as soon as possible to get England outside the European system.

'We should act up to our pledge, and the other nations would not.'

Whatever Asquith may have meant at Dublin, he refused a few months later in the House of Commons to dissociate himself from a statement by Mr. Churchill to the *Matin* that, should France and Russia withdraw from participation in the European war, Great Britain would fight to the bitter end.<sup>2</sup> Moreover, Asquith's reiterated assertions that he would not sheath the sword until Prussian militarism had been finally destroyed, and the secret treaties for dividing up enemy territories between the allies were a sufficient proof that on July 29th, 1915, Asquith and Grey were not ready either to consider the arrangement of a moderate and reasonable peace by diplomacy, or to listen to proposals for mediation by the United States or other neutral governments.

If, wrote Loreburn, in conclusion, we are all, including the British Government and our enemies, agreed that the

<sup>1</sup> In that case, said Grey, he would work for an arrangement to secure Germany against aggression by France, Britain or Russia.

<sup>2</sup> See Hansard, February 25th, 1915.

HMG  
refused  
US peace  
overture

↑  
#Hick writing this part  
of book - Oct 1939

main object is now to obtain guarantees for a permanent peace, 'then why not set about it at once?'

Molteno was well pleased with Loreburn's appreciation of his memorandum and much impressed by his criticisms.

As he and his friends were anxious above everything else to promote peace negotiations by a definite and rational statement of war aims, they persuaded Lord Loreburn to draft an address which might be presented to the Prime Minister and Sir Edward Grey. It is marked by all the lucidity and vision that his surviving friends still associate with the man — qualities which mark all his speeches and writings, including his book *The Truth about the War*, on which he embarked about this time.

In this draft, after touching on 'the wickedness which would be involved in the neglect of every opportunity of concluding an honourable peace', Loreburn went straight to the fact that on September 4th, 1914, the signatory Allied Powers agreed that not merely was there to be no separate peace but also that 'when terms of peace come to be discussed, no one of the Allies will demand terms of peace without the previous agreement of each of the other Allies'. He went on to point out the seriousness of the situation if it turned out that this agreement 'had been superseded by secret engagements subsequently made by our Government'. He referred especially to 'the promises truly or falsely said to have been made by our Government to Italy, Servia and Rumania, and to the danger of 'special ambitions prevailing over the common interest'.

Loreburn also discussed the attitude to be taken up towards our principal enemy Germany. Unless the war was to be perpetual, 'we must one day or other have communications with the German Government'. If there were a refusal to communicate with the Hohenzollerns, that would be tantamount to saying that peace could not be made till after a revolution in Germany — a remote and improbable event in view of the military conditions prevailing. Hence he came to the conclusion that an endeavour should be made to bring about peace by diplomatic means. Instead of dealing out vague generalities we should state reasonable terms which both sides might be willing to discuss rather than continue hostilities at a cost which seemed to be an outrage on humanity.

After Parliament adjourned Percy wrote (August 24th) in a despairing mood from Parklands to his sister Caroline:

I had hoped that the South African War would have been the last in our lives, but we see all its horrors now multiplied and intensified a thousandfold. And it seems quite impossible to take any steps at present to bring it all to an end. The nations seem fated to exhaust themselves utterly before reason can be heard again.

I go to-morrow to Scotland to join Bessie and the others at Glen Lyon, and even this little separation from the atmosphere of war will be a relief.

Loreburn was equally unhappy. He recognized (August 23rd) that German submarine warfare was making it impossible to create the kind of feeling needed for peace negotiations.

Percy depre  
by war  
end

The British Government had 'no mind or will of their own . . . but somehow something must come to end this awful slaughter'. He had been reading a book on the War by E. D. Morel — good in many ways but too fair to Germany, whose Government he should have condemned for declaring war instead of merely mobilizing when they learnt that Russia had mobilized. 'Where, as in all human affairs, there are many contributing causes, you may by a comparatively over-estimate of some, or inaccurate presentation of others, shift the balance so as to shift the real weight on the wrong shoulders.' He confessed that he was at his wits end what to do. 'Our Government conceal what is going on, and they conceal their engagements with foreign Powers. And, what affects me so much, we have millions of men abroad whose welfare and safety is my first thought. We can do nothing that would place them in a difficulty. I am glad to think that Common Sense will begin soon. It will be of great value.'

This was a new independent weekly paper which had been planned by a number of us early in the year. Earl Loreburn was a shareholder and constant contributor. I had left The Economist to take up the editorship. The Directors were Percy Molteno, Gordon Harvey, Richard Holt, Godfrey Collins (all Members of Parliament), Sir Hugh Bell and Sir Herbert Leon. We acted together in perfect harmony. The paper was issued at the popular price of twopence, which gave it a larger circulation than the weekly sixpenny reviews. There were occasionally difficulties with the censorship, partly because we supplied news and information as well as criticisms. But it must be said to the credit of the Government that Common Sense was never suppressed, though its export, like that of The Nation, was sometimes prohibited. The first issue of Common Sense was on October 7th, 1916, and from that time forward until the end of 1920 it supplied a permanent and extensive record of the views of Percy Molteno and his friends. A correspondence with Gordon Harvey and others on the preliminary arrangements for starting the new periodical was deposited by Percy Molteno in a special box among his records.

In September and October, 1916, the press began to discuss what were then called the Taft-Wilson proposals (afterwards identified wholly with President Wilson) for establishing a League of Nations. On September 10th Harvey wrote to Molteno, who was at Glen Lyon:

'The situation continues most unhappy, though I find the feeling here what I should call wonderfully subdued and decent under the circumstances. Now, I believe, very few like conscription, and my sins (in opposing it) are forgiven. I am inclined to think that we should expose the financial situation in Parliamentary debate in all its blackness. You see that the Trade Union leaders are saying that they will not allow wages to be reduced from the present level after the war; and it is being proclaimed that all sorts of expensive social reform will be demanded because the war has shown how easy it is to get money!'

He saw no hope of escape from a winter campaign, but suggested that Sir Edward Grey should be pressed to welcome President Wilson's idea of a League of Nations. Molteno replied that he thought the American scheme should be very carefully considered before they came to any conclusion. This was the impression he had gained from studying the history of the Congress of Vienna and the subsequent attempts of Russia, Austria and Prussia ('the Holy Alliance') to secure peace by force. Harvey appreciated this objection, but was greatly impressed by the need 'to get before our bewildered people some idea to which they may look in the hope of security if and when peace is made'. They must realize how preva-

Harvey  
leaves  
Economist  
to run  
Common Sense  
Oct 1916

asked  
without

This  
demand  
social  
reform

lent was the feeling that 'in future no pledges or treaties can be relied on as past agreements have been'. Therefore 'I do not want you to reject the idea of a League of Nations too hastily'. Molteno forwarded Harvey's letter to Loreburn, who replied from Kingsdown on September 29th:

'I return Mr. Gordon Harvey's letter. When a man like him thinks one ought not to commit oneself to a League to enforce peace or against it I would comply. For there is no necessity to take an irrevocable decision while the thing is still in embryo. But I see insuperable difficulties, and would like to know how they can be removed. The idea of enforcing peace rests on the utter breakdown of the system of Treaty making. But what is an international agreement to enforce an arbitration award except a Treaty on a large scale? Who can satisfy you that when the Treaty is made it will not be evaded? Do you really think that we would join Germany in a move against France, or Russia, or U.S.A. in ten years time merely because they refused to carry out an award in which we had no imaginable concern, or even had an interest against the award? And who will guarantee that the Arbitrator will be impartial? I have seen something of International Arbitration. It has not always been free from corruption, and it has seldom been free from bias. It will do well enough for providing a settlement between parties who agree to arbitrate; but I shudder at the idea that arbitrators from Switzerland (one of the best) or U.S.A. or Germany or Brazil should be able to make an order, the effect of which will be to compel us to go to war against, it may be, a friendly Power.

'I wholly refuse, until I am convinced by arguments at present unknown to me, to agree that anyone except a British Government shall be able to make Britishers draw the sword.

'The truth is that people are so outraged by this horror that they say something must be arranged which may compensate. This, however, is a dream. It is dangled before us to help us hope all the bloodshed is not fruitless. But the bloodshed is only fruitful of evil if we look straight at things as they are; and no man has a right to look at them awry; for it is by looking at them awry through the mist of party politics and the accursed atmosphere they breed that we are in this trouble.

'But I will honestly keep my mind open to argument.'

This powerful argument reached Molteno at Dumfries on his way south from Glen Lyon. 'Everyone', he wrote, 'must admit the force of the considerations which you urge, and they must have very great weight.' Nevertheless, he thought a strenuous effort should be made to find machinery for giving effect to the independence of nations lest civilization should be arrested and eventually destroyed. Harvey stuck to his opinion. Loreburn, he said, had mistaken the lines of the American suggestion which was not to enforce an arbitration award but to resist aggression if made prior to arbitration. They must find a system which would prevent our Government again stumbling blindly into war, 'as we have done'. People generally 'cannot be expected to cry for peace until they feel satisfied that the future holds some security and safeguard'. A few days later Molteno and Loreburn conferred on the subject in London. Soon afterwards Loreburn began to send Molteno the early chapters of his book, *The Truth about the War*. Percy had provided Loreburn with raw material from the speeches of Ministers and their answers to questions in the years preceding the war. He took great trouble with the proofs, and on December 25th Loreburn wrote from Kingsdown: 'I am deeply indebted to you for your criticisms; you are I am sure right in the main.'

While these discussions of peace and war aims were

Wh  
for  
The

Very warm re post-war economic conditions  
in early 1916

39373 Molteno 501 1191w

proceeding Molteno and some of his friends in the House of Commons, more especially Richard Holt and Gordon Harvey, were becoming profoundly anxious about economic conditions at home and abroad. They saw a double danger — that famine and pestilence would ravage Eastern Europe and that the war might end not in the free or freer trade which ought to be part of the peace terms, but in tariffs and restrictions and economic warfare. It happened that Mr. Herbert Hoover who had been entrusted with Belgian Relief by President Wilson, lived not far away from Molteno and myself in The Red House on Campden Hill, and we both came to enjoy the privilege of his friendship. Probably no one in London knew as much as he did about the conditions of the people in Europe, the dumb innocent victims of their Governments.

In his diary under date February 15th, 1916, Molteno records the following conversation:

I met Mr. and Mrs. Hoover last night. Mr. Hoover is the manager and chairman of the Committee which is feeding the Belgian people. He gave me an interesting account of what they are doing.

They are expending about two and a half millions a month on food, and are employing about sixty ships averaging 5,000 tons to carry the food. The ships are not delayed in discharge, the average time for discharge being twelve hours. They are discharged by floating grain elevators into lighters. These lighters are taken by water over the country, which greatly facilitates the conveyance of foodstuffs to the various centres. The Committee were anxious to give a ration of fat as well as of bread; but difficulties were created by our Blockade Committee. Mr. Hoover described the conditions of the people of Belgium and his difficult position between the British and German authorities. He has made a series of very favourable arrangements for the use of interned German ships to carry the food. These were being worked by a Dutch company.

There had been no actual starvation in Belgium, and the effect of the very short rations had not been detrimental to the health of the population. A certain amount of food was being produced in the country, which supplemented the Committee's supplies.

His Committee was also feeding 2,500,000 French people in the territory occupied by the Germans. In this territory there were no cattle at all. Mr. Hoover also described his difficulties with the French Government, which had refused its consent to one of his schemes.

He said that the condition of Poland west of Warsaw was not bad. It had been organized, so that cultivation had gone on; and there was an actual surplus of food which the Germans had taken for their own use. But in the country east of Warsaw the Russians had destroyed everything. They had burnt the farmhouses; they had carried off or burnt the supplies; they had taken about three million refugees along with them, and then, owing to the haste of their retreat, had left about two million behind. These Poles were in a state of desperation, and were dying of famine at the rate of about a thousand or fifteen hundred a day. Mr. Hoover was negotiating with the German and British Governments about supplying these unfortunate Poles with food in German interned ships.

With regard to Serbia he said the situation of the Serbian people was deplorable. The Germans had withdrawn. They had had very small losses in fighting but immense losses from disease in the Serbian campaign, as typhus had broken out and was most deadly. The Bulgarians were applying a system first introduced by the Serbians of killing the landowners and leaving the peasants tenants. He said that an army of about 70,000 Macedonians raised by Serbia had mutinied, as they were Bulgarian in sympathy and race.

Mr. and Mrs. Hoover told a terrible story about the horrors of the Serbian retreat from the Bulgarians through Albania and Montenegro. Hitherto Mr. Hoover had been unable to do anything towards feeding the Serbians.

Herbert Hoover a friend of Perry & Hirst's

Emergency feeding of Belgium - occupied France

0  
ended  
??

Poland

Serbia

TZ

In regard to the war generally Mrs. Hoover told me that in each country to which she had been she heard the same story. They were defending their liberties, their possessions and their lives. The statements made in one country sounded exactly like translations of the language used in the other countries. All were convinced that they were right and fighting for the best cause.

The other danger, that of a tariff war after the Peace, was suddenly signalled by an announcement that Mr. Walter Runciman, the President of the Board of Trade, was going with Edwin Montagu, the Financial Secretary to the Treasury, to take part in a conference of the Allies at Paris to arrange for a future joint fiscal policy. Moltano's group in the House of Commons took prompt action. On March 9th J. M. Robertson moved a reduction in the Vote for the Board of Trade in order to ask the Government for an assurance that nothing would be said or done at Paris to commit the country to a change of fiscal policy or to a boycott of German trade after the war. Such action, he observed, would have the effect of preventing the payment of an indemnity by Germany. Indeed, 'if we took part in the prevention of the only possible mode of paying an indemnity we should ourselves be morally liable to pay it' — i.e., to compensate Belgium and the occupied portion of France for the damages inflicted.

Mr. Richard D. Holt, another free-trade stalwart, in supporting the resolution, dwelt upon the danger of Liberal Cabinet Ministers changing their minds. The following is a quotation from Hansard:

I think those who are attached to free-trade principles have some right to be anxious. The Prime Minister no doubt is a staunch supporter of free-trade. He was also at one time a staunch supporter of the voluntary system of recruiting.

The Prime Minister (Mr. Asquith): And is still.

Mr. Holt: Some people think the Rt. Hon. Gentleman may serve the free-trade cause in the same way that he has served the other.

The Prime Minister afterwards admitted that the arguments of the proposer and seconder of the Resolution presented points of practical interest which should command the gravest attention. One was a skilled economist; the other spoke from a very wide commercial experience; and he could assure them that in accepting the invitation of the Allies and entering the Conference the Government would not commit the country prematurely at this stage to measures which would require the most careful consideration.

This answer was not thought to be very reassuring. The Conference resulted in the notorious Paris Resolutions, and they were subjected to severe and devastating criticism by Mr. Sydney Arnold in a Memorandum which was circulated privately among Liberal free traders.

The situation looked very alarming. The Manchester Chamber of Commerce, which had stood staunchly by free trade for eighty years, influenced by the passionate desire to punish Germany after the war passed a vote against free trade. Thereupon some of the Directors re-

Perry keeps  
to free  
Trade

Francis W. Hirst & Perry v. close  
publically - re Free Trade, the War

signed, and it was decided to make a demonstration in honour of these 'Manchester Martyrs'. On March 31st Molteno wrote to Lord Inchcape:

Some of us are arranging to entertain a few of the Directors of the Manchester Chamber of Commerce who have recently resigned. Mr. Francis W. Hirst of *The Economist* is organizing the matter, and we propose to have a lunch at Claridge's Hotel at one o'clock on Thursday next. Sir Hugh Bell has consented to preside. We shall be very glad if you will join us as one of the hosts.

The other day I was looking up your attitude at the Imperial Conference in 1907, when you took such admirable action in pointing out the importance of free trade to India. Our idea is to steady public feeling and opinion, and prevent Tariff Reformers jockeying the country into a reversal of our free-trade policy.

The luncheon, which took place at Claridge's on April 6th, proved a prodigious success. The toast of the free-trade Directors — after an introductory speech by Sir Hugh Bell — was moved by Earl Beauchamp and supported by Sir John Simon and Viscount Bryce. It was responded to by Messrs. Noton Barclay, Drummond Fraser and R. Finlayson. Mr. R. D. Holt and others followed. The affair helped to rally the free-trade cause, which was strongly represented at the gathering by men of weight and influence like Sir Charles Addis, Lord Ashton of Hyde, Lord Farrer, H. W. Massingham, Sir Francis Mowatt, Gordon Harvey, J. M. Robertson, Lord Mersey, Sir John Barlow, Sir Swire Smith, Frank Debenham, J. A. Hobson and others. As a result (after discussions in which Molteno played a prominent part) the Free Trade Union was reconstituted and invigorated.

A verbatim report of the proceedings, entitled 'The Manchester Martyrs, 1916', was published by 'The Voluntary Service and Free Trade Association', which had been established with Molteno's active aid and generous support at 31, Essex Street, where the office of *Common Sense* was afterwards established. We are all now familiar with the tariff reform doctrine that in trade you can benefit your own country by injuring another and that you can raise revenue from foreigners by imposing tariffs on their goods. This nonsense had been exploded over and over again by argument and experience. In the spring of 1916 a correspondent asked Molteno whether retaliation by tariffs was not justifiable, at least against an enemy. In the course of his reply Molteno pointed out that, as the result of our blockade, Germany had almost complete tariff reform; for she was in the happy condition of being unable to import goods which would have competed with her own products. Had they been consistent and true to their principles British protectionists would have opposed the blockade of Germany, as it afforded our enemies protection against 'disastrous' competition. Indeed, according to the latest practices of Protection, both at home and abroad, we ought to have subsidised British exports to Germany during the Great War, instead of prohibiting them! In the autumn of 1916 as the economic situation at home got worse, the idea of multiplying controls and restrictions began to take hold of Ministers and their officials. On October 11th Molteno put down a note about the committees that were sitting to consider the questions of trade and commerce after the war:

?  
That  
about  
this

All information as to their constitution has hitherto been denied to the House. . . . The greatest mystery prevails.

The Prime Minister has stated that a committee called the Reconstruction Committee is a committee of the Cabinet and that it is not the practice to give the names of members. But it now seems that various sections of the Reconstruction Committee (certainly not composed of Cabinet Ministers alone) are dealing with most momentous questions connected with our future trade and fiscal system. There are sinister rumours of small minorities of Liberals struggling in vain against hosts of Tariffite Tories. We know that the only Liberal on the Palm Kernels Committee was overborne by his Tory colleagues and could only take refuge in a Minority Report. If rumour be correct other expert committees are advising the Board of Trade on steps to secure the possession of important trades after the war, and something of the same kind is happening.

This procedure is very remarkable. Parliament and the country are to be presented with cut-and-dried decisions on matters about which they have not been consulted by committees of which they will have had no knowledge until the Reports are presented. This surpasses even secret diplomacy, as it amounts to a secret disposal of this country's affairs behind the backs of its representatives.

On November 25th Moltene arraigned the Government's food policy in *Common sense*. In the early days of the war a Controller had taken charge of all sugar supplies. 'To-day sugar is about 160 to 200 per cent. dearer than before, and is in many cases unobtainable, this year's being only about 70 per cent. of last year's supply.' He described how when sugar was commandeered, instead of acting as merchants would have done, the Government ordered enormous supplies with the result that our docks were congested and the whole work of the docks disorganized. Cargoes had to be moved elsewhere at enormous cost of labour and time. Consequently ships were delayed and kept waiting for weeks and even months.

Then again the French Government had purchased our reserves of potatoes, and there was no adequate labour to handle the new crop. The price had about doubled; potash was unobtainable, and next year's position was likely to be worse.

As to wheat, on October 17th Mr. Runciman had announced that the Government intended to purchase all the wheat in this country. Within a fortnight the price of English wheat had risen from 71s. to 74s. per quarter in Mark Lane, while Northern Manitoba wheat rose between October 7th and November 1st from 72s. 6d. to about 87s. The announcement about compulsory wheat-bread had caused a scramble for maize, and a panic rise in the price of all offals. He then gave an illustration of the plight of farmers in connection with the scarcity of milk:

A farmer wrote to me to ask my help. He was farming 260 acres of which he had been the tenant for thirty years. His age was sixty-nine; he has nine sons. Of these four enlisted at the outbreak of the war; one, an engineer, is attested in the Army Reserve, working on submarines. Of the other four one offered himself but was rejected on account of a deformed arm. This left him with three to work the farm. Of these the youngest was called up and is serving with the 9th Royal Scots. This left him with two. Of these two one has been called up but returned, as he is permanently lame, while the other was due to report a day or two after his letter to me. Since the war began he had four men employed at various times, but all had enlisted. He, therefore, had remaining himself and one lame son,

one daughter, aged eighteen years, in charge of his house, and one daughter at school. Now, let us see what the task before them was. His dairy consisted of forty-six cows and eighty head of young cattle; he had thirteen horses and a number of pigs, varying between forty and seventy. There were forty acres to put in corn and twenty in green crops. Although he had invested in a milking machine it will be realized that it was quite impossible to carry on situated as he was. He appealed to me to get his last remaining sound son left at home. I wrote to the Secretary for Scotland, but received no reply. The result was that he had immediately to advertise his dairy and stock for sale. This is not a solitary instance. The going concern of the dairy cannot be recreated. Can we wonder that milk is running short? But neither experience nor common-sense availed to stem the flowing tide of a conceited and incompetent bureaucracy.

## CHAPTER XXXIII

THE POLICY OF THE KNOCK-OUT BLOW—  
MR. LLOYD GEORGE DRIVES MR. ASQUITH  
FROM POWER—THE LANSDOWNE LETTER

✓ It is a commonplace a political history that war almost invariably destroys the Government that embarks on it. A noteworthy exception was the Boer War, but even in that case the Prime Minister did not live to negotiate the peace. Pitt fell from power at an early stage in the war with France, and Lord Aberdeen's Administration of all the Talents broke down half-way through the Crimean War. Mr. Asquith's great Liberal Administration, as we have seen, which declared war on Germany at the beginning of August, 1914, collapsed at the end of the following May, and his first coalition after a longer, but uneasy, period of office came to grief in dramatic fashion at the end of 1916. The manœuvres by which Mr. Asquith was induced to resign have been brought to light, and the deposition of his old leader by Mr. Lloyd George has been severely criticized on the score of personal loyalty. The change was justified by the failure of Mr. Asquith to bring the war to a successful conclusion and by the argument that Mr. Lloyd George proved his superiority by winning the war. Molteno assented to the first proposition and denied the second. The course of the war in 1916 (under Asquith) and in 1917 (under Lloyd George) amply support Molteno's views. The blunders and failures of the second coalition exceeded those of the first, and our losses in 1917 were far heavier than in 1916.

Molteno's Parliamentary course in 1916 has been sufficiently described and it has been shown how freely and frankly he backed his opinions. Letters to his brothers and sisters during the year show that in the spring he held as strongly as ever that the dangers at sea had been much increased by the disastrous expeditions to Gallipoli, Mesopotamia and Salonica, which had 'seriously depleted the number of destroyers and small craft' available for the anti-submarine campaign. He rejoiced that General Smuts was making good progress in East Africa.

As to the position in the West [so he wrote to Charlie on March 30th, 1916], Verdun has demonstrated how

May 1915  
Asquith  
Cov. fell

1917  
1916  
under  
Lloyd  
George

*Famine will end the War*

impossible it is for either side to advance. Bloch's prophecy that a stalemate would come is being realized. Famine will eventually end the war (as it did). This of course is operating ~~terribly~~ in countries like Poland and Serbia.

Hearing that a severe drought in the midland districts of Cape Colony was causing famine among the poor he offered £50 to a Distress Fund. He was contributing a much larger sum to help his brother Wallace, being

*Percy for Wallace*

anxious that he should not be unduly worried when he is going through such a strain as is involved in keeping things together under such dreadful conditions. In his case the difficulties through which he is passing could not be foreseen and could not have been avoided by any human skill.

At this time (April 14th) he was a little more hopeful about Peace by Negotiation:

Asquith's last speech explaining his 'crushing of Germany' policy has helped to clear away a good deal of misunderstanding; and it would be a great blessing if matters could be placed on a footing of argument and negotiation instead of brute force.

*Tenn at Sandhurst*

His son was qualifying at Sandhurst for the Cavalry, and ~~had already been twice promoted.~~ Charlie kept him well posted on all matters of family business and finance. Replying to one of his letters on July 21st Percy wrote:

*TZ*

I note what you say as to extravagance. Well, things here are pretty serious, and you will note that we are having to pay 6 per cent. for our one-year Treasury Bills. We remain the only solvent Power among the belligerents.

In the autumn his son's health broke down, he was given leave, and went to South Africa to recuperate. In December Percy wrote to Charlie describing the disastrous effect of conscription on our economic life:

*1915*

*Nervous breakdown*

It has disorganized our whole system. There is a grave shortage of steel, and munitions are beginning to suffer. The railways cannot keep up their services, as locomotives cannot be repaired, much less built. Ships cannot be discharged for want of labour.

In some cases farmers had had to close down and it was impossible to grow the normal amount of food. 'I have just been offered £13 for seed potatoes and 48 shillings per quarter for oats — unheard-of prices.'

The failure of the British offensive in the summer and the gradual worsening of economic conditions at home were undermining the first Coalition. Lord Northcliffe's newspapers representing Asquith as a feeble procrastinator who could not get on with the war or impart vigour to its conduct, while Mr. Lloyd George was hailed as the man whose dynamic energy would ensure a speedy victory.

*Lloyd George manoeuvre to become PM*

The first important move against the Coalition was the famous Knock-Out Blow interview which Mr. Lloyd George gave to an American journalist in order to counter or circumvent German peace proposals which might have encouraged American mediation. It was a

*To SA*

Hands Off warning, a declaration that Britain was determined to carry on the war until Germany, already 'squealing for peace', was beaten to her knees. Moltano and his friends were righteously indignant, not only at Mr. Lloyd George's attempt as Secretary of War — and an unsuccessful one — to commit the Cabinet to a fight to a finish, but also at the coarse metaphors and vulgar language of the dog fight or prize ring in which he had conveyed his message to the American public.

On October 11th, the day after the House met, the Prime Minister, who had just lost a brilliant son at the front, in moving a vote of credit took care not to endorse the Knock-out policy. But Carson, who followed referred to 'the very admirable interview' which the War Secretary had given out to the American Press and urged the necessity for more sacrifices. Mr. Richard Holt, who was chosen to deal faithfully with Mr. Lloyd George, spoke out with a courage that extorted admiration from many even of the official Liberals.

The British soldiers, he said, had not gone into the war in the character of 'sporting dogs or gladiators' but rather as Christian warriors fighting for what they believed to be a great and sacred cause. Nor did he understand why 'the rt. hon. Gentleman had said that the Germans were squealing'. As for fighting to a finish what did that mean? Our Government should make peace as soon as they could get it consistently with obtaining our objects, and he asked for a definite assurance that our original aims would not be allowed to deteriorate, lest we should find ourselves continuing the war from motives less worthy than those with which it had been begun. Mr. Lloyd George insisted that his policy was that of the Prime Minister, that there was a difference between an interview and a speech, an interview being 'A public report of a private conversation'. An intervention to bring about peace by a powerful neutral would have been for us a 'Military disaster and as we were now winning it was not time for us to join the enemy in howling for peace'.

He would not withdraw a syllable of his interview. But in fact neither the Prime Minister nor his Liberal colleagues approved of Mr. Lloyd George's attitude, and one very important Member of the Cabinet, the Marquis of Lansdowne, whose knowledge of diplomacy and foreign affairs was unique, had become a convert to the policy of a negotiated settlement. Shocked by the interview, he was also impressed by a communication from his old friend Loreburn complaining of the government's uncompromising attitude towards peace proposals. He agreed with Loreburn, as Loreburn agreed with Moltano, that in spite of Mr. Lloyd George's boasts no encouragement could be derived from a cool survey of the military situation. Accordingly at the end of October, when Members of the War Committee were asked by Asquith to express their views as to the terms on which peace might be concluded, Lansdowne prepared a memorandum (dated November 13th) in which he explored the position. He asked whether our position was likely to be better after another year's fighting and gave reasons for thinking that the Knock-out Blow would probably not be delivered for a long time, if at all. If another year, or two, or three, passed by and we were still unable to dictate terms,

the war with its nameless horrors will have been needlessly prolonged, and the responsibility of those who needlessly prolong such a war is not less than that of those who needlessly provoked it. Our casualties already exceed a million and we are slowly but surely killing off the best of our male population.

He thought therefore that there should be an interchange of views with our principal Allies as to the possibility of a settlement. France and Italy were showing signs of war weariness, in Rumania a disaster was impending, and the situation in Russia was far from reassuring. We are told in Lord Newton's *Life of Lord Lansdowne* (page 452) that Lansdowne's views obtained the 'complete concurrence' of Mr. Asquith in a short note of three or four lines, dated November 28th, 1916. Thus the Cabinet was preparing to embark on peace negotiations. But when this intelligence was communicated to Lord Northcliffe, then owner of *The Times* as well as of the *Daily Mail*, and to Sir Max Aitken, afterwards Lord Beaverbrook, the confidential adviser of Bonar Law, they at once entered into the conspiracy that ended in Asquith's overthrow. Lord Crewe, a member of the Cabinet, thought that the Lansdowne memorandum helped to seal the fate of the first Coalition. Another important member of Asquith's Cabinet has frequently expressed his belief that we were within a fortnight of negotiations which would probably have ended in a peace far better than that of Versailles, when (in the words of Lord Newton) 'the revolt organized by Mr. Lloyd George ended in his resigning on December 5th, and a few hours later Mr. Asquith was also compelled to resign'. The King then sent for Bonar Law, who declined the task, and then for Mr. Lloyd George, who had previously secured Bonar Law's support. After much bargaining with the Unionists, who insisted that neither Northcliffe nor Churchill should join the Administration, Mr. Lloyd George succeeded in forming a Cabinet, though Lansdowne and all Asquith's principal Liberal colleagues stood out. The feature of the new Administration on which Mr. Lloyd George most prided himself was the formation of a small war Cabinet consisting of himself, Curzon, Carson, and Arther Henderson — a very poor selection which justified Moltano's opinion that it was no more likely to win the war than its predecessor, and much less likely to achieve peace, being committed to the Knock-Out Blow by the very terms of its creation and by the substitution of Milner for Lansdowne.

Next to the outbreak of the war and the invasion of Belgium Mr. Lloyd George's triumph may justly be regarded as the most tragic event in modern history. For the Knock-Out Blow policy involved not only the slaughter of millions of soldiers, but the death of many millions of men, women and children through famine and pestilence over vast areas of the European Continent. Moreover it led eventually to the dictated Peace of Versailles, which proved fatal to the recovery of Europe and ended twenty years afterwards in another convulsion. In terms of British losses it may be recorded here that after Mr. Lloyd George's policy became fully effective in

Harv  
v. curzon  
of Lloyd Ge

the early autumn of 1916 about 450,000 British officers and soldiers had been killed or severely wounded. In the following two years and three months the figure had risen to 2,437,000! Again the national debt which had risen between March, 1914, and March, 1916, from £649 to £2,133 millions sterling, reached £5,871 millions in March, 1918, and £7,434 millions in March, 1919.

So bitter were the fruits of the Knock-Out Blow policy, against which Molteno and his friends struggled persistently but vainly in Parliament and in the columns of *Common Sense*.

As he did not know of Lansdowne's memorandum or of Asquith's assent to its purposes, Molteno shed no tears of sympathy over the Prime Minister and the First Coalition, under which, as he wrote to Merriman, 'the British Empire has suffered disaster and humiliation unprecedented in all its history'. Our forces had been

beaten by the Turks at Gallipoli, chased and captured by the Turks in Mesopotamia, chivvied by Bulgars back to Salonica and shepherded recently by Greek troops from Athens— such are some of the terrible humiliations which this proud country has suffered at the hands of the Coalition and yet suffered it to exist for so long.

Then he went on:

Now we have had a Press revolution. The Constitution is suspended at the bidding of Lord Northcliffe, with the aid of his henchman Lloyd George, who has been working with him for nearly two years, sacrificing every Liberal principle, intriguing against Asquith, and finally ousting him to take his place like the cuckoo.

Party sees a Press Revolution

How false the whole thing is you will realize when I recall the fact that what has finally destroyed the Coalition has been the failure of the Entente's military plans when they brought in Rumania and allowed her to be smashed up. The one man most responsible for this in this country is the man who has been Minister for War since June last, yet he alone, with the aid of Northcliffe, escapes blame and is actually put in power.

Party hates War

Now we have a Ministry of extremists. We are to be governed by Curzon, who nearly brought India to a rebellion, by Milner, who actually brought South Africa to a rebellion, and by Carson who actually brought Ulster to a rebellion, and whose inclusion in the Coalition Government was, according to Mr. Birrell's evidence, primarily responsible for the Dublin rising.

Cabinet

He then reminded Merriman how, as Minister of Munitions, Mr. Lloyd George on April 21st, 1915, had informed the House of Commons of the gigantic strides made since he took charge (as Chairman of the Munitions Committee of the Cabinet) of output of munitions: 'And he ended his statement by saying that the House could rest contented that we had enough munitions for ourselves and our Allies; yet in May (the very next month) the Cabinet of which he was a Member fell because of the shortage of munitions in the West; and he who was responsible for this was made Minister of Munitions to put it right, just as he is now made Prime Minister to put right the mistakes he had made as Minister for War.

Lloyd George

'So much you can do when you work hand-in-glove with Northcliffe and the Amalgamated Press with the aid of Bottomley.'

In Molteno's judgment the military situation at the end of 1916 was very bad. While we were attacking in the West, regardless of life, with stupendous casualties, 'the Germans not only contained us but were able to detach sufficient forces to overwhelm Rumania'. The food situation was also deplorable. Nor was the submarine menace negligible. In one week 250,000 quarters of wheat had been sunk.

Then had come the German offer to negotiate and the American

Mr rejects German offer

offer to mediate. These should have been the starting-point for negotiations, but instead of a calm and statesmanlike consideration 'the Press is howling like a set of lunatics in a madhouse'.

Perhaps this explosion of pent-up indignation was precipitated by the weather. 'At this moment', he wrote, 'we are existing at the bottom of a black fog, and one pictures you at Schoongezicht in a veritable paradise of warmth and brightness and sylvan beauty.' Farmers in South Africa were making money out of the high prices of wool and mohair, but owing to the destruction of so many ships insurance rates had just been doubled and 20 per cent. was being asked for ninety days.

He did not see how President Wilson's peace move could be ignored, as the other neutrals were following suit with notes on similar lines; but he was wrong. Mr. Lloyd George had to carry out the spirit of the Knock-Out Blow; for he had formed a Knock-Out Blow Government, and he spurned all suggestions of peace either from belligerents or neutrals in language as plain, though more polished, than that of his interview.

Moltano was active in the Parliamentary Session of 1917, and his diary summarizes briefly the chief events at home and abroad. In January the British replies to the German and American peace notes were published, and at the beginning of February the German retaliation, the U-boat blockade of Allied coasts, began. Thereupon President Wilson changed over from peace to war and severed diplomatic relations with Germany. At the beginning of February the King opened Parliament. Mr. Lloyd George and Mr. Neville Chamberlain, who had been appointed Director-General of National Service, launched a National Service Bill — much cry and little wool. On February 22nd Moltano moved an Amendment to the Bill to provide safeguards against industrial conscription, and the Government, being afraid of the Trade Unions, had to give way. On March 9th the Interim Report of the Dardanelles Commission was published, and Moltano put aside a copy of *The Times*. A few sentences from its leading article will show how fully his criticisms — and he was almost the only public man who criticised the expedition from first to last — were confirmed by the judgment of an impartial tribunal:

There is not much credit here [i.e. in the Report] for anyone concerned, except the unfortunate sailors on the spot. Mr. Churchill remains, as the public have rightly held, the prime mover in the Dardanelles adventure. He was at least consistent in his purpose when all the rest were vacillating. But it was the consistency of a dangerous enthusiast, who sought expert advice, only where he could be sure of moulding it to his own opinion, and unconsciously deceived both himself and his colleagues about the real character of his technical support. All things considered, the nation may well be thankful that they were saved in the end by the suppression of Mr. Churchill from a still more extensive disaster in the Straits.

Quite rightly *The Times* blamed Lord Fisher for failing to press his objections and Asquith for not enforcing full scrutiny of dangerous experiments. It described the Report, which created a tremendous sensation, as 'an authoritative and detailed record of the origin and inception of a gigantic failure'. Nevertheless Mr. Lloyd George and his precious War Cabinet, undeterred by the failure and unwarned by the example, went on with the

*Key -  
Dardanelles*

Salonica expedition and the costly dispersion of our forces in distant adventures which weakened the Western Front and enabled the Germans to break through in their last desperate (and almost successful) effort of March, 1918.

On March 15th, 1917, came the news of the Russian Revolution, an event that was to prove almost as important for Europe as its French predecessor. It was a disaster for the Allies, but compensation came a few days afterwards, when President Wilson (April 3rd) proclaimed war on Germany. On April 17th Parliament met after the Recess. There followed debates on the suppression of the overseas circulation of *The Nation* and on the Corn Production Bill, one of the most foolish measures of the war. It was severely handled by Molteno in a series of speeches and well-directed questions, one of which was whether an M.P. corn-grower was entitled to vote on the Bill. Another was what the newly fixed prices of wheat and oats would cost the nation. On April 27th the diary records a talk with an Independent Tory M.P., Sir Frederick Banbury, who shared Molteno's view 'that our Government made a profound mistake in refusing to negotiate when the offer was made through America'. He said they should have found out what terms the Germans were prepared for. We might all be ruined in an attempt to attain an unattainable object. On the previous day Molteno discussed Russia with Henry Armitstead, who had spent most of his life in the Baltic Provinces and was hopeful that the new Russian Government would prove to be liberal and might even continue the war if it could be persuaded that the Allied aims were not aggressive.

Bonar Law's first Budget was introduced on May 2nd. On May 14th Molteno complained that there were no correct estimates of daily expenditure. On the same day a League of Nations meeting in London was addressed by General Smuts, Lord Buckmaster and others, who hoped thereby to secure a new peaceful world after the war. In June and July Molteno spoke several times on a Bill for the conscription of aliens and on the financial provisions of the Corn Production Bill. In August he took part in debates on the Scottish Estimates and on sickness among native troops. One important victory can be registered. His long efforts for the control of war expenditure, in conjunction with Godfrey Collins and other friends, were at last successful. In the spring of 1917 they got a representative body of M.P.'s to support a Resolution for the appointment of a committee with power to review national expenditure, to examine Ministers and officials and report to the House of Commons. In a letter of May 17th Molteno congratulated Godfrey Collins on his draft proposals and added a suggestion that there should be 'a continuous audit in all the large spending Departments and a system of verification of deliveries'.

Bonar Law, the Chancellor of the Exchequer, went some way to meet them; for on July 25th, 1917, a Select Committee on National Expenditure was appointed to examine current expenditure, to report on economies consistent with the execution of Government policy, and

TL

TL  
Missing  
ins

April 1917

USA  
Join War

X

le

Perry  
Control of  
War  
Expenditure

to make recommendations to improve the public accounts and the system of control of public expenditure, including the procedure of the House of Commons in relation to Supply and Appropriation. Among the members were Godfrey Collins, Sidney (now Lord) Arnold and Richard (now Sir Richard) Holt. Moltano kept a complete set of its reports, starting from October 24th, 1917, down to August 7th, 1919, as well as a Blue Book issued on February 5th, 1918. Considerable savings were effected.

In this year came a revolution of the franchise, which more than doubled the number of voters by the inclusion of women. The Representation and Redistribution Bills of 1917, which completed the downfall of the Liberal Party, were also destined to put an end to Percy Moltano's Parliamentary career. The redistribution of seats merged the small constituency of Dumfries Borough in the County, and thus the chief Liberal Whip, Mr. Gulland, would in the ordinary course have lost his seat, as the smaller constituency was merged in the larger, of which Moltano was the sitting county Member.

On the larger and more important issue of the Franchise Bill Moltano retained his opinion about Women Suffrage; but Mr. Asquith 'bolted', and this revolutionary measure was carried although the issue had never been laid before the electors for their consideration.

The Speaker's Conference had made a report on electoral reform which proposed a compromise on the subject of Proportional Representation. Its effect would have been to give a minority party substantial representation in Parliament, and it would also have made it possible for independent men of character and reputation to gain a seat without submitting to the dictation of a caucus. The proposed compromise would have been carried but for a manifesto against Proportional Representation of the London Liberal Federation. It was a fatal blunder. Had P.R. been passed, independent Liberals in the worst of times would probably have retained ten seats in London. In 1939 they have only one!

Under a system of Proportional Representation men like Percy Moltano would have had no difficulty in securing a seat in Parliament. On this issue Moltano made one of the few mistakes of his political life, unless it was a mistake to disdain personal advantage or to prefer independence to the temptations of office. His whole course from the death of Campbell-Bannerman down to the end of the Great War was a long series of blunders, if office had been his object. In voting against Proportional Representation he may have been influenced by the opinions of Morley and Eversley. He afterwards changed his own; but during the rest of his life the two majority parties, Conservative and Labour, preferred to retain a system which under the three-party system has made the House of Commons after almost every general election a caricature of the views of the electorate.

In the course of 1917 in spite, or more frequently in

<sup>1</sup> That of *Common Sense* was also included in the embargo.

<sup>2</sup> The speaker answered: 'Yes'.

1917 Women

Suffrage granted

TL

Silly!

PR nearly introduced

Percy ant PR

consequence of, innumerable decrees, which were intended to give an air of bustle and energy to the new Coalition, the financial economic situation at home deteriorated steadily, while the prospect of a decisive military victory drew no nearer. It had become a war of exhaustion, with stalemate on the Western Front and appalling lists of casualties which grew at an ever-increasing rate, desolating almost every home in the country. In the first nine months the new Government imposed nine new Controls with large and well-paid staffs. And at the end of March a new Conscription Bill was introduced to force more men into the Army. Molteno described it concisely:

'This is a most unconstitutional abandonment of our liberty to a bureaucracy. The age limit may be varied by proclamation; the Tribunals and all the rights under them may be altered by Proclamation; all the exemption safeguards may be abrogated by Proclamation. It is a Bill for handing over the people of this country to the absolute and unlimited power of a bureaucracy.' He went on to show what was happening in his own constituency 'through the unintelligent application of the rule for the withdrawal of all exemptions'. Here are two cases:

On April 4th, 1917, a constituent wrote about his only son, then at Salonica, who had enlisted on September 9th, 1914, at the age of seventeen years three months. He was wounded at Loos but did not get home. He was in England in hospital in July, 1915, and was then sent to Salonica, where he contracted malarial fever and was taken to hospital in Malta. Thence the lad was taken back to Salonica, and his father had just had a letter saying that the fever was beginning again and the doctor had told him he would never keep clear of it. 'If you could use your influence to get him home, you will much oblige his mother. He is the only boy we have. He will be twenty years of age on May 21st and could help his father on the farm.' There is something very pathetic in this poor man's belief that their Member could save their son.

In June an employer at Thornhill told of a young man, very lame but of service in the manufacture of food, who was to be taken into the Army. 'Another who has been twice rejected for valvular disease of the heart was passed last week. A Major applied the stethoscope and classed him B.I. for garrison duty abroad.' In July a glaring case came to Molteno from Ecclefechan. A plasterer with an old-established business, thirty-nine years of age, a married man with two small children, whose ten men had all been called up, was working with two old men and a lad of fourteen. He had also broken up four acres of pasture to plant corn and potatoes at a cost of £48. Yet he was being called up, and had even been refused leave to appeal.

One of the first decisions of Mr. Lloyd George's War Cabinet was that 30,000 men should be taken from agriculture into the Army; but at the same time it proclaimed that agricultural production must be increased in view of the submarine blockade and the enormous losses of shipping. The Corn Production Bill was inspired by Lord Milner. Molteno tried to improve it; but he voted consistently against the Bill and described it to Sir Matthew Wallace as 'an absolute fraud so far as any raising of corn is concerned'.

I remember after the war visiting a small estate in Berkshire which comprised some of the stoniest ground in the south of England. My friend, the owner, had been compelled by the Milner Bill to plough up several acres at the expense of the Treasury, and the crops produced were too small to be worth cutting. Thousands of acres

Percy  
anti  
Conscription  
H. V. Donald  
took same  
view as SA  
racer  
(legislation)

Perhaps  
give me  
of these  
stories to  
show  
Percy's  
position

of valuable pasture land were also ploughed up under the Bill. All this stupid waste disgusted Molteno, who also noted bitterly 'the number of hopelessly unfit men' who were being conscripted and the expense and sorrow caused thereby. It was the dispersion of our men and ships and munitions on side-shows in Eastern waters that had caused most of the mischief.

After the end of the session Molteno wrote from Glenlyon House (September 4th, 1917) to Loreburn:

Are you to be in London on 13th? I expect to be in Town on that day and would like to call upon you.

I dare say you have noted Baron Sonnino's statement that he had secured a favourable modification of the Italian sphere of influence in Asia Minor. Before the House rose I gave Lord Robert Cecil an opportunity of explaining this, which he declined. Venizelos also tells of a sphere for Greece in Asia Minor.

This confirms Michaelis' account of the Entente division of the Asiatic spoils. M. Ribot also confirmed Michaelis' previous revelation that France and Russia had agreed to deprive Germany of all the left bank of the Rhine.

With such aims can we wonder that the war goes on! If such were the Settlement, what hope is there of a lasting peace, and what cant to talk as if the Entente had no aggressive aims and merely fought for Liberty and Justice! When are we to get out of this monstrous atmosphere which is destroying our youth and civilization itself? And now Wilson talks of no peace with the Hohenzollerns, which — if history has any meaning whatever — will condemn further millions of human beings to death and wounds.

To-day we have Milner in the Cabinet, the avowed advocate of the Prussian military system which we are supposed to be fighting. Yet he announced in the Lords that it is the right system, that the Germans would never abandon it, that they were quite right in their determination, and that we should follow their example.

His friend, Gordon Harvey, who was half encouraged, half amused at the crop of peace projects that were being drawn up at public meetings which reminded him of the Three Tailors of Tooley Street, was more hopeful than Molteno about American policy. 'I am watching Wilson,' he said, 'the only statesman extant so far as I can see. He has the game in his hand, and ere long he will have the ball at his feet.'

*Nov 1917*  
*Italian* On November 3rd, 1917, after the disorderly rout and flight of the Italian Army at Caporetto, Molteno wrote a long, carefully thought-out letter to Harvey about the possibility of finding a substitute government for the Lloyd George-Bonar Law Coalition. He was struck by the number of men who had lost all faith in Mr. Lloyd George, and named some who were ready to consider taking action. As an example he mentioned a talk with Tudor Walters, a neutral sort of Liberal, who agreed that the present Government was ruining us, but said: 'How can we get rid of them? We might use Asquith; only he has committed himself to the Knock-Out policy,<sup>3</sup> and any government which now came in would have to be one which would set out to end the War.' At the same time Tudor Walters admitted that Asquith was less extreme than Lloyd George. Molteno, for his part, did not see how Asquith could save the country after the failures of his two governments and his surrender of free

<sup>3</sup> If Mr. Asquith and Sir Edward Grey had openly supported the Lansdowne Policy after their expulsion from Office in December, 1916, the political history of the Liberal Party would have been very different and the war might have been ended in 1917 by a reasonable peace.

*Perry's*  
*desperation*

trade, free service and free speech. They must have a government of men who were not committed by past utterances and failures and so prevented from doing their duty now — men of moral courage and resolution. He could not believe that the country was bankrupt of honest and able men:

I always said the Knock-Out Blow speech (of Mr. Lloyd George) and still more the reply to the suggestion of peace negotiations at Christmas (1916) were two of the greatest crimes, leading to the unnecessary loss of millions of lives and thousands of millions of treasure. If the Entente had had the means to fulfil its stated purposes, it would still have been folly to give a reply which killed all peace feeling among our enemies and knitted them as one man against us, making a present to the German military chiefs of a most powerful stimulant to use in sustaining the military determination of their wearied forces. But since we had no means to achieve our purposes, as I clearly saw at the time and as events have now proved, it was a still greater crime and blunder. Yet Asquith supported this madness to the full.

I, as you know, foresaw the possibility of this disaster to Italy. I do indeed grieve for her. I know the country and the people of Venetia, and their sufferings haunt me.

Then came the Lansdowne letter. On December 1st, 1917, Molteno wrote to Richard Holt and Gordon Harvey:

Lord Lansdowne's letter is a sign that volcanic forces have been let loose. He has risked his popularity with his Party and all his old connections to say what he considers vital for his countrymen to hear and ponder. Will you consider what we can do under the circumstances. How can we best use the Lansdowne letter, or enforce it. Should we get up a deputation to Asquith asking him to back it? Or should we try to organize a movement of members to address letters to their constituents backing up Lansdowne? He has had the courage to break the ice. We should not let him be destroyed in detail.

Arthur Henderson has already come out in his support. Bernard Shaw says that we are plagued with two sorts of cowards, 'the cowards who are afraid to go on with the War and the much worse cowards who are afraid to stop the War'

Of course there is the view to be weighed that we might do harm to the influence of the Letter by being too soon identified with it. I think however that things are so serious, and it is so certain that Lansdowne is right, that we shall do less harm by coming out to back him than by keeping quiet.

In view of the military situation and the collapse of Russia and Italy Lansdowne's letter was a call back from delusion to common sense. Gordon Harvey replied that he shared Molteno's feelings about Lansdowne's appeal:

It is a brave and candid utterance, and the future will do him justice. My feeling is that we must all let him know that we support him and must back up any Administration which may be formed to carry out the aims and policies he indicates.

Harvey had hopes of Asquith, and suspected (erroneously as it turned out) that he would support Lansdowne, and would give a hint

as soon as he feels that he can carry a large number of his Party with him. Then the country would rise quickly to the occasion, and the days of the bruisers would be numbered as soon as ever it was felt that a more respectable Administration was to be had.

Harvey ✓  
criticized of  
Lloyd George  
↓ He is  
further  
removed from  
The peace  
centre of the  
disintegrating  
liberal party  
than ever  
before (even  
under  
Asquith)

Bernard  
Shaw's View

At the end of the month (December 26th, 1917) Harvey wrote to tell Molteno how 'greatly I have missed the companionship of you and certain others from whom I have been separated for a year'. He was still under doctors' orders:

'I am following events as closely as I can, and rejoice to see your name in Hansard and to observe that you are always on the side of sense and moderation. I wonder how your constituents are regarding you—I hope with returning warmth and admiration. I have little doubt that you stand to gain with the passing of time, as to which I judge by my own case. It has been quite remarkable to find that every member of my organization who differed from me has in turn taken an opportunity to assure me of his confidence and support and to express regret that he differed from me.

'The present Government has lost all hold over the people hereabouts. All classes have fallen away and become doubtful and alienated.'

The prevalent feeling seemed to be, wrote Harvey, that those who composed the Government were not men of character and integrity. There was an uneasy notion that their war aims were neither lofty nor reasonable, or that there were secret aims, kept from the knowledge of the public, and that the men in power 'are gambling away our lives and fortunes for a hidden stake'. These feelings helped to explain why Lansdowne's letter was so popular. He had an uncomfortable feeling that Mr. Lloyd George's last speech in the House was a deception. If the war aims he specified were all that he wanted, and if other things such as the German colonies would be left to a Peace Conference 'an accommodation ought to be a simple matter'.

So the year 1917 with all its horrors and devastations came to an end, with hope revived by the Lansdowne letter.

F.A.P. 12.12.39

CONFIDENTIAL ONLY

39373 Molteno 517

w2469

CHAPTER XXXIV

THE END OF THE WAR AND THE  
COUPON ELECTION

It was written in the Book of Fate that the bloodiest and most destructive war in human history should end in its fifth year, nearly two years after Mr. Lloyd George became Premier and twelve months after the publication of the Lansdowne Letter. That letter (published in the Daily Telegraph of November 29th, 1917) was practically identical with the peace memorandum circulated to Asquith's Cabinet in October, 1916, which, as we have seen, would with Asquith's assent have opened the way to negotiations if Mr. Lloyd George had not torpedoed the First Coalition and secured the Premiership of the Second for himself. Lansdowne's mistake was in not taking action immediately after his resignation. Had he done so he might perhaps have had the support of Asquith and Grey, or at any rate of some of their colleagues. As it was most of the ex-Ministers sat cowed and for all practical purposes silent on the Front Opposition Bench, hardly daring even to criticize the blunders and failures of the Knock-Out-Blow policy which exaggerated in 1917 the erroneous strategy and futile butchery of 1916. Nevertheless the letter (though Asquith and Grey failed to support it) made a tremendous impression. 'I have been snowed under,' wrote the author, 'with letters from all manner of folk — a few hostile, but mostly in complete sympathy with me.' Officers at the front poured in letters of thanks and begged him to go on. Molteno and Gordon Harvey were overjoyed. Their weekly newspaper, Common Sense, at once formed an organization to support the movement. It was headed by Earl Loreburn, who had helped Lansdowne and next to him was responsible for the launching of the letter. It was supported by Ramsay Macdonald and Philip Snowden.

Lansdowne Letter

Very supported by Labour Leaders

When the history of British opinion and policy during the Great War is rewritten, as it will have to be, by someone possessing a critical faculty, an independent judgment and the rare gifts of sympathy and imagination, the Lansdowne Letter and the Lansdowne movement will be given their rightful place. The effect of the letter as Molteno and his friends pointed out, was apparent at the beginning of January in speeches by Mr. Lloyd George and President Wilson. That of Mr. Lloyd George, markedly free from the rant and rhetoric of the past, was made at a meeting with Labour delegates and was interpreted as a revision of secret war aims. The steam-roller, the starvation blockade, the tightening up of conscription, the crushing of Germany, the slicing up of Austro-Hungary and Turkey for the supposed benefit of Rumanians, Serbians, Czechs, Italians and Russians (the last-named were now out of the war) were to be discussed at a conference. President Wilson, impressed as we know by Lansdowne's letter, had indicated his readiness to negotiate with the Reichstag. The

pages of *Common Sense* in January and February supply evidence of the change in public opinion. An address to Lord Lansdowne was prepared and was signed by a very large number of distinguished authors, scholars, divines, philosophers and journalists, as well as many independent politicians. The list included, among others, G. Lowes Dickinson, Graham Wallas, Vernon Lee, Gilbert Murray, Moore Ede, H. W. Massingham, George Lansbury, Jerome K. Jerome, W. R. Inge, J. A. Hobson, G. P. Gooch, Edward Garnett, R. F. Horton, H. M. Tomlinson, H. W. Nevinson, Edith Durham, Noel Buxton, Earls Loreburn and Brassey, the Bishop of Lincoln, Lord Farrer, Richard Holt, A. G. Gardiner, Ramsay MacDonald, Sir Hugh Bell, Lords Courtney and Buckmaster, Lord Henry Cavendish Bentinck and Miss Rose Macaulary and besides many others of distinction. On the last day of January, 1918, Molteno took part in a deputation of Members of both Houses and many representative public men to Lord Lansdowne at Lansdowne House. It was a remarkable occasion. Earl Loreburn presented an illuminated address in which the signatories thanked Lansdowne for the alternative policy of peace by negotiation which he had laid before the country in his letter to the *Daily Telegraph*. The address stated:

Support for  
Lansdowne

No one can deny your political authority and unrivalled knowledge alike of European diplomacy and Imperial statesmanship. You have been honoured by the vituperation of a few men who own a large number of newspapers; you have also learned from innumerable sources of the approval with which your patriotic advice has been received by millions of your fellow-countrymen in civil and military life. Our hope is that by offering this small proof of our esteem we may encourage you in taking whatever further steps may be necessary to bring your policy to fulfilment.

Earl Loreburn's speech in presenting the Memorial and the Marquis of Lansdowne's reply are still worth reading. They made an impression on the mind of President Wilson, and Colonel House informed me that they had encouraged the President to come forward with the famous 'Points' which led to the surrender of Germany and formed the basis of the Armistice, though not of the Peace. Lord Lansdowne in reply quoted with approval a statement by the Prime Minister:

'I would not have this war a second on my soul if I could stop it honourably.'

That, he thought, was the feeling of the people generally, and he deprecated the idea that a clean peace obtained by negotiation in good time was less to be desired than a crushing victory obtained either by success in the field or by the process of attrition. By a clean peace he meant a peace which would be honourable and durable. It should be accompanied by a pact in which all the Powers would bind themselves to refer future disputes to some kind of international tribunal. There would have to be a reasonable adjustment of territorial difficulties, which should be settled by a Peace Conference.

I may add that on this and later occasions Lord Lansdowne, the most accomplished of our diplomatists (who numbered it may be remembered Talleyrand among his ancestors) urged that the Peace Treaty, like that of 1815, should make as few changes as possible in the historical boundaries of Europe. This was one of the principles to

which Molteno and his friends adhered, and in the ensuing months and years we often recalled the wisdom of the Duke of Wellington and Castlereagh, who insisted on restoring to France her pre-war boundaries with nearly all her colonies, and exacted practically no reparations or indemnities, in spite of all the devastation that Napoleon had wrought and all the miseries that the victorious nations had suffered at his hands. The result was that no bitterness or rancour was left in France and no seeds for a future war of revenge. How different, how much happier would Europe have been if the Peace Treaties of 1919 had been framed with the lessons of experience and the sagacious counsels of Lord Lansdowne in the minds and hearts of the Allied statesmen at Versailles! But a movement which was making rapid progress, was frustrated by the desperate effort of the German army — the break through of March 21st, when General Gough's thin line of brave men, the Fifth Army was overwhelmed.

It should be remembered that at the beginning of the New Year, 1918, it was generally recognized, even by Ministers themselves, that 1917 had been a year of bitter disappointment. British losses by sea and land had been appalling. The *Manchester Guardian*, which was by no means unfriendly to Mr. Lloyd George, wrote about this time: 'Anything like the Allied terms, as now stated, could only be attained by a reversal of the present military situation, and such a reversal may be expected to take two years as a minimum.' A year before, in January, 1917, Mr. Lloyd George, with the help of Russia, had expected to achieve the Allied war aims within a year. Now that Russia had withdrawn from the struggle, it was hoped with the aid of the American contingents to deliver a decisive blow on the Western or Southern Front sometime in 1920. Under these circumstances it became more and more difficult for the Government to maintain any censorship of views. The Labour Party was pressing for a reasonable statement of war aims, and thanks partly to the support of influential directors and partly to the care we took to avoid the snares of D.O.R.A., Common Sense maintained a strong stream of constructive criticism. Early in January Molteno and I exchanged memoranda on alternative peace and war policies. Molteno wrote: —

'Although the Prime Minister has modified the edition of British and Allied war aims which was published last winter, the alterations are mainly those necessitated by Russia's withdrawal of imperialistic aims. The Russian territorial demands on Turkey for Constantinople, etc., have disappeared, while British and Allied claims for Mesopotamia and Palestine are put forward in different and less difficult terms. The main difference between January, 1918, and January, 1917, is that, whereas in January, 1917, the British Government expected with the help of Russia to achieve its war aims within a year, the same Government, having lost the moral support of the Russian democracy, sees more difficulty in achieving military superiority this year, but hopes (see the *Observer*) to deliver a knock-out blow two years hence.'

A well-known American writer, Frank Simonds, looked forward to peace 'at the earliest' in January, 1920. Molteno concluded:

'The time has come and more than come when all men of goodwill should face the situation, in which we now find ourselves, with resolution and courage and in a spirit of determination to see the

France  
1815

March 21  
1918

German

Break through

truth and act accordingly. Let us apply the method of Lord Lansdowne in the hope of discovering what the situation really is between us and our enemies. Millions of men have been doomed to death already and further millions to disablement, and millions of women and children to misery and famine. Even the wealthiest nations in the world are now within sight of want and even starvation.'

He saw that nothing but unconditional surrender could obtain such terms as the dismemberment of Germany and Austria and Turkey. Should we not then seek to avoid the destruction of civilization by formulating reasonable terms for a peace settlement, instead of continuing on the path of pure destruction?

In February and March Molteno had a letter from one of his constituents who had come up to London and wrote on March 7th, 1918: (72)

'I was present at the Essex Hall today, and was delighted to hear you speak so ably on behalf of peace by negotiation. Surely with the assistance of Lord Loreburn you could further the movement very much by a series of meetings in Dumfriesshire. I am writing to a number of my friends in the county on the subject.'

The writer was Archibald Waddell of Cummertrees. He wanted a Lansdowne Moderate Peace Party to be organized, and was anxious to help.

*Very much in Peace Negotiation movement*  
Molteno accordingly devoted himself to the support of Lord Lansdowne's letter and of the Lansdowne movement organized by the Editor and directors of Common Sense, with the support of many leading men. In the House of Commons he seized an opportunity afforded by a debate on Supply, March 7th, 1918, when a Vote of Credit for £600 millions was brought forward by Bonar Law, to say what he thought about the situation.

First of all he attacked the Prime Minister for dismissing from his post Sir John Jellicoe, the First Sea Lord, 'our greatest sailor'. Then he complained that Lord Cowdray's position on the Air Board had been offered to Lord Northcliffe. Then he upbraided the Prime Minister for saying on November 12th, 1917, that we ought to have been advancing on Vienna, and for holding up to contempt the two men in charge of our army, Sir Douglas Haig and Sir William Robertson.

Next he turned to the position of shipbuilding and shipping. He had spent a considerable portion of his life in the business, but was content to repeat the warnings of two of his shipping colleagues, Lord Inchcape and Sir John Ellerman. The first had said: 'Our tonnage is being sunk at a rate of which the people have no conception.' From the slackness on the Clyde after noon on Saturday 'it might have been thought that no war was going on and that no new ships, or destroyers to hunt submarines, were required'. Sir John Ellerman had said:

'The result of taking the initiative out of the hands of private ownership has been most disappointing. Up to the end of February, 1918, for a period of 13 months the whole resources of the country (under official management) have built 17 steamers of 86,000 tons gross. In the corresponding period previously private enterprise had built steamers aggregating over 1,000,000 tons gross.'

Here, said Molteno, were two of the biggest practical shipowners in the world testifying to the mistakes of the Government's attempt to manage shipping. But how was the Government now proposing to remedy the failure?

'One would have thought that the natural thing to do would have been to support all the private yards which had their stocks, slips and machinery ready. You would have thought the men necessary would have been provided first for the private yards, and then you

would have provided slips elsewhere if necessary. But what did the Government and its bureaucrats do in the emergency? They starting building National shipyards! And where did they put their slips? On the Wye. There you have not got the stocks from which to build, and you have to bring there thousands and tens of thousands of men at the most critical period of the war. You have practically to create a town to accommodate these men and erect stores for supplies and other accommodation before you can turn out ships. You are putting your National yards where there are no shipping materials.

'If any Hon. Members go to the Clyde, the Tyne, the Weir, or the Tees, they will see thousands of chimneys bursting forth with smoke from manufactories, producing the products required for producing ships. They have all the material and machinery ready at hand. Those are the places where you would have expected the Government to establish their yards. But instead of doing that they are placing them on the Wye, where you cannot rely on sea transport; and if you are going to bring your materials by land, you have to do so on the railways, which are already overburdened. Consequently you are interposing the greatest delay and difficulties in building your ships, all of which are utterly unnecessary when you have the Tyne, the Weir and the Tees and other places fitted up ready with every convenience. Why not build your ships where they can be constructed with the smallest possible delay?'

Molteno maintained that the Prime Minister had never given proper attention to the matter. In deciding the site for these National shipyards the shipowners had not been consulted, the Advisory Committee was not consulted. 'We know that the War Cabinet did not call in anybody who could tell them what the cost was likely to be.'

After this scathing indictment Molteno asked the House why a different rule should be applied to politicians than that which is applied to business men or to military and naval officers, who, when they make mistakes, have to be replaced. He thought that politicians who had been proved incompetent should also be replaced:

'We all know how the French at the time of the Revolution got their commanders. The country was bankrupt; it had no army; it had a National Guard, and the enemy was in the country. What did they do? They appointed a Committee of Public Safety, and put a general in command. He met the enemy and was defeated. He was recalled, and his head was cut off. A second man was appointed to the command; he went forth and met the enemy, and was defeated. He was recalled and his head was cut off. What was the result of that summary process? The result was that when they came to appoint a third commander, all the incompetents were out of the running. "For God's sake do not give it to me!" Able men, who knew that they could do the job, came forward and offered their services; and out of these men they got the great commander who not only repelled the enemy but overran every country from which the invaders came. I do not suggest any such drastic process as cutting anyone's head off; but the men who have made the mistakes must be dismissed. You must find men who will not make mistakes and who will do the right thing.'

He recalled the Crimean War, and how on the failure of Lord Aberdeen the country found in Lord Palmerston a man of great vigour and capacity who not only put energy into the war but statesmanship, and sent Lord John Russell to the enemy country to see what could be done. He feared that the high and noble aims with which they had entered on the war had been followed by secret treaties, with aims very far from noble which were an impediment to achieving those noble aims; and he rejoiced that the President of the United States, un-

<sup>1</sup> This bold speech was supported by Godfrey Collins, a hard-headed man of business from Glasgow. Macnamara's reply for the Government was a miserable exhibition of incompetence.

Percy  
Tough  
↓  
Lloyd  
George  
supporter  
must have  
loathed  
him!

like Mr. Lloyd George and the War Cabinet, had thought it worth while to consider the statements made by the Governments of enemy countries.

If the German push, terribly successful at first, had not failed and ended in collapse, there is little doubt that Molteno's demands would have been insisted on. There would probably have been a change of Government. As it was the 'Knock-Out-Blow' succeeded, and the Peace of Versailles, the greatest disaster in diplomatic history, was forced upon the defeated enemy by the pressure of a famine blockade.

End of the War

When the German push occurred on March 21st, Gordon Harvey, who was still in bad health, wrote despondently to Molteno: 'The whole situation is so deplorable that I am afraid I should only depress you if I wrote about it.' He thought that 'The best work possible was being done by the weekly issue of *Common Sense*', which kept a vigilant watch on all that was being done and said, including that valuable information which had been published by the *Manchester Guardian* about the Secret Treaties between the British Government and its continental allies, in November, 1917, and in January and February, 1918. These Treaties were part and parcel of the Knock-Out Blow policy. They made a reasonable peace almost impossible in spite of President Wilson's speeches and efforts, and they could not have been undone or modified satisfactorily so long as the Lloyd George Coalition Government was in office.

During the desperate weeks of anxiety and controversy which followed the German break through, Mr. Lloyd George made another fatal and tragic blunder by imposing conscription on Ireland. The accuracy of his statements about the strength of the army in France was challenged by General Maurice; but Asquith's motion to appoint a Select Committee to inquire was defeated after an ineffective Debate by a large majority on May 9th. Molteno pressed the Government with questions about Irish conscription and on June 21st the Government dropped Irish Home Rule and Irish conscription at the same time.

Conscription in Ireland 1918

The fearful fighting in the spring and summer of 1918 involved a tragedy for Molteno. On July 26th he wrote to Pentland in Madras:

George Murray Death

My son-in-law, George Murray, had just arrived back at his battery when the German attack at St. Quentin started. His Major was captured with all the guns, but the men were successfully retired and the Battery was rearmed, and my son-in-law succeeded to the Command, as the other officers were killed or wounded.

T.L.

5/4/1918

The Battery was being heavily shelled in the Bois de Vaire on 5th April when he was killed by a shell.

He was a graduate of Cambridge and a very fine character. It all brings very near the awful horror of this fratricidal conflict; its greatest losses are the premature deaths of these fine young men, the hope of our Country's future.

Do not think that it needed this personal loss to make me feel the horror of the whole mad contest with its hecatombs of lives. As our mutual friend Lord Loreburn often says: 'We are living in a mad House.' Men's judgments are no longer sane on this matter. Hate is proverbially blind and fear is maddening. The German methods have been horrible in many cases, but are the logical outcome of Militarism.

V  
M  
Ja

We have made the most ghastly mistakes. While, as you truly say, the people of this country have been magnificent, its rulers have been very unworthy. As was long ago said by the French, 'The British are a race of lions led by asses'.

The disclosure of the secret treaties made by Asquith's Government have had a disastrous effect upon his position and that of his colleagues, and are a sad commentary upon our professed war aims. The country has been run by a combination of Northcliffe, Beaverbrook and Carson, with Lloyd George as their protagonist.

~~I have long distrusted Lloyd George. He treated Asquith abominably and has become a Tariff Reformer, and holds his present position owing to his abandonment of Home Rule and advocacy of Tariff Reform.~~

Shw frs  
LP

The fact is that after C. B.'s death the Liberal Imperialists got control and entangled us with France and hence the War. Lloyd George joined them and his threat to Germany of war in July, 1911, is as much responsible for the war as anything done here.

I regret extremely both your long absence and the fact that you are not here now.

Old Liberals like Loreburn, Eversley, Morley stand aghast at what has been and is going on.

Our leaders betrayed us and went over bag and baggage to the enemy.

I must not go on, there are volumes to be said.

The honourable termination of the war overshadows everything, and I am a supporter of Lansdowne's policy. I send you a copy of his views in pamphlet form.

Among the fallacies which Molteno and his friends tried to combat was that of continuing the war, as he put it, 'for objects either unreasonable in themselves or unattainable or not worth the efforts necessary for their attainment'. In fact, he wrote, we are in the position described by Palmerston — whose life and speeches he was studying — at the time of the Crimean War:

If by a stroke of the wand, I could effect in the map of the world the changes which I could wish, I am quite sure I could make arrangements far more conducive than the present ones to the peace of nations, to the progress of civilisation, to the happiness and welfare of mankind; but I am not so destitute of common sense as not to be able to compare ends with means, and to see that the former must be given up if the latter are wanting; and when the means to be brought to bear for the attainment of any end consist in the blood and treasure of a great nation, those who are answerable for the expenditure of that blood and that treasure must well weigh the objects which they pursue.

Interesting as Percy Molteno's correspondence was during the year I must be content with a few brief extracts:

From a friend at Hatherly in Gloucestershire, January 11th, 1918: 'The farmers here are very irate. They say it is the Food Controllers that have brought about the shortage of food and made all the mischief.'

From his nephew Vincent, who was serving in the Navy, January 14th, 1918:

'I suppose your Christmas passed off very quietly. I spent mine at the bottom of the North Sea at a depth of 140 feet. It was a terribly rough day, and even at that depth we were rolling so that the Christmas dinner was hard to eat. When we came to the surface in the evening, I went on deck first and was nearly washed over the side by an enormous wave. I thought the man next to me was gone. The wave went down the conning tower, and we took in two tons of water. The cold was very severe and seemed to go through any clothes.'

A few days later a farmer at Hurstpierpoint wrote bitterly complaining of the Government's treatment of small farmers. Mr. Asquith, he said, had recently remarked on the Macht Politik of Prussian militarism: 'The weak have no rights except the right of

ay's

sent  
Wero  
1918

TZ

his Xmas 1917

going to the wall.' This, wrote his correspondent, 'aptly describes the position of the small farmers in Sussex'. Many similar complaints came from agriculturists in Dumfriesshire. 'What', asked one of them, 'is the use of "controlling" empty stalls and market places?'

Selous killed 12

A grievous blow befell Molteno in the death of his friend F. C. Selous. It was indeed a crime that war should rob us of our best.

At the end of January, Molteno sent a draft of his views about the war to a high officer in the Navy, who replied (January 30th): 'I entirely agree. A statement of our position a year ago and of our position now would be a good thing, showing how we have only gone back as the result of the awful sacrifices of last year.' The Navy, he said, 'deeply resent the treatment of our tried and trusted chief, Jellicoe.'

In February Gordon Harvey had begun to hope for a change of Government, though he saw that it would be a task of considerable magnitude to get rid of 'the shapeless and cumbersome mass of bureaucracy' which it had created. But the revelations of hidden engagements and secret treaties had stripped the veil of idealism off the war and the country was disillusioned. The great thing, he said, 'is to pack off the Council of Four or Five who rule us in secret Conclave; they can easily be replaced time and time again with excellent results'.

After midsummer the failure of the great German push heralded a general collapse of the enemy, and Mr. Herbert Hoover, who was in England in July, told Molteno that he was hopeful of peace in the autumn. In this month and in August Harvey and Molteno were working to reorganize the National Reform Union which, 'to its eternal credit' had always been free from official Party control, and had afforded a platform for John Morley and other opponents of the Boer War in the critical years between 1899 and 1902.

NRU

At this time, owing to the failure of Asquith to support Lansdowne or to give a lead on war aims, the Labour Party, under the inspiration of Ramsay MacDonald and Philip Snowden, was gaining ground and attracting to itself many Radicals. This led Molteno to write to Harvey on August 11th:

Labour Party growing rapidly

'Can any help be given to Liberal candidates at the next Election? I think we should do something as there will be men who will require help, and we can help each other. Men are drifting away to Labour and to other groups for want of a real Liberal lead.

'I feel a little more remote from the horrors of the times up here in Perthshire; but this attack on Russia by us is terrible, and again illustrates the madness of the men in power.

Aug 1918 UK attacked Russia!

He had rejoiced at seeing Harvey at Westminster again in better health.

Harvey replied on August 23rd:

'It was a strange experience for me to return to Westminster. I could hardly describe what my sensations were; but perhaps the dominant one was amazement at the sight of so many able, well-intentioned men whom I have not seen for twelve months, who appeared to be just where they were when I saw them last ~~at~~ trolling about aimlessly in the same bored, futile way, talking the same talk and obviously as powerless for use and effect as ever.

the

'There is something radically wrong in our system somewhere that brings about this waste of talent and ruin of hope that one is so conscious of.'

He had been told that Asquith was coming out with a programme in a few weeks, of which he would 'warmly approve'. That might be so, but he did not feel enthusiastic. Detailed programmes no longer appealed to him, they seemed to him abstractions, whereas principles were concrete and solid things: 'I do not associate Asquith with principles, in which view I hope I am not uncharitable.' The War, he supposed, was drawing to a conclusion, but there were no signs of reasonableness. The military struggle might be long drawn-out unless there was a revolt in Germany. Men of his stamp were suspect among 'patriots and placemen. Our time will come, but it is not yet.'

But the end came quickly. From July onwards the excitement of approaching victory filled all minds. There were debates in the House of Commons during July on the extension of conscription and the grading of men between forty and fifty-one, on the plight of agriculture, on the turmoil in Ireland, on Imperial Preference, to which Bonar Law now committed the War Cabinet, and on the Government's shipping policy. At the beginning of August there was another Vote of Credit for £700 millions. Molteno joined in the discussion on finance, and his friend Inchcape discussed it in the House of Lords. Lansdowne made a further statement and after a Peace Debate on August 8th Members of Parliament dispersed for the Recess. In September peace proposals came from Austria and Bulgaria surrendered. At the beginning of October Molteno addressed his Liberal Committee in Dumfries, where the question arose whether he or John Gulland, the Liberal Whip, should contest the united constituencies of Dumfries and Dumfriesshire. In the second week the German Government asked President Wilson for an Armistice and agreed to evacuate France and Belgium. All these events and many more are entered in detail in Molteno's diary. On October 16th the last of the Lansdowne meetings in Essex Hall was held to discuss the Notes of President Wilson and the German replies. On October 31st an Armistice was signed with Turkey, and on November 4th Mr. Lloyd George announced the terms of an Austrian Armistice to the House of Commons. Events moved swiftly. On November 6th German envoys reached the French lines to take up the Armistice terms. The Kaiser abdicated. On November 11th the German Armistice was signed and the Prime Minister announced the terms to the House of Commons.

The whole country was delirious with enthusiasm; the long massacre was over; peace was attained at last. Another Vote of Credit for £700 millions was proposed, but finance no longer mattered. On November 13th President Wilson made a great speech to the Senate on the terms of the Armistice. Molteno noted in his diary on this day the manoeuvres of the Lloyd George Coalition. It was determined to strike while the iron was hot, and on November 14th the General Election was announced in the House of Commons. The Labour Party met on the same day and decided to withdraw from the Government.

Before coming to the story of the Dumfriesshire election and the tragic triumph of the Coalition in all parts of the country, we must return for a moment to Percy's

*Labour Party withdrew (ie some Labour leaders in Gov. other outside anti-war)*

*Oct 1918*

*TL*

*TL*

*LG moved to have immediate elections*

correspondence about the war. Just before the German break-through Lord Farrer had written to him about the evil effects of control upon transport. Molteno replied that the only satisfaction to be drawn from these and similar measures was that:

They are raising up a thorough hatred of Government Control in every section of the community. The state of our shipping shows the destruction of our shipping power by this mad Government interference, which is leading to paralysis in every direction.

After the German break-through he wrote to Inchcape on March 28th:

'I had heard from my relatives at the front, who have been on leave recently, that we had only 55 divisions; that the brigades were each reduced by a battalion; also that the divisions were kept so long in the trenches that the drafts had to join in the trenches and could get no divisional training, or any training, until they could be drawn out of the trenches for two or three weeks; and they could not be spared for that as they were too few. Some divisions were holding three miles of line.

'Why was the front line so denuded of troops at the very moment when every one knew that the Germans were able to mass troops from the East on our Western Front. The Germans of course discovered the weakness of our front line and took the chance to attack.

'As I said to a member of the Government just before the Recess began: "Your expedition to Palestine is like a man who is bankrupt having a champagne supper. What folly when Paris and Rome are in danger!" So it is with all these distant expeditions; they have no direct effect on the supreme decision; they waste and dissipate forces which are vitally needed elsewhere in the decisive area.'

A wonderfully correct analysis of the situation for an independent outsider, but Molteno had a very fine judgment and a mind which was equally good at collecting the available facts and penetrating their meaning. For some weeks after this it was touch and go. If General Gough's warnings had not been ignored, enough men might have been spared perhaps to stem the German onset. But for the dispersion of forces the Germans would certainly have been repulsed and the terrible losses inflicted upon our forces in the spring and summer of 1918 would have been averted.

The last effort of Mr. Asquith and his party in the House of Commons was the abortive debate on General Maurice's letter in May, when for the first time since the overthrow of his Ministry Mr. Asquith challenged Mr. Lloyd George and divided the House of Commons against him. Molteno voted in the minority but took no part in the debate. The Government won an easy victory by 293 votes to 106.

Molteno put aside a copy of *Common Sense* for July 13th, 1918, with interesting correspondence from Mr. Arthur Ponsonby, M.P., and Earl Loreburn, on the attitude of Sir H. Campbell-Bannerman towards war and their feeling of certainty that he would have been with those who were seeking a road to peace as he had sought it during the Boer War. Throughout the summer and autumn of 1918 Molteno was doing what he could by private letters, by conversations and through the medium of *Common Sense*, to support President Wilson, who was trying, he believed, by statesmanship to accelerate a reasonable peace.

Flight of  
UK Army

Perry  
pro  
Wilson

President Wilson [he wrote] does not believe in knock-out blows and Versailles negotiations. He at any rate discusses the speeches of our enemies, and states where he agrees and where he disagrees. This is the method of statesmanship and of reason not of brute force alone.

Eventually, as we all know, President Wilson's Points and the terms of the Armistice helped to bring about the surrender of Germany. Mr. Lloyd George, Clemenceau and the Italians then used the victory to impose a peace which has kept Europe in turmoil ever since and it is a thousand pities that the policy of the Knock-Out Blow was substituted for the Lansdowne policy of a negotiated peace by the Lloyd George Coalition.

Naturally enough at the time the completeness of the victory was hailed by the majority and by the mob with exultation. If there had been wisdom and moderation, the power of dictating terms to the defeated Governments and nations might have been a blessing. As it was it proved a curse. The coupon election sealed the mischief by creating a Parliament as bad as the Government, and the Hang the Kaiser election was fatal to the magnanimity which Englishmen in so many previous occasions and especially in 1814 and 1815, had displayed towards a defeated foe.

On October 24th he wrote to his brother Charlie:

'In South Africa, as far as I can see, very little inconvenience is being suffered through the war. Here of course it is quite different; the inconveniences and restrictions grow every day.

'The news from the front has been very striking. The great change that has come over the scene must be attributed to the arrival of American troops. They come in fresh, and on that account are a very formidable force compared with the troops of all the rest of the combatants. I am afraid the statesmen of Europe are unable by themselves to settle the tremendous problems that await solution at the Peace. President Wilson has become the arbiter in this great struggle, because the Entente could not carry on at all without his aid in men, money and material; and there are signs he thinks the time has come to bring matters to an end. I can see his hand in the surrender of Bulgaria. Turkey will probably follow, and this together with the increasing military pressure on Germany will make her ready to come to a settlement.

'While our successes are great, the casualties are really stupendous. During the last eighteen months, as Mr. Bonar Law said, they exceed those of any of the other Allied countries. The financial strain is also very serious, and no one can at present foresee the results of the waste of such an enormous proportion of the wealth of this country.'

Most of what would have been a fine harvest had been ruined in the western counties by rain, but his own crops had been got in very well. 'I have just raised 27 tons of potatoes from about 2½ acres, so that there will be something to fall back upon in case of real stringency. I am also growing some sugar beet for feeding cattle and pigs and for making syrup for domestic use. I have had about five acres of flax for linseed and a considerable quantity of sunflowers.'

Owing to the stupendous losses of British shipping—between eight and nine millions tons—'our maritime supremacy will have gone for the time'.

Molteno kept a large number of documents in connection with the General Election of 1918, including a complete set of papers to show exactly what happened in Dumfriesshire. The Maurice Debate and Division List showed how much ground the ex-Premier had lost

Percy's family

in the course of the war, and how many of his Liberal supporters had been won over by his successor. As a result Liberal Members and candidates were divided between the followers of Asquith and Lloyd George. The opportunity of peace and the Armistice proved an irresistible temptation for the Coalition Government. They could not even wait to provide the soldiers with a chance of voting. The country was mad with joy and relief, joy among those whose sons and brothers were still alive, relief among the millions who were in mourning and fearful of more losses than the long four-years' horror was at last over. Mr. Lloyd George and Mr. Bonar Law decided accordingly to ask the country before it had time to think to enable those who had won the war to make the peace. To achieve a complete victory they invented the coupon which was given to practically all Conservative candidates and to a minority of Liberal Members and candidates who promised support to the Government. There was no time — even if the country had been in a mood to listen — for rational argument. The group of Liberals who had consistently opposed the pre-war diplomacy, conscription, the dispersion of forces and the Knock-Out-Blow policy, had no chance in the circumstances. Nor for that matter had Ramsay MacDonald and Philip Snowden and the other Labour Members who had taken the same line. But as it turned out Mr. Asquith and his orthodox followers could make no better headway; they were practically exterminated at the General Election of December, 1918.

Eventually Molteno, though he fully intended to fight the constituency again, and had good hopes of success, did not stand.

In his own constituency and in the town of Dumfries the war, as elsewhere, had put an end to liberal meetings and propaganda. Most of his leading supporters had remained faithful to their Member, though a few had turned against him when he opposed conscription. By death he had lost two of his best and most faithful friends, his agent James McGowan and Watson, the chief writer on the Dumfries Standard, whose influence and articles had been of the utmost service to Liberal causes. After the death of Mr. McGowan his son, Mr. Bertram McGowan, succeeded to the position of agent; but he was also associated as secretary with the Liberal Association in the town of Dumfries and consequently with the Member for Dumfries Burghs, John Gulland, who was Mr. Asquith's Chief Whip. The Dumfries Burghs constituency, a small one, had been merged by a redistribution of seats in the county, so that Gulland was deprived of his constituency. This at least was the view of Molteno and his friends; for the Dumfries Burghs had disappeared, and in any case the old county had far more voters than the Burghs. Gulland, however, not unnaturally, took a different view, and wanted the County Member to seek another constituency. There was a good deal of wire-pulling, of which Molteno heard in September. Eventually on October 2nd Molteno and Gulland interviewed

Percy  
did  
NOT  
stand

TL

8. on a  
fate

the Central Committee at a strictly private meeting, presided over by Provost Halliday. It recommended that a special meeting of the whole association should be called and it also recommended, by a small majority, that John Gulland should be adopted as candidate for the new county division. Molteno's friends felt that, as his supporters were scattered over the county and the railways were disorganized, their member's claims would not be fairly represented, and David Paterson wrote to him, after conferring with the Kirkpatricks and others, that they wished him to stand; they felt that Mr. Gulland could not carry the county. Paterson wrote:

I have never failed in the esteem and regard <sup>Percy,</sup> ~~I have~~ <sup>Character</sup> ~~always felt for your outstanding ability, integrity of purpose and force of character. I have recognised, as we have all I think recognised, your independence of mind and the perfect fearlessness of your criticism once you had made up your mind.~~

He himself had played with the idea of supporting a Coalition Liberal to avoid handing over the seat to the Conservatives, but he had now decided to support Molteno, who replied from Parklands on October 7th.

Some of his friends, he said, had criticised him for criticising the Lloyd George-Bonar Law Coalition. ~~But 'if I had come before the electors as a supporter of Carson and Milner, I would not have received any Liberal votes at the last election. Yet Carson and Milner, with the aid of Northcliffe— and by the help of Lloyd George inside the Liberal Party— have dominated the policy of this country during the last three years.'~~ He had been strongly pressed by several constituencies to stand before he came to Dumfriesshire; but 'I wanted a constituency with which I could go tiger-hunting in the interests of truth, justice and liberty, and not be stabbed in the back when the tiger was attacking me. I thought Dumfriesshire was such a constituency, and I still think so if only it can know the facts.

~~'But then came the war, with the suppression of free speech and the absence of the platform as a means of enlightenment. The reactionaries have taken full advantage of this.~~

'I have no fear whatever that if the truth could be known I should be supported; and I want an election in which the truth can be spoken, and not an unreasoning rush in the flush of war excitement.'

Soon afterwards (October 18th) Molteno wrote to Paterson:

Several members in the House have spoken to me on the matter and in view of the county having such a largely preponderant electorate, and being itself untouched except to have an addition (the Dumfries Burghs) they consider my position an impregnable one as between Liberals . . . it is of great importance that my friends should stand fast.

At the same time he asked Kirkpatrick to see that his position was properly stated. He also drafted a declaration to inform his supporters that as Member for the county he could not allow anything to come between him and his constituents. He had sat for the county for twelve years and had received the greatest majority ever given in the constituency.

'I have done my best to serve your interests and our country's without fear, favour or prejudice. I have neither sought nor accepted reward. ~~I have taken no salary. I have refused honours.~~

~~'No one will venture to contest my Liberalism and Radicalism.'~~ If there has been any criticism of my action it appears to be that I

Percy,  
Character

Percy  
Effect  
honour

was too much of a Radical and insisted too strongly upon Liberal principles—in fact that I would not put Liberal principles into cold storage.

I know some have thought that I have criticised too much. Well, there will be a time to go into that. All I will now say is this, that two of the subjects on which I offered criticisms have subsequently been submitted to Royal Commissions. I refer to Gallipoli and Mesopotamia, and no one can now maintain that my criticisms were not justified by the Reports of those Commissions.

'If things are going wrong, and you realise it, are you not to say so at a time when criticism can be of use?'

'War above everything, if carried on at all, should be carried on efficiently, as mistakes are paid for in tens of thousands of human lives and casualties; and they prolong the war.'

'To give one more recent criticism. The records of Hansard will show that on March 7th this year I stated that in my opinion the country was in grave danger, and that we were likely to have a disaster if steps were not taken to replace men who had made mistakes. You all know what occurred on March 21st and subsequent days.'

The only Liberal leader mentioned in this address from which I have taken only a few extracts, was Campbell-Bannerman, of whom he spoke with reverence as a great Liberal whom he had followed whole-heartedly. In a later draft, written after the Armistice, he dwelt on the work of restoration that would be necessary and insisted on the repeal of conscription, the maintenance of Free Trade, the control of Treaties by Parliament, the establishment of a League of Nations, the restoration of all our liberties, social and land reforms, economies of expenditure, the proper care of our sailors and soldiers, pensions for the disabled, proper provision for the dependants of those who had perished, and provision for the war-workers until they could be re-absorbed in civil life.

Meanwhile David Paterson agreed to act as his Agent, and steps were taken in case Mr. Lloyd George decided to seize the opportunity while the country was quivering with excitement and emotion to snatch a victory which would enable him, as it did, to complete the 'Knock-Out Blow' by a peace in character.

When the joint meeting came off, on October 23rd, Paterson quite expected a three-figure majority for Gulland, but there were only eighty-five in the room, fifty-two from the Burghs and thirty-three from the county. When the vote was taken the result was fifty-four for Gulland, thirty-one for Molteno.

Of the twenty-five county parishes only eighteen were represented. It was suggested that a postal vote should be taken, but this was considered impracticable. Molteno's address was actually published in the *Dumfries Standard*, and on October 25th he wrote to Mr. McGowan that, as many of his representatives could not get to the meeting owing to the defective train service and as the county electorate was three times that of the Burghs, he could not accept the vote as representative. At the end of October he heard that Mr. Gulland had accepted nomination, and that Mr. Bertram McGowan had decided to support Mr. Gulland. At that time, wrote one of Molteno's friends in Dumfries, 'the position was that there would be three candidates, Gulland,

Perry's War Programme

Perry out-maneuvred

Molteno and one Major Dudgeon', a nominal Liberal who would have the coupon. In that case he thought Molteno would have the best chance, as he would have 'a big share of the Liberal vote, practically all the Labour vote, and possibly a few Conservative farmers'. There would be a lot of Tory abstentions.

There was a great hurry and really no time for adequate preparations, seeing that Molteno had lost his Agent. Earl Loreburn sent him a letter of recommendation which would have been very valuable in Dumfries. In this Loreburn went into the origin of the war, but asked Molteno to go over the draft and propose any changes he thought proper. Molteno replied (November 12th):

I have carefully gone over the draft, and do not propose any change. On first reading it I was disposed to suggest that it was too soon to go into the origin of the war. So little is yet known generally, and the excitement is still so great, as the nation has not yet recovered its breath from the stupendous effort it has made. But on further consideration I think it ought to stand.

Your letter will be the first important pronouncement on this momentous subject.

Next day, after giving various instructions to Paterson, Molteno proposed arriving in the constituency on November 18th. 'That would give us nineteen days, or five more than in 1910.' It had been announced that the General Election would take place on December 14th. The only hope left for an Opposition candidate was that during a month of rejoicings, while families were greeting some of the returning soldiers in an ecstasy of thanksgiving, the nation would cool down sufficiently to revolt against the coalition ticket.

Before leaving for Dumfries Percy made some notes of what he would say in regard to conscription and other burning subjects. But on November 18th before leaving he heard that the Conservatives had decided to recommend Mr. Murray of Murraythwaite as their candidate. Thereupon he wrote to Paterson:

This alters the situation a good deal. He stood twice for the Burghs and was beaten, and twice for the County and was beaten. But he is the strongest candidate they could bring forward, and will undoubtedly poll the Tory vote; and if he definitely stands as Coalition candidate, from what I can see and from what you say in regard to Coalition ideas, he will probably draw some Liberals also. Now this will mean that the Liberal vote will be divided between Mr. Gulland and myself, and will probably mean the loss of the seat. As soon as Mr. Gulland heard this he tried to get in touch with me; for he appreciates that if we both stand the seat is lost. I am to see him this afternoon and he may then make some proposal. Apparently there is a difficulty about getting him another seat.

I am afraid Mr. Asquith has made a great mess of things. I was at the dinner (to him) at the invitation of Sir Walter Runciman; and when he made his speech I realised how unwise it was, if he wished to keep the Party together, because it amounted to a release for all the wobblers.

Molteno added that, if he stood, he could not possibly say anything in favour of the Coalition. He told his friends that he would be at the Woodbank Hotel on

Wednesday night, November 20th. Nothing had come of his meeting with Gulland who, however, got several constituencies to ask him to stand. On November 21st, after looking round and surveying the prospects, he wrote to his brother, Captain Barkly Moltano, Earl Loreburn, myself and several of his friends, that on going fully into the situation he had decided not to offer himself for nomination, as it would merely be making a present of the seat 'to the corrupt and scandalous Coalition'. His zealous supporter, Kirkpatrick, and others were very sad. Kirkpatrick told him that Gulland's meetings were lifeless and he expected Murray to capture the seat. Kirkpatrick had 'no doubt whatever' that Moltano would have held the seat if Mr. Gulland had not stood.

Lord Loreburn was not surprised at Moltano's decision. The Coupon Election was, he said, a very humiliating business with its 'attempt to coin the military successes won by our fighting men into votes at an Election, practically in their absence and disfranchisement'. But it was the Asquith Government that has 'betrayed all Liberal articles of faith and set up Imperialism'. However, such a House of Commons as this would be, elected before the return of our men from the Front, could not last long; and at least they could thank God that the fighting was over and that there was an end of organized murder:

My own personal feeling is to cut the painter finally and have nothing to do with Parliament any more. It is not merely the disadvantage of old age and the sense that young men ought to build the country; but my own disappointment at the breakdown of all the ideals with which I have lived all through my political life is such that I have not the heart to begin again with the new era. You are young and will I hope have a long and busy share in the making of a new England. And it will be no disadvantage to you that you will merely be a looker-on for the next year or two, though in the public interest I regret even that brief interval.

Such a letter was some compensation to Moltano for his bitter disappointment. Another from Viscount (John) Morley, written two days later (November 24th) said: 'There is nobody in Parliamentary life for whom I would more heartily bear testimony than yourself.'

Gordon Harvey shared with a host of friends great regret that his own retirement, due to ill-health, had been followed by Moltano's.

You have been badly treated [he wrote]. What a plight Britain is in! Once again the demagogue and charlatan reigns supreme, and the public—who foster these creatures and prefer their ravings and laughter-provoking speeches to the sober reasoning of thoughtful and earnest men—are once more in the grip of the mountebank turned tyrant.

His prophesy was that 'a brief reign of humbug would end in disaster and disgrace', but part of the disaster was that the Liberal Party had been destroyed for years to come. Then how alarming was the state of Europe! Ordered government everywhere 'is suffering from the Knock-Out Blow which these random men have administered'.

To his friend Kirkpatrick, who wanted to express his

Nov 1918 - Barkly still a Cap

Harvey  
withdraws

W. Mason

Harvey is  
disappointed

indignation at the loss of their Member in a speech against conscription and coalition, Molteno enclosed some leading points against conscription, and went on:

'With regard to coalition Lord Morley has told us that Parliamentary Government cannot be carried on without parties. Without parties we are governed by an oligarchy of a few men who privately arrange matters between them. The rights of the people to know and to understand what is being done are sacrificed. Open discussion ceases, with the result that intrigue and corruption begin to flourish. Our system of Party Government provides the country with an alternative government ready to take office at a moment's notice if the Government in power makes some great mistake. This was very important in peace and still more important in war. Our constitutional machinery works under the regulation of Parliamentary criticism. We are not a despotism with a selected and powerful bureaucracy who can go on automatically. We require the stimulus and security which open public discussion alone can give. To withdraw matters of the highest importance from public party discussion is to blind democracy on vital matters; yet democracy, or the people, has to pay the bill eventually.

'The country has had a good example of what it means to be governed by experts instead of by Parliament. Mr. Lloyd George says this must be continued in future and applied to all legislation. This is the continental system of bureaucracy as against Parliamentary government. It and conscription are really nasty Continental importations we could well do without, and they were introduced by Milner, who is a German by birth and ideas.'

In this letter, November 27th, he also said:

'I am inclined to think that as I have withdrawn it is better not to enter into controversy with regard to Mr. Gulland's statement. . . . I must leave the field to him to make the best of it. With regard to Ayrshire and Bute I telegraphed to Provost Sim to say that I would not stand. I do not know enough about the constituency; nor is there really time to work a county constituency.'

*Perry turns down another seat*

He refused offers of other seats, including Leith and Central Glasgow, and declined all invitations to speak during the Election.

To Lord Morley, who felt that this was 'a real loss to good causes' and suggested 'a talk when the battle is over' he wrote:

the Liberal Party is suffering now for the betrayal of all its vital principles by its Leaders, who went over bag and baggage to the enemy. The moral basis of Liberalism has fallen out of the bottom of the ship, which is now becoming engulfed.

Though he had retired from the fray, Molteno entered his name as a supporter of Mr. Dampier Whetham as candidate for the University of Cambridge, and he also wrote to suggest to Mr. Spender of the *Westminster Gazette* that the anti-coalition campaign might be assisted by a series of quotations from Mr. Lloyd George's speeches.

On December 12th Kirkpatrick wrote:

'Mr. Asquith's position is pitiful. He is suffering for his want of courage in the past and for the support he has given to Mr. Lloyd George. Now these men are turning on him. He and those who support him will see how foolish they have been. Far better had they held firm to their principles as you have done. People are now beginning to see what a misfortune it is that you were not allowed to contest the constituency. That we would have won there is not the shadow of a doubt. The seat will be lost and the blame lies with a few prominent Liberals, assisted by the Editor of the *Standard*.'

Molteno replied (December 14th):

Perry sees a  
Peace era

'No worthy standard has been lifted to which the wise and just might repair. There have been appeals to hate, as in the demand for the trial of the Kaiser, and to greed as in the demand for any amount of indemnity up to the capacity of Germany to pay. These demands are fatal to a real or lasting peace, and if insisted on must land us and Europe in fresh wars before long. Lloyd George has pandered to every cry, however monstrous. . . . The whole proceedings have been unworthy of an election which will have the most momentous consequences for the future of the country and the world.'

To have been stabbed in the back by men he had trusted in Dumfriesshire when the critical moment came had been a terrible disappointment:

War brings about this kind of evil as well as millions of other evils in its train; for men go mad, and reason no longer guides them.

The Liberal Imperialists are responsible for the betrayal of the Liberal principles of Peace, Retrenchment and Reform. To maintain these principles it was the settled policy of Liberals that we should not have Continental alliances, which in the past had been the main causes of war. Mr. Gladstone pointed out the dangers of such alliances and scrupulously avoided them. Lord Salisbury did the same.

But while Sir Edward Grey was telling the Cabinet and Members of the House of Commons that we were pursuing the same policy, he turned the agreement with France into a military one, without the knowledge of the Cabinet as a whole; and while strenuously denying that we had any Continental commitments he had secretly tied us to France.

Asquith, Haldane, Churchill and Lloyd George were admitted to the secret. It was the defection of Lloyd George from the peace policy of Sir H. Campbell-Bannerman which clinched matters, as he was supposed to be the great advocate of Peace.

On August 3rd, 1914, Grey told us for the first time that he had threatened war with Germany in 1906. Then again (through Lloyd George) he threatened her a second time in July, 1911, and so tied us to France that we were dragged in through the French treaty with Russia.

So Liberalism has changed places with the Tories, and has brought about the ruin of the Liberal party by playing the Jingo policy.

Polling day in Dumfriesshire was on December 15th, 1918, but the results were not made known until the end of the month. Poor Mr. Gulland was snowed under. Such a débâcle had never been known in the political history of the country. Mr. Asquith and all his colleagues except those who had joined the Lloyd George-Bonar Law coalition, and nearly all the rank and file of his supporters who had refused the coupon, lost their seats.<sup>2</sup> The figures for Dumfriesshire were: Murray, 13,345; Gulland, 7,562.

Asquith  
wiped out

The General Election, wrote Eversley to Moltano:

creates an entirely new situation in Parliamentary life. There will be no Opposition of responsible men who have had experience of conduct in Government Departments and no alternative government ready to take the place of the present Government if necessity should arise for the change.

<sup>2</sup> About 30 survived. The 'Coupon' Liberals numbered 131.

failed by an

Sinn Fein got more seats than [Labour Party Asquith Liberals]

Labour - 63

The Labour Party had suffered less than the Asquith Liberals. They secured sixty-three seats. But Ramsay MacDonald and Philip Snowden both suffered defeat. Only seven Irish Nationalists were returned. Sinn Fein took seventy-three of their seats.

On January 3rd, 1919, Molteno, in a long letter to Eversley, explained what had happened in his constituency. There had been much resentment among his friends; some of them had even gone on to the Unionist Committee. There had been a very large number of Liberal abstentions — in fact less than 60 per cent of the electorate had polled. He thought that Mr. Asquith ought to have been allowed a walk-over; it was very bad of his constituents to reject him. The result of the Election, he felt, was the natural consequence of the war, and of all the Liberal leaders having preached undiluted Jingoism and vengeance on the enemy, so that, for the time being, the country had become Jingo and wanted real Jingos to carry out the Jingo policy. The Liberal Party 'had no moral basis at all in the recent Election and without that no Liberal Party can exist'. It could only recover by being re-established on its old foundations. He went on:

'The present state of Europe is a veritable Hell. A large part of the population is suffering from famine, and in many cases actually dying of starvation. Two leading doctors in Vienna telegraphed to Lady Horsley that their patients were dying of starvation in the hospitals and asking if she could do anything to get them relief. She could only hand the telegram to the Foreign Office and was not permitted to make any reply.

I see today that the Entente are sending a Committee to Vienna. Meanwhile the war was being continued against the new Government of Russia in an attempt to re-establish Tsarism, but he thought there was a growing feeling in the country against the Russian Expedition:

War vs Russia goes on

'Bottomley, whose paper John Bull is read very widely in the Army, has a very fierce attack upon it in the last number. This may be said to be a Bottomley Election; for he and Billing and others of that type have been elected easily, while numbers of good men have been rejected.'

He held that Mr. Lloyd George was 'quite unfit for the position he occupies. He has neither the knowledge, soundness of judgment or insight to handle the tremendous situation with which we are confronted.'

(X)

With these letters our chronicle of Molteno's Parliamentary career may fitly close.

After his decision not to stand Percy's mind turned to South Africa and he determined to revisit the Cape as soon as possible. It had been ravaged by a terrible visitation of influenza, and many friends had lost their lives. Writing to his brother, Charlie, soon after the Armistice he said:

flu 1918

Its terms are so drastic that the war cannot be resumed; but I am afraid it will be a peace on the old lines, 'woe to the conquered'. The mood of the French is such that they will want to take every advantage of the victory, and will endeavour to cripple the Germans for as long a time as possible. They do not really believe in a League of Nations.

I saw Smuts the other day, and said to him: 'Well, the war is over.' He replied: 'Yes, but the difficulties are not over. The vic-

tory had been so complete that some of the Allies wish wholly to remodel the Map of Europe.' I said that Wilson would be a help in the direction of moderation. He replied: 'Yes; if he turns out to be a really strong man. That remains to be seen.'

Molteno saw no hope in the new Parliament, for independent men of every Party had been turned down and ostracised. 'Notwithstanding the terrible debt with which we shall be overwhelmed, Lloyd George is making the most extravagant and impossible promises.' The flames of hatred had been fanned and it seemed 'quite impossible that we can have any real settlement for permanent peace while this sort of thing goes on.'

'The trial of the Kaiser and a huge indemnity from Germany are not calculated to bring about a better state of things. This spirit, if persisted in, will make another war in the future quite certain. Meanwhile bribes of every kind are being given out of the public money to the electors.'

He wondered why the South Africans had suffered more than the other troops from influenza, which, he said, 'is evidently a bacillus accompanying the ordinary influenza, generated no doubt by the terrible war conditions and the misery into which the civil populations have been reduced in the war areas'.

Meanwhile he found some consolation in the fact that the fighting was now over in British East Africa, and that his nephews there, one of whom had been decorated for his services, would be able to get back to their farms and inspect the certain sisal properties in which he was interested. He was also much pleased that his brother, Barkly, had received an important post at the Admiralty. 'I lunched with him yesterday,' he wrote to his brother, Frank, on December 11th.

Perry's  
Sisal  
Interests  
in Kenya

Key to Perry's Policies (see p. 558)

His primary concerns - ① big international issues (war & peace - Boer War, WWI)  
② economic policy (free trade, inexpensive government)  
NOT Domestic Social Reform

This grows out of several factors:

- ① His SA Background
- ② His lack of deep social roots in the UK  
→ Did not grow up there; once he was living there, moved in a very narrow & privileged social circle.
- ③ The policies he learned from his father - Law - Gladstonian Liberalism with its belief in free trade, minimalist gov, concern with trade issues of peace & war, constitutional settlements etc.

So one finds Perry extraordinarily untroubled by the great social issues of the day

- Votes for Women
- Trade Union Rights (?)
- Social Welfare
- Local Gov Reform (?)

H.P. 39.40.

THE PEACE OF VERSAILLES AND  
THE FAMINE

PERCY MOLTENO put on one side a copy of the leading article in Common Sense for Saturday, November 16th, 1918. It was entitled 'Peace at Last', and began as follows:

The most sanguinary and disastrous war of all history ended at 11 a.m. on the eleventh day of November, having lasted more than four years and three months. During that period some 15 millions of men must have perished, in battle or from wounds, or from disease; and millions more of non-combatants from famine, starvation and the plagues which dog the footsteps of war. For many years to come the towns of Great Britain, France, Russia, Italy and Central Europe — to say nothing of Turkey and the Balkan States — will be thronged with cripples; and economic sufferings of every kind will keep alive for generations the memory of this awful tragedy. Three great Empires have already fallen to the ground, and the rumblings of popular indignation, with social disorder over the whole Continent of Europe, intimate the possibility of far-reaching changes in the structure of human society. For the moment joy and thankfulness that slaughter and devastation have been brought to an end in Western Europe fill all our hearts, though the politicians are already busy considering how to profit by the triumph of our soldiers and sailors without even allowing them to vote.

Percy's Judge  
g.w.w.E

Our forebodings were justified. A war, which might have been averted and should certainly have been ended, when Lansdowne proposed to end it by a negotiated peace, was followed by the worst kind of a General Election and the worst kind of a dictated peace. Mr. Joseph Chamberlain's Khaki Election in 1900 was nothing to Mr. Lloyd George's Coupon Election in 1918. It gave the Lloyd George-Bonar Law Coalition Government an overwhelming majority. Its supporters numbered 478 and most of the Tories — who alone constituted a large majority of the House — were not merely reactionaries; they shared the inflamed passions and vindictive feelings of multitudes who in a tumult of excitement had voted that the Kaiser should be hanged (after a fair trial) and that Germany, a Germany famished and bankrupt, should pay the whole cost of the war. A worse prelude to the framing of a reasonable peace and a worse caricature of the national character could not have been imagined than the Coupon Election and its product at Westminster. As a matter of fact, the new Parliament did not reflect fairly public opinion even at that moment of frenzied emotion. Only about half the electorate voted, and the results showed that where there are more than two Parties our electoral system of single-member constituencies is almost incapable of creating a truly representative assembly. In this case a poll of 5,226,000 returned 487 Coalitionists, whereas a poll of 2,301,000 returned only 58 Labour Members, and a poll of 1,300,000 secured only 28 seats for the free and independent Liberals. They were consequently nicknamed 'the Wee Frees'. Mr. Asquith and all his colleagues were defeated; but the Wee Frees elected Sir Donald Maclean, a friend of Molteno's, who proved an excellent leader. Though hampered by Mr. Asquith's reluctance to criticize the Versailles negotiations, Sir Donald by his persistent attacks on waste and financial jobbery helped to save millions of money.

Scandalous  
Election in  
Dec 1918  
(16 cashing)

Unfair  
electoral  
process  
4/1/11

The composition of the new Ministry was announced

on January 11th, and two days later the Peace Conference of the victorious Allied Governments commenced its proceedings in Paris.

The next few months contributed a tragic and harrowing chapter to the history of modern Europe. A famine blockade aggravated the conditions of starvation and disease that existed over a great part of the Continent. President Wilson failed to restrain the rapacity of his associates, and his formula of self-determination was perverted to uses which made a long peace improbable, nay impossible, unless the Covenant of the League of Nations could be employed to remedy the territorial and economic monstrosities manufactured at Versailles. Throughout the fatal year of 1919, Molteno, in close co-operation with the other directors of *Common Sense*, strove hard against the famine blockade, and criticized the worst features both of the Treaty of Versailles and of the subsidiary treaties incorporated with it in the Covenant of the League of Nations.

Tragedy  
Peace

From November, 1918, onwards famine and disease ravaged Germany, Austria, Russia, Poland and the Balkans, in spite of all that private charity could do under the direction of Mr. Hoover, Mr. Molteno and others, among whom the Society of Friends was conspicuous. Unhappily their generous exertions were hampered by the continuance of the allied blockade, which was only lifted slowly under the pressure of indignant criticism.

Famine

Hoover  
entire  
the (beginning)  
Belgium  
occupied  
year 6

Blockade  
continued!

Mr's  
Role

Lord Robert Cecil had been Blockade Minister until after the armistice, and in the early months of 1919, though no longer a Minister, he served as Chairman of a blockade committee. In this position he was exposed to constant remonstrances in parliament and the press. Week after week *Common Sense* produced evidence from eye witnesses of the famine in Central Europe. On May 10th it described the origin of the German submarine campaign and of our blockade. 'The blockade of Russia', it wrote 'is being used as a means to bring down the Soviet Government, that of Germany as a screw to compel submission to the peace terms announced on Wednesday.' On that date (Wednesday, May 7th, 1919) the *Daily Telegraph* announced: 'the Supreme Economic Council sat to-day under the presidency of Lord Robert Cecil to consider the blockade measures which would be taken in the event of Germany refusing to sign the Peace Treaty'. It added that the Blockade Special Committee had been ordered to draft a plan for the purpose which the Council of Allied Foreign Ministers would immediately put into operation if necessary.

Molteno's diary and letters supply a running personal commentary on the fatal course of European events in 1919.

January 24th, 1919, to his brother Charlie:

Things move very rapidly now. Since you wrote on December 1st President Wilson has come over to Europe. He has acted with great insight and discretion. He has been perfectly firm in adhering to his view that the old system of Balance of Power which brought Europe into the war must be abandoned. He went to France but could not

get Clemenceau persuaded. He then came here suddenly to see how the land lay and was assured of the full backing of our Ministry. Their difficulty is of course that we made those Secret Treaties in the early days of the war — Treaties which conflict with Wilson's Fourteen Points and are really utterly immoral, being based on the old system of everyone robbing his neighbour. No doubt so far as they can our representatives will back Wilson, but the situation regarding our relations with France is difficult and delicate.

*Secret Treaties*

The French Government, he thought, intended to inflict as much suffering as possible on Germany and render her powerless for a couple of generations, whereas President Wilson wanted to establish a better state of things. If Wilson had his way, he would do his best to revictual Europe and make easy the repayment of American loans to the Allies. Molteno went on to denounce Mr. Lloyd George for the 'miserable part' he had played in the election, 'pandering to such ridiculous cries as Hang the Kaiser, and make the German pay anything from 24 to 100 thousand millions':—

*stay  
+ 2  
France  
(for)*

Instead of this country being in the hands of men who could enable her to play the part to which her stupendous efforts and sacrifices and her past record in favour of liberty and progress entitle her, she is nullifying her whole moral position.

You in South Africa can realize what is going on from the appointment of Milner to the Colonial Office. I am told the appointment was made in this way. The Tories strongly objected to some of Lloyd George's appointments such as Churchill to the War Office; so Lloyd George said: 'Well, you can have the making of three appointments — Chancellor of the Exchequer, First Lord of the Admiralty and Colonial Secretary.' These therefore are the appointments they have made — Chamberlain, Walter Long and Milner.

Next Molteno drew a lurid picture of the forces of violence, hatred and vengeance that had been let loose, while Mr. Lloyd George 'floated like a cork on a fierce torrent of the passions he had helped to rouse.' Troubles were increasing at home; there were mutinous movements in the army — disappointed at the slow progress of demobilization — and even in the police:

*Mutiny in Army*

The fact is Lord Lansdowne was perfectly right when he wanted to make Peace two years ago. The extremists have driven Europe over the precipice, and now there is no spot in Europe on which you can put your finger that is not seething with trouble and discontent, if not in open revolution.

Gordon Thomas, who is engaged to Brenda, has just been here. He has been in the Baltic with our squadron on the 'Cardiff' I have had a long talk with him. It is incredible what confusion reigns, what cross-purposes prevail even as between our own departments such as the Foreign Office and the Admiralty, and the hopeless want of any policy whatever. Could anything be more absurd than the sending of a squadron like that to encourage people with no food, no Government, no trade, no means of transport, and then firing a few shells at what is supposed to be a Bolshevik battery, but is afterwards discovered to be at least 15 miles from the Bolshevik lines:

*Gordon Thomas's escapade in R.N. Baltic late 1918*

Molteno admitted that Mr. Lloyd George had 'a certain amount of emotional force and power of creating an atmosphere'; but he lacked business capacity and constructive ability. 'I have spent some days,' he added, 'with Earl Loreburn and I share his views very largely. He is in despair at things, and says he feels as if he were living in a madhouse.' As for Ireland

the situation has never been so bad as it is to-day, and it is not made better by the military dictatorship under French, who has no political knowledge at all. I said to Shortt the ex-Secretary, who was still Irish Secretary when I spoke to him: 'Why don't the Government take this opportunity of really settling the Irish question, when everybody would accept a solution which might be very difficult to get at any other time?' He said he quite agreed with me, but that the state of the Cabinet on the question was hopeless; at least half of them thought there was nothing wrong and that nothing should be done.'

Ireland  
milita  
ary

And so often before and afterwards, Percy Molteno in January, 1919, saw clearly the dangers, the mischiefs and the remedies; but as so often before and afterwards his foresight and sagacity were unavailing, because the country had been drugged with false news and false views, and the politicians in power, dogged by the Furies, stumbled along blind to the consequences of what they were doing.

In another letter to his brother Frank at the end of January he referred again to the mutinies, the strikes at home and the famine throughout Europe.

This is the fruit of the policy of the Knock Out Blow, in course of delivering which Europe has been sent crashing over the precipice. The only hope of getting anything decent out of the Peace Conference is that Wilson is in charge.

Very  
pro Wilson

That hope was to be in large measure disappointed. South Africa, too had its crop of troubles. There were discontented natives, discontented 'poor whites' and discontented Indians. Merriman had made a speech declaring that Botha and Smuts ought to get back 'instead of hanging about the Peace Conference and perhaps returning with a gross of green spectacles'. Wallace, who had just moved from Kamfers Kraal to Nelspoort, brought down Percy's wrath by expressing a hope that some good would come out of the sacrifices of young lives in the war. 'I see,' replied Percy 'that you find some consolation in thinking that the premature destruction of these fine young men may have good results:

Max  
from  
Kamfers  
Kraal

James  
in J  
Wallace  
view of  
- Percy  
disagree

I regret that I cannot in any way share such a feeling. Human nature wants some consolation of this kind and hopes it may be so, but it is only because it seeks to salve its wounds. In my opinion no good worth having can ever be purchased by such awful human sacrifices, and no good subsequently attained can ever sanctify or justify their death. Such an idea seems to me to be a reminiscence of the old days when human sacrifices were made to the gods in the hope that the gods would be propitiated; but all reason shows this to be quite wrong.

Percy's W  
anti-wa  
stake

Quote

War is excused and its horrors covered up by good people because they have not the courage to face these facts and unite in keeping down the human wolves and tigers who are the originators of these wars. Instead of the earth being better by this war it is infinitely worse. Every evil passion has been indulged on a stupendous scale. Malice, hate, murder, robbery, violence have all flourished. If there were evils in the world before the war, there are a million times more evils afflicting us now than there were then. At this present moment millions are being tortured by famine and millions more will certainly die in Europe this winter from starvation. But peoples hearts are so hardened by war that they care very little about it, and seem

Ta  
on  
O  
cont  
in

See Wallace's reply (p 542)

under  
by deWakarshy  
1919

willing to let these millions die without making any effort to succour them.

The one great lesson of the war is very plain and is applicable everywhere; it is the evil of hate and of its indulgence by men against each other.

Percy  
r SA  
p. 122  
Lack: sees  
2-17-19

He ended by warning Wallace that the ill feeling between black and white and between the nationalists and the rest of its citizens was a great danger to South Africa. Everything should be done to prevent these hatreds issuing in war and bloodshed.

In February/the situation was bad at home but much worse on the Continent. A nephew in the regulars back on leave from Belgium told Percy that all our soldiers were longing to get home. 'The Canadians simply refused to go to the Rhine and are being sent home as fast as possible.' Belgium had 'suffered least of all the belligerents.' At home there had been strikes and even mutinies among the police. 'As I write to-day (February 3rd) there are no tubes running'. He was much disturbed about Italy's claim to the Austrian Tyrol. 'The country is German-speaking. More than that it is, as every traveller knows, German in customs and habits. If it were incorporated in Italy, it would be a centre of unrest, a Germania irredenta.' On February 22nd in reply to a question from Charlie on the food situation Percy wrote:

1919

In England it has eased considerably. Bread is whiter, and the animals have more to eat. Meat is still scarce and dear.

On the Continent the situation remains very dreadful and will be so for long. We have an official British report that the food in Germany, even on the inadequate ration now in force, will only last a month or two. Austria, Rumania and other parts are worse. I blame the authorities for keeping up the blockade.

119  
the War  
es

In England a coal strike was threatened.

Lack of  
Fuel  
1919

As it is, there is hardly any coal. The poor can only get one cwt. a week. We are living largely on wood, and can have a fire in the kitchen only in the morning. The Government have bribed the people by most monstrous out-of-work pay and many are throwing up their jobs to get it. Finance is cast to the winds when we ought to be economizing. I am paying more than half my whole income in taxes. These will have to be increased; yet Lloyd George talks about a golden age. Meanwhile the Liberals have fallen to pieces for lack of a leader; but they will come back again in due season.

ndefy  
nt  
nes  
or 50%

In March, Molteno was becoming more and more concerned about the famine in Europe; he spoke about it at an Essex Hall meeting on March 19th and denounced the wars that Mr. Winston Churchill, now Secretary for War, was carrying on in Russia to restore the Czardom by aiding the armies of Admiral Koltchak and General Denikin. On March 8th Mr. Churchill had told the House of Commons in picturesque sentences that British troops were still on the wild Northern coasts at Archangel and Murmansk, locked in the depth of winter, and that we also had armies in the Caucasus and a few troops in Siberia to help Admiral Koltchak 'to stem the Bolshevik tide'. But rhetoric is no substitute for strategy. Instead of destroying Bolshevism he had united the Russian people round Lenin.

TZ

Meanwhile the Baltic ports were blockaded, and even fishing was prohibited. As *The Times* correspondent at

Churchill  
have war  
Russia  
1919

the Paris Peace Conference put it, 'the blockade must be maintained at least in principle as a lever to secure acceptance of the new Armistice terms'. At the same time our Government introduced another Conscription Bill, and Mr. Churchill proposed Army Estimates of 440 millions for the coming year. In March 22nd Molteno signed an Open Letter appealing to the Allied Governments at Paris to bring back peace and prosperity to the world by restoring freedom of trade. On April 11th he wrote indignantly to Charlie about the desperate state of Europe, which was fast turning to revolution under pressure of the famine blockade. It looked as if the spirit of revenge would 'make future wars a certainty'. Ireland was being held down by military force. In Egypt there had been murderous risings. In India a campaign of passive resistance had been started. We were using the right of self-determination merely to break up Austria and Germany. Little States were rising up without the power to exist as economic units, and the nationalities of Europe were at each other's throats. 'To any one who thinks at all it is absurd to suppose that 46 millions in these islands can endure the cost and the provision of man power to preserve peace in Europe.' President Wilson had hoped to put things right by the League of Nations; 'but he is finding that the hatreds engendered or intensified by the war have given rise to a spirit which makes a real League of Nations almost impossible'.

Discussions  
1919

About this time there came a touching letter from his younger brother, Wallace, whom Percy had taken to task for indulging a hope that the sacrifice of millions of splendid young lives would not be in vain. Percy, it will be remembered, had pointed out that reason and history proved the falsity of such hopes. 'What is reason,' replied Wallace; 'what is it without faith that good must ultimately prevail?' Since agony brings children into the world, why should not all this agony of mankind prelude the birth of a new and better civilization?

Wallace's  
Reply

Towards the end of April Molteno and his friends drew attention to a speech by Lord Robert Cecil in the House of Commons in which, while admitting the desperate state of Europe, he pleaded that the blockade of Germany must be maintained until peace was signed. Food was being sent to Vienna and other places, but Molteno saw that this was only a palliative and that, as long as the blockade and the controls and embargoes lasted, the machine of commerce and industry could not be set going in Austria or in the other new States, which indeed were already erecting protective tariffs and starting on a ruinous course of economic nationalism. This mischief at least might have been averted by a federal union, which would have saved the territories of Austro-Hungary from economic disruption.

During April and May Molteno was corresponding with Gordon Harvey on the question 'how the defence of free trade might be adequately undertaken,' and how, hampered as they were by the indifference of the Press and the lethargy of a people exhausted and decimated

Free Trade

Percy  
Molteno

by war, the case could best be presented. Eventually after conferences with leading free traders like Sir Hugh Bell, Lord Stanley of Alderley, Earl Beauchamp, Tom Garnett and Sir Arthur Howarth, they arranged for a congress of free traders to meet in Manchester at the end of September, with the idea of forestalling a Colonial Conference which was to be held in the first week of October, to discuss Imperial Preference.

In the meantime things at home and abroad were going as badly as possible. At Paris President Wilson was overborne by Clemenceau and deluded by political geographers and experts who told him how to carve up half Europe in accordance with his principle of self-determination. Clemenceau was bent upon weakening Germany and strengthening of France by a military encirclement which came to be known as the Little Entente, stretching from Poland and Czecho-Slovakia to Yugo-Slavia and Rumania, most of them artificial creations incorporating alien races and territories to which their only title was the law of conquest. On this subject Moltens's views harmonized with those of Lord Lansdowne, who held that to secure a permanent peace the victorious allies should have followed the precedent of 1815 and made as few changes as possible in the historic boundaries of Europe. Mr. Lloyd George, who inclined to moderation, gave way before the clamour of the Northcliffe Press and a formidable movement of his Tory supporters in the House of Commons, which took shape in a telegram too numerous to be safely ignored.

When the terms of the peace became known towards the end of May Moltens wrote in one emphatic sentence: — 'they are not terms for a durable peace' — a view shared by his brother Charlie who remarked: — 'You cannot keep 70 millions of people in permanent bondage'. In a letter to Merriman Moltens referred to a talk earlier in the year with General Smuts, who had ventured to doubt whether President Wilson was a 'strong' man. Here is Moltens's comment:

Events have proved that he certainly is not. Sargent has painted his portrait, and it is in the Academy now [July]. When I saw it first I said: 'But that is not Wilson surely. That is the face of a weak man. It has now been shown that Sargent's portrait was correct.'

Towards the end of the Versailles Conference a meeting was held at Sunderland House over which Lord Milner presided to discuss the form and substance of the Colonial Mandates. British, French, American, Belgian, Italian and Japanese representatives took part. Moltens, who had been working on the problem of native labour with the Anti-Slavery and Aborigines Protection Society, went with a delegation of the Society to present a memorandum. After they had gone over the main points Moltens was called upon to address the Conference. He urged that the Mandatory Commission should have power to hear complaints and should be entrusted with the care of native interests 'to see that they were effectively protected by a proper carrying out of the Mandate'. He recalled Lord Cromer's abolition of the

Part new  
of Versailles  
Terms

2 on  
copy

1919

Part new  
working  
Anti-Slavery  
Society

Part new of  
date system

corvée in Egypt, and mentioned that in South Africa native labour was employed on public works without compulsion. Lord Milner, who was 'very courteous and patient', entered into a friendly discussion, about conditions in Egypt with Moltensø, who also pleaded for native education and argued that no colour-bar should prevent natives in Mandated territories from exercising any trade or profession.

No Colour  
+  
Education

Before leaving for Glenlyon in August, Moltensø received a memorandum from his friend Mr. Herbert Hoover about the appalling famine now threatening Central Europe. The memorandum dwelt on the evils of blockade, the shortage of transport and the lack of international credit which obstructed the flow of raw materials to the Continent and was hampering the production of commodities needed for exchange with imports overseas. Unless productivity could be increased rapidly, there could be nothing but economic chaos and loss of life on a vast scale. 'This,' wrote Moltensø 'is the forecast on the situation of the best authority I know and one of whose ability and judgment I think most highly.' He had joined an Economic Committee to consider steps for fighting the famine, and was especially concerned about Austria. 'The terrible spirit that prevails at Paris,' he said, 'is shown in the frightful terms imposed on Austria.' They were such as to 'revolt every honest and just man'.

Merriman in his reply objected to European interference with South Africa's native problems, but was in complete accord with his friend about the Versailles Treaty:

To my untutored mind [he wrote], it seems to be one of vengeance rather than of peace. It abounds with occasions for future disputes, and its general provisions are full of an arrogant assertion of superior wisdom which cannot fail to stir up a bitter determination among the vanquished to effect a revenge at the earliest possible date. If you compare it with the Peace of Vienna, which (with all its shortcomings) gave peace to Europe for forty years, I find it very difficult to trace the marks of the progress of civilization of which we were so proud. Certainly the Congress of Paris showed no improvement in personnel. There was no one of the same class as Talleyrand or Metternich — to say nothing of Hardenburg, Castlereagh or Wellington.

Merriman feared that the Peace had not only made many enemies for Britain but had left 'a fine storehouse of explosives' among the little countries it had created. He had read with amazement 'The list of partners we have embraced in the League of Nations', starting with Haiti and a choice collection of the so-called republics of South and Central America which had 'all solemnly put their signatures to Article 23'.

After returning to London at the end of August he wrote despairingly about the waste that was going on at home. America seemed likely to be the only solvent country. Everybody would be in her debt, and she would take 'the greater part of the trade we are losing or have lost'. He might well have included Japan.

In this country [he added] people should now understand the folly and wickedness of war, though I fear there are many who delight in it and are quite prepared to see it continued everywhere and anywhere. There are at present twenty-two wars still going on in Europe.

most

I.A.F.

16 SEP 1920

39373 Molteno 545

2504w

General Botha's death grieved him much. At the impressive memorial service in Westminster Abbey on September 4th he was struck by a note of thankfulness for the gift of a noble life. All the Empire was now deploring his loss.

Yet not so very long ago, when I was asked to secure accommodation for him just after the Boer War, hotel after hotel refused to receive him. But going about London, as I then did with him on several occasions, wherever he was recognized he was cheered by the people, who frankly appreciated the qualities of a brave and chivalrous foe.

(1902) Percy did not get accommodation in London for Botha

The national mourning for Botha was 'an evidence of what is best and most generous in the hearts of a great people'.

On September 16th he wrote to Charlie:

Hoover & Percy friends

Mr. Hoover lunched with me the day before he sailed. He takes a very grave view of Europe's chances of recovery in time to avoid starvation. In common with many who have been in Paris he regards the Treaty as utterly unworkable and doing infinite harm. The terms of the Treaty have been drawn up in the spirit of Clemenceau's statement to the chambers: 'I have lived for forty years for this day of vengeance'. Mr. Hoover says the League of Nations is the only hope of saving Europe. Yet it is only a name, and means nothing even here.

I note that prices are rising with you as everywhere. Our bankers are at last thoroughly alarmed, but they are too late, and Churchill is allowed to carry on a campaign in Russia at a cost of nearly a million a day!

What humbug all this talk of democracy is! The people know nothing of what is being done in their name by these unscrupulous gamblers in human lives. The country is apathetic and quite exhausted mentally by the war. We are living in a period in which the decline of our once happy and prosperous Empire has begun.

Percy disagrees with his old friend Merriman re Black Stars

After receiving Merriman's letter Percy on October 9th sent him a spirited reply on the Mandates and the treatment of blacks in South Africa. He shared Merriman's scepticism about the League of Nations, chiefly because its makers had called it in to maintain a Treaty (the Treaty of Versailles) which was the negation of justice and right. 'To-day,' he added, 'the orders of the big Powers are defied all over Europe. Rumania, for example, has invaded Hungary in defiance of them and is treating it as highway robbers would do.' When Percy wrote, the railway strike had just come to an end. 'The stations near me were held by troops with all the paraphernalia of war - machine guns, sandbags, etc., etc.' What they were now experiencing was due, he thought, to the prolongation of the war and 'was foreseen by many of us when we supported Lord Lansdowne in his attempt to bring it to an end'. The need of the world was a healing and Christian spirit.

But Christianity has been abolished here since the war began. I remember Sir Wilfred Lawson saying to me: This country is like a certain brand of teetotalers who are teetotal between meals; so this country is Christian between wars.

the Treaties (Versailles, St Germain, Trianon & Sévres) which in his view were

Percy made a note of Mr. Hoover's conversation, and sent a copy of it to his brother Charlie along with Earl Loreburn's book: *How the War Came*. He had taken a great interest in the work and had given much help to the author.

At the beginning of December he wrote to his brother James:

Things financial here are getting much worse; the Continental exchanges are collapsing, and the sovereign [i.e. the paper pound] is worth little more than sixteen shillings in the United States. South Africa is beginning to get the benefit of her gold production. Gold is up about 25 per cent, which ought to benefit the mines. The conditions on the Continent are desperate, and the people are dying of famine. I am trying to raise a fund to help Vienna, but the situation there and elsewhere is quite beyond private aid. We can only help hospitals and prevent people actually dying of starvation by supplementing the Government allowance. I enclose a copy of a letter Lord Curzon has written me on the subject. Earl Haig and others are going to back the appeal.

Ever since the end of hostilities and the coupon election Percy had been longing to revisit the Cape. At last on December 28th, 1919, he was able to accomplish his wish, taking his passage on the *Ulysses*. His able private secretary, Mr. H. B. Johnson, who had been appointed Hon. Sec. of the Vienna Emergency Relief Fund in London, went twice to Vienna to assist in organizing the work, and I am indebted to him for the following notes.

The idea of the Vienna Emergency Relief Fund came to Percy Molteno during the famine blockade against which he constantly protested. It was only lifted gradually after the signature of the German delegates had been obtained to the Versailles Treaty in the summer of 1919. The plight of starving Austria, as I saw it, was truly indescribable. Lack of food and clothing—utter starvation and destitution had caused not only many deaths but tuberculosis, rickets and other complaints due to undernourishment and malnutrition.

Baron Ofenheim, an Austrian banker, and Professor Wenkebach, a noted Dutch doctor practising in Vienna, came to London and were put in touch with Molteno. They told him the story of Vienna's plight, and he at once decided to take steps to start a City of London relief fund. He went to see Lord Curzon, then Foreign Secretary, who sanctioned the project and gave it an official blessing. At a time when the Red Terror threatened to spread from Hungary to Austria and Germany Lord Curzon's political wisdom in this emergency was as conspicuous as his humanitarian feeling; for the Vienna Relief Fund proved a bulwark at a most critical moment against the extension of revolutionary Bolshevism.

At the same time one of the finest characters in the City, Mr. F. Huth Jackson, a Privy Councillor, whose firm before the war had a large accepting business with Austria, was easily induced to take a leading part in the organization of the Fund. Molteno conferred with and visited him constantly in the autumn of 1919. Mr. Huth Jackson placed his City offices and staff at the disposal of the Fund and throughout its activities he and his partners gave their advice and assistance. An influential and representative committee was formed towards the end of the year 1919. The Bank of England agreed to act as bankers to the Fund and Lord Plender promised the services of his firm as Hon. Auditors. The appeal to the public was signed by Mr. Asquith, Earl Haig, Lord Robert Cecil, Arthur Henderson and many other representative men. The Government granted one pound for every pound raised. The first appeal yielded £230,000, and two further appeals brought the total up to £509,000, a magnificent result when one considers the losses and sufferings and vindictive feelings left by the Great War. Percy and Bessie Molteno with their usual splendid generosity were among the first subscribers with a gift of £1,250, and he also paid all my expenses in Vienna out of his own pocket.

Dec 1919  
Percy help  
start Vienna  
Fund

Dec 1919  
Percy Cape

Vienna  
Emergency  
Fund

Percy still  
done work  
in high  
of Bank

1919

TL

TL

Baron Ofenheim gave very large sums and was always ready with advice and assistance. Sir Hedley Le Bas placed his knowledge of advertising at the disposal of the Fund and contributed much to the success of the various appeals.

A most efficient organization was built up in Vienna to handle the many and various urgent demands for help. The Society of Friends was already on the spot and helped to distribute the Fund's resources which were very carefully expended. Our representative in Vienna was J. L. Dougan, and the London committee had constant assistance from the British Ambassador, Sir Francis Lindley, and Sir Thomas Cunninghame, the British Military Representative. The magnitude of the Fund's activities may be gauged by a few details. Among the purchases and gifts forwarded to Vienna were 7½ million tins of condensed milk, 100 tons of rice, 115 tons of dried milk, 10,000 gallons of cod liver oil, 80 tons of wool and large quantities of other food and clothing and boots. In 1921 some 60,000 children under six were being fed by the Vienna Relief Fund. Many grants were made to hospitals and nursing homes. The relief was distributed in the various districts through depots; it was a wonderful sight to see the long queues of mothers and children all over the city calling at the depots for relief. But for the Fund many thousands would have perished from starvation and disease. When the Fund closed in 1921 more than half a million pounds had been expended and the total cost of administration including advertising was under £9,000, a record in the history of charity. And even this sum was defrayed by an anonymous donor. So that every penny subscribed was used for relief without any deduction whatever. It can be claimed that this effort was a great and lasting monument to Percy Molteno, to his vision as a friend of humanity and to his practical foresight and sagacity. It saved the reputation of the British people, but unhappily no real or successful attempt was made at the time by the British Government to restore the currency, credit, and commerce of Austria and Vienna which had been cut off by tariffs, embargoes, etc., from former trade connections. This terrible political and economic failure, following the disruption of Austro-Hungary after five years of war and blockade, contributed through a chain of events to the disaster which followed soon after Percy Molteno's death. He had seen all too clearly how things were shaping and had uttered his warnings over and over again in season and out of season. Nearly all of them were neglected.

The treaty of peace was signed under duress by the new German Government on June 23rd, and the blockade was lifted soon afterwards. Parliament met in October. On November 8th, Mr. Lloyd George acknowledged that we had spent a hundred millions sterling on continuing the war against Bolshevik Russia; and though he did not regret a penny of it he admitted its total failure.

Besides his successful organization of famine relief for Vienna Molteno had taken part in inflicting on the coalition Government the first severe defeat it had suffered since the coupon election. With the other directors of *Common Sense* he had joined in an attack on the legality of the embargoes and the whole system of licensing imports, which Sir Auckland Geddes, President of the Board of Trade, had stubbornly maintained after the war. Not only was there an intimate connection between these embargoes and the famine blockade, but gross favouritism and corruption naturally accompanied them. At last when he saw that their legality was to be tested in the Courts and that Sir John Simon had taken up the question, Mr. Lloyd George suddenly announced their almost complete abandonment at the beginning of

June 1919  
- end of  
Blockade

has  
fact  
est. ex. l.  
society

August. Later on the illegality of the licensing system was confirmed by a judgment of Mr. Justice Sankey.

That Molteno had not exaggerated the miseries of Central Europe or underestimated the need either for philanthropic assistance or for a change of economic policy may be judged from a few sentences in a speech delivered by Sir John Simon at Huddersfield on January 30th, 1920, soon after Percy landed in South Africa:

The condition of Europe at the present time almost baffles description. A large part of it is literally starving. The standard of life in some communities of Europe has been so depressed, the means of livelihood so limited that food and work simply cannot be found. At this moment I believe, over a large part of the Continent, there is spreading a degree of misery and wretchedness to which the history of civilization can probably find no parallel. To the relief of this situation the Treaty of Peace has not contributed a jot. It has done nothing to solve the fundamental economic problem. The war was 'a war to end war', but there are no surer means of planting the seeds of future dissent—it may be of passionate violence—than to leave in society immense communities of people who largely through no fault of their own have sunk into this depth of misery. As Mr. Keynes said in his book on The Economic Consequences of the Peace, one of the most uncomfortable things about human beings is that if they die starving one never can be sure that they will die quietly.

On these problems, added Sir John Simon, Liberalism had something to say. Realizing our responsibilities we ought to join with America in trying to restore the shattered fabric of Europe. 'In that way peace lay, in that way trade lay, and in that way contentment lay.'

#### CHAPTER XXXVI

##### DECLINE OF THE COALITION 1920— 1922—FRIENDSHIP WITH COUÉ—THE MOLTENO INSTITUTE

It was not until June, 1920, that Percy returned from the Cape where he had been busy looking after his property and investments and visiting his family and friends. He had found much pleasure in seeing and helping young kinsmen who were engaged in farming, fruit growing and professional work. A Committee headed by the Archbishop and Merriman was raising a fund to enlarge his old school, the Diocesan College at Rondebosch, in commemoration of old boys who had fallen in the war. Percy subscribed a thousand pounds and made another handsome donation towards the establishment of a club for South African students in London. Before leaving, he joined the Botanical Society of South Africa and made friends with the secretary who wrote to him afterwards: 'Our walks on Table Mountain will always be among my happy memories.'

During his absence the policy of the Lloyd George-Bonar Law Coalition had shown no signs of improvement. The Secretary for War, Mr. Churchill, was still wasting money on a prodigious scale. He had not abandoned the hope in co-operation with France of restoring Czardom in Russia. Nearer home Ireland was drifting into rebellion. Opposition was growing, but the huge

Percy spends  
6 months in  
Cape

Percy subscribes  
to Bishop

Man  
Ka

Government majority still held together. The indignation of Percy and his friends found expression week after week in the columns of *Common Sense*.

In August his sister Caroline arrived and went with him to Glenlyon. Towards the end of September he was back at Parklands. His potatoes had been lifted in fine weather and he wrote with some pride to Frank: 'I have got thirteen tons to the acre from Great Scott and expect about ten from Factor and King Edward.' A month later he wrote to his brothers at the Cape: 'We are now having a very bad coal strike. All Europe is in a terrible condition, and a financial crisis may soon supervene.' The post-war boom in South Africa had been followed by disastrous liquidation; but the political situation there was improving thanks to an excellent speech by General Smuts, whose refusal to allow private property to be forfeited under the Peace Treaty had helped to conciliate the German population. The Molteno farms were suffering from a decline in the prices of wool which had been artificially high. Percy explained the situation thus.

The policy pursued by our Government of securing a monopoly of all the wool, and then dealing it out in small quantities at very high prices to a famishing world, has of course prevented the consumption of wool for clothing. Hence the present stagnation. Here we are suffering from the continued incompetence of our opportunist Prime Minister, and Europe is being reduced to desperate straits. The French still pursue their mad policy of keeping all Europe in hot water. I don't see how we can continue to act with them much longer.

At home, seed prices had doubled in price; but he foresaw quite correctly the arrival of deflation and a fall in the excessive prices that had prevailed during the unhealthy fictitious post-war boom.

The financial position of both France and Italy is getting worse [so he wrote to General Smuts], and the sovereign is falling seriously vis à vis the dollar. We have just lost 9 million sterling on exchange in repaying a loan of 50 millions to the United States which matures this autumn.

He hoped that General Smuts, now Prime Minister, would not forget the Parasitological Institute at Cambridge. The building was progressing rapidly.

His wife and daughter and son-in-law had left for South Africa, but politics claimed Molteno's attention. Ireland was in a shocking state with civil war and murder rampant under a policy dictated by Carson. Proposals for an alliance with France, which might he thought easily entangle us in another European war, induced him to send a letter of protest to the *Manchester Guardian* in December.

In 1921 Mr. Lloyd George's Coalition Government was falling into discredit. The slump in trade, the failure to pacify Ireland, though Mr. Lloyd George had declared 'We have murder by the throat,' the chaos in Europe and the ruinous extravagance of the administration, caused general disgust and disappointment. European disorganization had helped to convince the Republican Party that they must continue the policy of Isolation adopted after the fall of President Wilson. Among the few

Aug 1920  
Caroline  
London

TL

Wool price

Percy writes to Smuts as PM

mb

Molteno Institutes 1920/21

essre, gant, SATL, 9 20, unclear

✓ Lena Murray?

bright spots on the international horizon was the Disarmament Conference at Washington, which brought about a proportionate reduction in the expenditure of the naval powers and some relief to their hard-pressed finances.

After Christmas 1920 Moltens found refreshment in a visit to Switzerland, and after his return he set to work with Gordon Harvey and other friends to promote retrenchment at home and a more reasonable foreign policy of appeasement and moderation on the Continent. He was much impressed by Baruch's book on Reparations, and the monstrously absurd economic sections of the Versailles Treaty. Two speeches by John Foster Dulles in the appendix to the book were 'splendid examples of clear, cogent, forcible and honest thinking'. The inconvertible paper currencies of Europe were crumbling and spreading ruin over wide areas of society. Our own Government was tinkering with the currency of East Africa where it had fixed the new rupee at 2s. instead of sixteenpence, a sad blunder. Unemployment in Britain had increased to over a million. Prices were falling, and wages would have to come down. He found relief as usual in his Parklands farm, where he was producing cheese in preference to butter. His friend Strutt had found cheese more profitable, partly because it kept better and could be marketed much more widely.

When he returned

Only 1m US !!

Percy's Health

Hayfever in Spring for 20 years past (40-60)

In June, 1920, Percy mentioned in one of his letters that he had been almost free from hay fever and had enjoyed the spring 'in a way I have not been able to do for twenty years.' Sir Roger Keyes whom he had met at dinner, was also subject to attacks of asthma. Percy thought it strange that a sailor should suffer from this malady, but Sir Roger said that he had first felt it at Venice, and 'I expect', wrote Percy, 'the marshes there breed a certain amount of pollen, as great areas are covered with blue plumbago and other marsh-flowering plants.' In this month of June his daughter Margaret, then at the Cape with her mother, married Captain Lennox Murray, who had farmed and fought in East Africa and was looking out for a farm in Cape Colony.

June 1920 Margaret & Lennox Murray Throwing at Cape Percy not at wedding

A speech on foreign policy delivered by General Smuts in the Union Parliament gave Percy much satisfaction, and in a letter of congratulations he mentioned that 'in 1913 as spokesman of a hundred Liberal Members I urged Mr. Asquith to mediate between France and Germany and not to plunge us into the secular hatreds of the Continent which have torn Europe to pieces'. After his arrival in London for the Imperial Conference the General replied that he was going to take the line foreshadowed in his speech.

During this summer Percy enjoyed the company of his brother James at Parklands and Eastbourne, after which they went to Glenlyon and later on to Switzerland and Italy. There he investigated with his usual thoroughness the latest developments of electrical power and found that since his previous study of the system the Swiss had doubled the speed of their locomotives on the St. Gothard up the heavy gradients of the Pass. On their way to Switzerland his brother James had insisted on taking him

1920 - James in England

TZ

TZ

New 1920 Moltens Inst. v. open

His

James introduces Percy to M. Coué in 1920

to Nancy to see Coué about his asthma. The treatment proved a great success and on his return in the middle of October Percy reported in high spirits: 'I have been quite cured of the asthma, and was told by M. Coué that it is a permanent cure and will not occur again'. He was naturally very grateful and became an enthusiastic disciple of Coué, whose 'unselfish and self-sacrificing character' attracted him greatly. After his return he began to study the whole subject, and on November 10th, 1921, he wrote to his nephew, Dr. C. M. Murray, who was in practice at Kenilworth:

Percy's asthma cured

Percy studies Coué's system

I see you have read Badouin's book and that you have found it helpful. Coué has discovered what the sub-conscious mind can do and particularly a way of influencing it in any desired direction. His famous experiment with the hands of a patient exemplifies one of his leading statements, that an idea once becoming dominant exclusively in the imagination, tends to realize itself, and that the imagination is always more powerful than the will. For example, a sleepless person, the greater the effort to get to sleep the more wakeful he becomes. Again the learner in bicycle riding goes straight for the object he most wishes to avoid; and so on. I saw him cure several paralytics, and he said that there are many people who are paralysed simply because they have the idea that they are paralysed, and if you can release their system from this idea, they can again control their limbs. He says that everyone can become master of his own health and keep himself well. To people who asked him to cure them he would reply that he never cured anyone but had shown thousands how to cure themselves.

leading

I would like sometimes to give you a more detailed account of all that went on; but I may say that I feel continuing benefit from what I have learnt from Coué. I have an excellent appetite, good digestion, and am getting more weight. I feel able to do almost anything. For instance the first day we were at Chamonix I walked up to a height of 7,200 feet and felt no fatigue or ill effect.

When one remembers the ravages of *malades imaginaires* in all ranks of society, especially among women, it is not surprising that a man so good, so kind, so skilful in psychology and of so impressive a character as M. Coué could work what seemed like miracles among his patients. In November he came to London from Nancy and gave some lectures. Percy wrote enthusiastically about his visit: 'He had a splendid reception, with which he was delighted, and everyone who has met or seen him has been immensely impressed with his personality and interested in his methods'.

At this time Percy was busy despatching seed potatoes to South Africa. He was corresponding with growers on his various experiments. One of them, Dr. Saloman, suggested that he should try growing potatoes at Glenlyon for the National Institute of Agricultural Botany.

Percy's interest in seed potatoes (long standing)

On November 28th, Percy and Bessie Molteno went to Cambridge for the opening ceremony of the Molteno Institute of Parasitology which they had founded. The origin of the Institute goes back to the will of an opulent City merchant, Frederick James Quick, who after taking his degree at Trinity Hall became interested in botany and biology and bequeathed a fund to the University of Cambridge for the promotion of research in the subject. Out of this fund a laboratory was started and a professorship to which Molteno's friend, George Nuttall, was appointed. The Quick bequest proved quite inadequate; but Professor Nuttall was energetic, enthusiastic and resourceful. Instead of hiding his light under an academic

121  
note  
d  
s  
ay

bushel he concentrated his studies on practical investigations into house flies, fleas, lice, mosquitoes and other pestiferous parasites which spread diseases among mankind or among useful domestic animals such as cattle, horses, sheep, goats and dogs. To enlarge his work Nuttall obtained grants from the Rockefeller Institute and from several Government Departments at home and in the Colonies. A few small sums were contributed by individuals. In 1914 Percy made a donation of £400 and in 1919 when his scientific friend issued an appeal for funds Percy wrote him the following letter:

10 Palace Court,

November 1st, 1919.

I have for long been interested in your work on parasitology. I regard this work as of the very greatest value to the Empire and particularly to Africa, the home of so many diseases transmitted by and through parasites.

Your researches have already produced results which are of immense benefit in the control and prevention of diseases both of men and animals. Indeed, research of this nature is indispensable if Africa is to be made habitable for white men and for animals of European stock.

Your researches are, however, not bounded by the African field, vast as it is, but will apply all the world over in alleviating human suffering and protecting human and animal life from disease.

Having seen, he continued, how utterly unprovided Nuttall was with the necessary accommodation for his extending work, he and Mrs. Molteno desired to join in providing funds 'for the erection and maintenance of a suitable building to be used in the future as an institute for parasitological research in the University of Cambridge'. It was estimated that the building with the necessary fittings would cost £20,000 and that a further sum of £10,000 would be required to provide for upkeep and maintenance. On the understanding that the University would provide a suitable site Percy and his wife offered £30,000 for these two purposes. He added that after provision for the upkeep of the fabric the balance of income from the maintenance fund should be used by the director of the institute for furthering the work of research. He had examined and approved a plan of the building with a library, a museum, and rooms for professors and students. The University accepted the benefaction, and later on, when the estimates of the architect (as usual in such cases) were exceeded, Molteno gave an additional sum of £6,000.

The Molteno Institute was opened on November 28th by Lord Buxton, late Governor-General of South Africa. The Vice-Chancellor of the University took the Chair. With the founders were Sir James and Admiral Molteno, their son D. J. Molteno and his wife, their daughter Margaret and her husband, M. Emile Coué of Nancy, Mrs. F. C. Selous and others. Many British, Colonial and foreign scientists took part in the ceremony, which was held in the research museum of the new Institute. Lord Buxton spoke as an old friend of Percy and Bessie, whose fathers, Sir John Molteno and Sir Donald Currie, had done so much for the development of South Africa. A message was read from General Smuts, then Prime

*Those present at opening*

*Jervis & Isla Molteno*

Minister of South Africa, paying tribute to the importance of the Institute and the generosity of the founders. To explain 'parasitology' the Vice-Chancellor defined a parasite as 'a live body that fastens itself upon another body which is called its host and lives on its host at the host's expense'. Molteno characteristically gave the main credit to his friend, Nuttall (who was unfortunately laid up), and mentioned that another friend of his, the late Captain F. C. Selous, on a visit to Cambridge had paid tribute to the professor's work. He told how Cecil Rhodes's manager at the Matoppo once lost a herd of 500 cattle in a fortnight by East Coast fever. He told also how in Uganda some 200,000 people out of 300,000 had been swept away in a short time by sleeping sickness and how in the same Colony half the cattle had been destroyed by disease. Molteno himself had seen great tracts of Africa deserted by man and uninhabited owing to the mosquito and the malaria which it carried.

There can be no doubt whatever that this splendid munificence was well directed to the task of applying scientific research to the diminution of human and animal suffering and to the liberation of men and animals not only in the tropics from the ravages of preventable disease. The Molteno foundation is an important addition to the schools of tropical medicine all over the world. Much has been done to improve the health and reduce the mortality of natives and domestic animals. Wonderful success has already attended the scientific war on parasites in Panama and other parts of Central America as well as in the mining districts of South and Central Africa. The value of the Molteno Institute is now recognized. Down to his death, followed soon afterwards by that of Nuttall, Molteno kept in close touch with its work and delighted in its progress.

About the same time Molteno had the satisfaction of knowing that with his help a great Bantu dictionary, the result of lifelong study by his friend Sir Harry Johnston, had been completed and that the second and concluding volume would be published in the following year. The story of his interest in the dictionary starts from 1919 when the Oxford Clarendon Press published at three guineas *A Comparative Study of the Bantu and Semi-Bantu Languages* by Sir Harry H. Johnston, G.C.M.G. This first volume gave all the evidence available as to the characters and features of 543 languages and dialects of Central, South, East and West Africa. A second volume still in manuscript was to deal with the comparative phonology and syntax of these African prefix-using tongues. To obtain funds for the publishing of his second volume Sir Harry sent an appeal to *The Times* on July 8th, 1919. Percy Molteno's curiosity was aroused when he learnt that this prodigious work represented and incorporated the travels and researches of a lifetime. He communicated at once with the Clarendon Press, and on hearing that they would require a thousand pounds before proceeding with the second volume, he agreed to subscribe five hundred at once and to guarantee a further two hundred pounds if they would start immediately with the printing. It was arranged that his support

Percy help  
find a  
great African  
Dictionary

7

87

should take the form of buying copies of the first volume and presenting them to libraries and to professors or students of the Bantu languages at home and in Africa. Sir Harry filled with gratitude wrote some interesting letters to Molteno. He was eager to have the first volume widely distributed among natives or Europeans who might be able to fill up gaps in his work before some of the lingering languages and dialects became extinct:

You fully realize [he remarked], how fast this process of the fusion of languages, the suppression of tongues talked by savages with little tribal influence, is going on. A language like Swahili or Bangala, Kongo or Zulu, is spreading to the detriment of more uncouth, less easily learnt, tongues. These last, though they may be poor mediums of intercourse, may yet be of the highest interest to philologists and ethnologists as important connecting links between one group and another or between the Bantu and the Semi-Bantu.

Thanks to Percy's munificence almost every qualified student of the Bantu races and dialects must have received a copy of the dictionary. One went to W. J. B. Chapman, son of that celebrated South African pioneer, James Chapman, 'who almost anticipated Livingstone in some of his discoveries and laid down much of the geography of South-West-Africa'. Cambridge was not forgotten. P. Giles of Emmanuel, then Vice-Chancellor, who was promoting the study of African languages, and W. A. Crabtree, who was lecturing in the College on Bantu dialects, received several copies of the first volume. The second volume was issued in 1922 and many copies of this were also sent out by Molteno. As late as 1935 he presented both volumes to E. Stanford, a friend who was then living in Griqualand East.<sup>1</sup>

In the early months of 1922 the Coalition Government was obviously tottering to a fall. Bonar Law's resignation (on a plea of ill health) in the previous spring was soon to be followed by Conservative defections. Bad trade and widespread unemployment at home combined with the miserable state of the Continent added to the discredit and unpopularity of an Administration which had done little or nothing to repair the mischiefs of the Peace of Versailles. Even the peace just achieved in Ireland by a Treaty which created the Free State of Southern Ireland was bitterly resented by many diehards of the Unionist Party who had always believed in coercion and resolute government. Then there was an influential class of enlightened business men who were revolted by the shocking extravagance of the coalition; and public opinion had been outraged by the sale of titles on a huge scale, from whose proceeds Bonar Law replenished the Tory Party's exchequer while Mr. Lloyd-George created a political fund of his own to which neither section of the Liberal Party had access except through him.

In our next chapter we shall show what Molteno was able to do in the direction of restoring Gladstonian

<sup>1</sup> Those who desire to know more about the dictionary and its value should consult the Journal of the African Society for October, 1919, in which there is a review by W. A. Crabtree. It was not the least of Molteno's lifelong services to the natives of South Africa whom he had known and loved from the days of his boyhood.

like 2ed!

P  
huge  
of int

A Relative  
in law!

Percy  
April

Liberalism within the Independent Liberal Party. His letters to relatives and friends in the spring and summer of 1922 illustrate the wide diversity of his interests. Many of them are concerned with politics, agriculture, fruit farming, law, botany and with Coué's principles of Auto-Suggestion. In April he wrote from London:

M. Coué is here again and his visit is causing a great sensation. The crowds who wish to hear and see him cannot be satisfied. Every paper has long notices about him and his methods. Punch's principal cartoon this week is one of Mr. Lloyd George trying it as a Couelition. It has been a wonderful success with me; I have been perfectly well ever since he cured me in September. There is no doubt that the method is in its infancy, and that its possibilities are immense in their effects on the therapeutic art and psychology.

There was a puzzling question about Rights of Way at Millers Point where his daughter Margaret Murray and her husband were staying. He sent a learned letter on Cape law which showed that titles to land are free from all servitudes or limitations not specially registered against them. To a Catholic priest with whom he had made friends at Beaufort West Percy sent a letter of thanks and of regret at the death of the Pope whose efforts he said in the cause of christianity and peace had won the gratitude of many in England. A book by Signor Nitti *Peaceless Europe*, described by Molteno as 'a terrible indictment of Versailles and its foul brood of Peace Treaties, which have generated nothing but war and hatred, so that to-day Europe has more armed men than it had in 1913', had impressed him so much that he bought a number of copies and sent them to friends. His brother, Sir James Molteno, had returned home, and started, with Percy's encouragement, on a volume of personal reminiscences. Percy, whose own caligraphy was so difficult to read that he had resorted mainly to the typewriter, gave his brother a piece of advice which ought to be impressed by teachers on all children committed to their charge, as well as upon all who sign their letters without a rubber stamp: 'I hope, when there are any proper names, you will write them very clearly and distinctly, as your writing is not easy to decipher. Ordinary words one can generally make out from the context, but proper names must be clearly written to be legible.' Later on, when the book was completed, he insisted that it should be typewritten and corrected before it came over to England.<sup>2</sup>

About this time bloody rioting in Johannesburg was put down with a strong hand by General Smuts. Percy approved. ~~It was one of those cases he felt in which an incipient revolution<sup>3</sup> ought to be nipped in the bud.~~ In March a leaflet from his pen on Foreign Policy was circulated by the National Reform Union, and at the end of the month the important letters of Gladstone and Asquith with Molteno's memorandum, which will be the

<sup>2</sup> The book (already referred to) was entitled *The Dominion of Africanderdom*. After Percy's revision it was published by Methuen and was followed in 1926 by *Further South African Recollections*.

<sup>3</sup> The object of this brutal strike was as Merriman informed Molteno 'to destroy capital and introduce Bolshevism'.

Miller Park

1922 James starting to write his book

Percy approves of curbing of Rand rebellion

✓

subject of my next chapter, appeared in the Press.

In April, hearing that his niece Kathleen Murray who farmed at Elgin had been winning prizes at agricultural shows, he sent her some suggestions about her garden, which should appeal to florists and botanists.

Percy's adv  
to Kathl  
re Pat m  
garden

He suggested that she might plant round her house at very small expense

indigenous flowers which would not need water or special care, such for instance as the various red hot pokers, agapanthus, belladonna, hydrangea, blue plumbago, and some of the small proteas, and some of the aloes, putting rather large groups by themselves:

Very  
interesting  
Advanced  
Idea

The geraniums also are wonderful for dry places.

Margaret took out three small plants, one the olea fragrans, which has a most delicious scent, a sort of orange blossom scent, but an inconspicuous flower though with nice green foliage. Another the elae agnus which is used at the Italian lakes for its fragrance. It grows vigorously and can be used in many places, as it will submit to being cut hard, to make hedges or shelters or anything of that kind, and the fragrance in the evening is delicious. Cuttings can be taken from it easily or sucker growths. The third is a small plumbago larpentæ originally from Shanghai and has exquisite blue flowers. It is a small shrub not more than a foot high and would make a beautiful clump of blue.

Have you any of the large white single rose which grows at Paarl and Stellenbosch, it is a beautiful white with very fine foliage, and needs no care except cutting back.

The problem still remains for you of devising a good water supply, which is a difficult one, as any pumping which involves fuel is an expensive business.

Percy had seen some fine plums at a show in London from Merriman's beautiful farm at Stellenbosch. Merriman was much pleased to hear of it and wrote:

It is really the fact that you were one of the most practical pioneers of the fruit export at a time when it was not so popular as it is now, when it has reached a total value of £500,000 with every prospect of reaching even larger figures.

James I presume

To a relative who was writing about the past, including the Boer War, Percy said that bitter memories should be allowed as far as possible to sink into oblivion, for they may cause great trouble, as in the North and South of Ireland.

The preaching of Christ that hate only breeds hate and that love alone can cure hate is absolutely true; and His other great principle, 'Love thy neighbour as thyself', would be equally powerful if practised to heal the hatreds of mankind.

In another letter he told Dr. F. Parker, a relative at Elgin, of some fine apples which had come from Ted's farm at Elgin.

A friend of his had them at dinner when the King was dining. The King was greatly interested, asked where they had been grown and who had grown them and took one of them in his pocket when he left.

Incomplete  
story  
is Ernest  
Anderson

In a letter to Charlie of May 11th he referred to 'The rocky condition of the Genoa Conference and the "action of the French" who wanted to occupy the Ruhr, in order to control German industry and possibly to detach Bavaria, which was dependent on Ruhr coal.'

add from next page  
to page

During the summer a controversy arose at the Cape about the value of the Haanepot grape. Merriman and Chiappini defended it in the Cape Times on account of its fine flavour. Its competitors, said Merriman, were mostly flavourless sports of the Almeria kind 'familiar to all grocers in England, and chiefly recommended for their thick skin and good travelling capacity'. Percy joined in the fray and contributed several articles to the Cape Times on fruit growing, which were afterwards reprinted.

In August he wrote to the London *Times* comparing the treatment of France in 1814 and 1815 — when the Duke of Wellington and Castlereagh stood out for moderate terms against Bluecher — with the Allied treatment of Germany and Austria at Versailles and St. Germain in 1919. It was a 'Historic Warning', but our Diplomacy was unteachable.

Percy was returning to Party politics now that the Independent Liberals could be relied upon for free trade and public economy, while its Leaders had gone a long way in the direction of a Gladstonian foreign policy. He was expecting, correctly as it turned out, that recent events, and especially his intervention in the Turko-Greek war, would 'help to get rid of Lloyd George and Churchill at the next election'. Meanwhile at the end of September he went off for a month's holiday on the Continent. On his return he found a letter from the Mayor of Molteno, a small town in Cape Colony, to whom he sent a portrait of Sir John Charles Molteno after whom the place was named. He told the Mayor that the family took its name 'from a very ancient town in Northern Italy of which they were possessors in the eighth century'. It was now a seat of the silk industry. About the same time he received a copy of *The Life of John Tengo Jabavu, a great Bantu Patriot*, written by Jabavu's son, printed at Lovedale and dedicated to Percy Molteno, Jabavu's lifelong friend. In a letter of thanks Percy said he was particularly interested to hear that towards the end of his life Jabavu had joined the Society of Friends, 'as they are one of the very few religious societies which are now working wholeheartedly in the spirit of Christ for peace and goodwill among men'. He feared that the religion of forgiveness embodied in the Lord's Prayer had become so familiar that most people failed to apply it to worldly affairs. If only they would do so, the doctrine would work wonders in restoring happiness to Europe.

In the last week of October the country was in the thick of preparations for a General Election. At a meeting in the Carlton Club the Conservative Party, by a large majority, had thrown over the Coalition. Mr. Lloyd George resigned, and Bonar Law formed an administration with Mr. Stanley Baldwin as his Chancellor of the Exchequer. Bonar Law dropped the Tariff controversy and gave out 'Tranquillity and Stability' — the watchwords of his policy — an astute move which pleased the country.

Viscount Gladstone pressed Molteno to stand. After considering several offers, he visited the Montrose Burghs

in defence  
of  
Haanepot  
grape

1922 TL

Percy  
regains UK  
p. 26 v. 22  
E 1922

Jabavu  
TL

1922  
Election

Will Percy  
stand?

which attracted him as John Morley's old constituency and because Morley's friend, Sir Francis Webster of Arbroath, was still Chairman of the Liberal Association. But Scottish Liberalism had been sadly distracted by the war and by the split between the Coalition Liberals and those who adhered to Asquith. On November 7th, Percy told his brothers that on investigating the situation he found that 'there was no organization, no unity, no enthusiasm, and no means of getting one's views before the electors and the press'. Accordingly, after holding one or two meetings, he withdrew. As to what might be the results of the General Election he said it was difficult to form an estimate, so great was the confusion, so many the Parties and so general the ignorance among the electors of the true state of affairs. It was, he added, Mr. Lloyd George's ill-advised action in the Near East that hastened the rupture of the Coalition, as most Conservatives were strongly opposed to fighting for the Greeks against Turkey.

During the election campaign he wrote a powerful letter to the Manchester Guardian criticizing a speech in which Lord Grey had argued that foreign affairs should be non-Party and that the foreign policy of the Coalition should be continued. This 'convenient theory of continuity' had been summed up long ago by Joseph Chamberlain as the theory 'that it is not the business of the House of Commons or the people to express an opinion on foreign affairs'. If Grey had his way, the country might again be committed secretly to war by a few men, 'just as it was in the days of old by its Kings to a policy of which the people knew nothing but from whose consequences they would be the main sufferers'.

quite  
Percy's prep  
write to the

## CHAPTER XXXVII

GLADSTONE'S FOREIGN POLICY  
1921-1922

In the autumn of 1921 Molteno embarked on his cherished project of making Gladstone's foreign policy a recognized article of the Liberal Faith. In spite of the past, and in spite of discouragement from Morley and Loreburn, he was bold enough to think that through Herbert (Viscount) Gladstone, who was then in charge of the independent Liberal Party's organization, he might prevail upon its Leader, Asquith and his Shadow Cabinet (several of whom shared his views) to revert to Gladstonian Liberalism in the three great matters of foreign policy, free trade and public economy, and make it their battle cry at the coming elections, which could not be long delayed.

In pursuance of his object Molteno had written a leaflet on foreign policy for the National Reform Union with the strong approval of its President, Gordon Harvey.

<sup>1</sup> The Geddes Report, published on February 11th, 1922, was a victory for Molteno and the Public Economy League, of which he was an active supporter.

→ Percy's 3 great concerns

Like a previous one issued in 1912, when Arthur Simmonds was secretary, it denounced secret diplomacy and the growing tendency of the Foreign Office to withdraw important foreign affairs from the cognisance and supervision of Parliament and the people. The argument was directed against entangling alliances on the Continent and the old chimera of Balance of Power in Europe, which represented it as Britain's interest to trim the balance by associating with and throwing her strength if necessary in war, on the side of that Power or group of Powers which appeared to be weaker.<sup>2</sup> This policy in the eighteenth century had involved us in many costly and futile wars culminating in the struggle with Napoleon and the miseries, verging on famine, which lasted from 1815 down to the Hungry Forties. Molteno pointed out that the Ententes and secret military conversations with France and Russia before the Great War had deprived the nation and Parliament of the right to be consulted, or to save the peace in the crisis of July, 1914. He quoted a resolution proposed by Henry Richard (a disciple of Cobden) in 1886, in the House of Commons: 'That in the opinion of this House it is not just or expedient to embark on war, contract engagements entailing grave responsibilities on the nation and add territories to the Empire without the knowledge and consent of Parliament'. Richard's resolution was only lost by four votes. Molteno clinched the argument for Liberals by setting forth Gladstone's principles of foreign policy, which were not far removed from those of Cobden and Bright.

On January 18th, 1922, Earl Loreburn wrote to Molteno:

When the new Parliament comes there will be a great movement to ascertain what were our motives for the dishonest departure from the Cobden Policy and for its concealment from the country. The *Westminster Gazette* [to which Molteno had just sent a letter on the subject] obviously objects to any return to Cobden's ideas. . . . The old principles that we all professed were sound. Unhappily it is very difficult to reapply them without immense risk, because we are bound by all kinds of secret promises all over Europe. Lansdowne told me himself that we were not tied to France in 1904. All the materials are in writing. It was Grey, Asquith and Haldane who made the great and disastrous change—which they still deny.

I think Ireland has now a chance she never had before, and I believe she will take it. It was a great mistake in my opinion that we did not act as I proposed in 1920. But the Tory Party were then still unconvinced and would not give up Unionism.

Undeterred by Loreburn Molteno persisted in his design of bringing back the independent Liberal Party to first principles, and on January 24th he addressed the *Manchester Guardian* on the unwisdom of another alliance with France, which would again sacrifice British interests through participation in the quarrels of the Continent:

The need [he wrote] for a stable peace was never greater, but the Treaties manufactured at Paris afford less chance of stability than any of the Treaties which terminated other great periods of warfare.

<sup>2</sup> The Foreign Office under Rosebery was just as ready to go to war with France as it was under Grey a dozen years later to go to war with Germany.

Mr. Lloyd George, the Prime Minister, 'to do him justice', had realized the situation in Paris and had 'deplored the fact that he had rallied too quickly to the idea of a prolonged occupation of the Rhine Provinces' with all the unrest that it must involve.

In one of his letters, written on January 24th, Molteno said:

I heard with profound agreement Mr. Asquith's statement at Cannon Street hotel last week that there should be 'effective prosecution of a universal policy of disarmament on land and sea and in the air and a resolute avoidance of entangling engagements which might tie our hands and mortgage the future between separate Powers or groups of Powers'.

At home, Molteno added:

Things have steadily worsened since the Armistice. We have two million unemployed, not a single furnace blowing in the great Cleveland district of Yorkshire, our output of iron for 1921 the lowest for sixty years, and all our industries languishing.

About the same time he drafted a letter to Viscount Gladstone and submitted it to Gordon Harvey, who wrote from Town House, Littleborough, expressing 'agreement with all you say and with the reason and necessity for saying it.' Though in the grip of a mortal disease, Harvey sketched in this letter a brilliant pen-portrait of Edward Grey. It helps to explain the strange influence which that statesman had wielded over the House of Commons and still wielded to some extent, when he chose, over the House of Lords and the country:

Grey has an extraordinary force about him somewhere, or he would hardly be able to exert such unbounded influence on reasoning people as he undoubtedly does. When I had the opportunity of observing him at close quarters I used to tell my friends that it was his obvious sincerity and dignity and detachment that made him fit the rôle of the embodiment of the Anglo-Saxon type. I often felt myself slipping under the sway of his apparent authority, and after a time regularly and purposely absented myself from the House on the occasion of his speeches, finding it so much better to read them in print without all the distractions caused by his mannerisms and appearance.

I have no doubt that on the occasions of his recent speeches the audiences would gasp at his wisdom and form the notion that, wise as he seemed, he could be much wiser if he cared to put himself about. In cold print the speeches he has made since his emergence have been poor, incoherent and without definiteness or strong purpose. He is a man whose influence cannot be destroyed in the case of hosts of people. He is a man whom unprincipled men can use and shield themselves behind. The one thing that gives me any real satisfaction is that I believe L. G. cannot entrap him.

Harvey was all for a remonstrance. It ought not to be delayed now that the proposals for a French Treaty had come out; 'and we ought to know where we are with our Liberal Leaders'. Instead of a treaty with France he wanted a concert of Europe to stop the growth of armaments and prevent eventual war.

Richard Holt also favoured the proposed letter to Gladstone. He was strongly against any agreement to defend the Eastern frontier of France. He held that the League of Nations should embrace all European countries. Molteno thereupon sent his draft letter to

Percy tries to get many of Liberal Party  
(not the LG faction) to return to original  
Liberal principles - 1922

39373 Molteno 561

2041W

numerous Liberals of the old School in both Houses of Parliament and to other influential adherents of the Party who might be inclined to sign a document pressing for a return to Gladstonian principles of foreign policy. As might have been expected, there were sentences here and sentences there to which objections were raised; but in the course of January Percy was able to meet most of these criticisms, and obtained a sufficient number of weighty signatures to justify him in writing to Lord Gladstone, who was then controlling the Party funds and organization. An additional reason for prompt action was supplied by a recent speech of Edward (Viscount) Grey, intimating that, while he wished to see the end of Coalition Government, he thought that continuity of foreign policy should be maintained, and regarded 'with good will and hope' the conversations between Mr. Lloyd George and M. Briand at Cannes, though he did not wish the agreement with France to be so exclusive that other peace-loving nations might not be able to come into it. At the same time Grey was for strengthening the League of Nations, and Molteno was anxious to secure his adhesion as well as Asquith's.

To conciliate critics who were in general agreement Molteno made several modifications of the document. He had written previously to Gladstone a private letter, which began:

I have read with much interest that you have taken up the control of arrangements for the General Election on behalf of the Liberal Party, and I beg to offer you personally my best wishes for the success of your efforts. I hope your taking up this office means that the Liberal Party is going to have a clearer understanding as to what the principles are to be to which it will adhere, and that these principles will be considered with the rank and file of the Party.

The time seems to me to have gone by when the Liberal Party can be dragged at the heels of any leaders, however eminent, who settle its policy in secret, and occasionally give a glimpse which they think adequate of what their policy is to be to their uniformed followers.

I have followed events in a somewhat detached position for the last few years, and I have not been able to discover to what principles the leaders attach importance or to which they intend to adhere should they be returned to power. . . . This brings me to the question which is quite fundamental in my view: what is to be the Foreign policy of the Liberal Party? Is it to revert, after a disastrous period of aberration to the doctrines laid down by your father, which have always appeared to me to be fundamentally correct. His warnings and predictions of the dangers which would follow from the abandonment by this country of these principles have been amply exemplified in the disastrous years of the war and subsequently.

In broad terms he laid down the principle that we should remain masters of our own fate, that we should not contract a special alliance on the continent, that if we did so it would not add to our power in anything like the same ratio as it would add to our responsibilities . . . he advocated, not our isolation from the affairs of Europe, but our handling them in concert with other nations interested.

Molteno added that he had just read 'with grave concern' a statement by Viscount Grey that in his opinion 'the fortunes and welfare of France and this country are bound up together'. 'I am, and always have been, in favour of maintaining friendship with France, but never

of allowing France to dominate our policy,' whereas Grey appeared to contemplate 'a still closer association of the fortunes of this country with those of France.' He hoped that he had misinterpreted Grey's opinions, and asked for enlightenment on the question whether Gladstone's principles of free trade, foreign policy and self-government were to be held as fundamental by the leaders of the Party or 'as not binding when they are inconvenient'. To this letter Viscount Gladstone replied on January 11th from the Liberal Offices at 21, Abingdon Street:

I am glad to get your letter, particularly because I find myself in full agreement with your views on foreign policy. My father was dead against entangling undertakings with individual Powers, and did his best to get movement in right directions out of the Concert of Europe.

He thought Grey's speech had been misinterpreted, as his whole basis, like that of Lord Robert Cecil, was the League of Nations, which 'in spirit and in letter would be compromised by a special arrangement with France or any other country.'

Percy had also sent the memorandum with several enclosures to Viscount Morley, whose answer (February 6th) from Flowermead, his home in Wimbledon Park, was highly characteristic of his attitude:

MY DEAR MOLTEÑO,

I have read the enclosed pieces, as you might be sure I would, with sympathy, admiration and edification.

But I wonder whether they are addressed to the right quarter. Herbert G. presided over the recent meeting in support of Asquith and Grey. Those two ex-Ministers were in my judgment more responsible for the War that began in 1914 than any two Englishmen living, and I for one should deplore their return to supreme power in our national affairs.

Pray, don't think I say this in a moment of impulse. I was in their Cabinet and knew their work. It was this experience that forced me to leave them and to resign my office. This is a long story, if you please — but it is my apology or excuse for hesitating to approach them directly or indirectly.

One item in to-day's news reminds me of a luncheon at your table long ago, when you placed me next to de Wet, to my lively gratification, tho' we had no common language. More than once his voice and gestures were so violent that I suspected the interpreter of pouring much milk and water into de Wet's strong wine.

Thank you for writing to me. Remember that I am wholly and keenly in accord with the Gospel of West Calder.

Yours sincerely,

MORLEY OF B.

Molteno's reply to Morley (February 7th) is equally interesting:

I felt sure you would be wholly and keenly in accord with the gospel of West Calder.

I do indeed fully realize the difficulties in regard to Grey and Asquith. I absolutely agree with you as to their responsibility for the war, and I can never forget their continued deception of us in their pre-war policy.

I could not stand idle and see the Liberal Party again committed to a similar policy by Grey without making some attempt to stop it. The fact that Gladstone was the son of his father gave me an opening to approach him and to urge upon him the need for returning to his

de Wet & Percy  
- as  
downer!

Key to Percy's confidence that he can really get things done  
Percy opposing Grey / Percy has the

father's policy. I clutched at this straw and wrote him first in my own name, and then subsequently, finding so large an agreement with me among Liberals, I was instrumental in drawing up the memorandum and getting it signed. But what steps to take, how to prevent Europe and England plunging into the abyss which is clearly opening before them — that is a great question, a question which it does not even occur to most people to ask.

John Burns says, 'Do nothing.' No man, no body of men, in his opinion, can do anything to prevent the occurrence of a terrible catastrophe, which is now on its way like a great avalanche rushing down a steep decline.

I have long thought that the men who brought about the war are so compromised that they are useless for the future and that we require new Leaders with clean record and fresh faith; but how to secure them — there's the rub.

On this last point — who should be the new leaders — he would immensely value Morley's views and suggested a talk.

I cannot say whether the talk took place; but I do know what Morley thought of Sir Donald Maclean; for once when the two were lunching with me he urged Maclean to make himself ready for the position and give the Liberal Party a fresh lead and a fresh leadership such as Molteno and his friends wanted. I find too in the correspondence of this year that Molteno and Gordon Harvey were both very grateful to Sir Donald Maclean for the gallant and efficient way in which he had led the Liberal remnant in the House of Commons after the Coupon Election.

Molteno quite understood Morley's personal attitude towards those who were responsible for the diplomacy that brought us into the war. But if the lesson had been learnt, and if experience had taught the Party and its Leaders the value of the Gladstonian tradition, he thought, and surely he was right, that his effort was worth making. Accordingly on February 3rd, not having heard again from Lord Gladstone he despatched the letter with a large number of signatures, adding that if there had been more time, many more would have been added. 'I have found,' he said, 'a very strong opinion among my friends' in favour of supporting the League of Nations and of avoiding special alliances. 'We are considering whether a larger movement should be organized. This brought another letter from Lord Gladstone in the course of which he said:

You must forgive me for not following up my letter. On going into the subject I saw clearly that it was a matter of very great importance, not only as regards E.G. but the Party leaders generally and the Party. Now that you have sent me a considered letter signed by so many men whose opinions carry weight — and I quite agree many others of weighty opinions might have signed — I will take the necessary action without delay for a deliberate and authoritative reply.

You will remember please that we are not yet in full working order. Leaders have to be organized as well as the Party, and my whole time is heavily engaged from breakfast to bedtime. But the necessary men will be collected on Tuesday, and I can promise you that no time shall be lost.

Gladstone was as good as his word; but before giving Asquith's reply I must cite in its final shape the letter which the signatories addressed to Gladstone.

THE RT. HON. VISCOUNT GLADSTONE, G.C.B., G.C.M.G., G.B.E.

DEAR LORD GLADSTONE,

We view with grave concern the present unsettled state of Foreign Affairs. The attempt to bring about an arrangement with the various Powers at Cannes has failed, owing to the refusal of France to join in a general policy of settlement in Europe. She prefers, on the contrary, to urge a special arrangement between us and herself of a more close and intimate nature, involving military and naval engagements. She has installed M. Poincaré, the promoter of a close alliance backed by military and naval force.

Now that the reconstitution of Parties is being considered, we think it advantageous to set out what should be the policy we would be prepared to support as Liberals on this and other matters.

We desire that all obligations on our part and on the part of those with whom we may be associated should be known in order that they may be estimated and provided for. We are anxious that in place of special and particular alliances with particular Powers there should be substituted the principles of the League of Nations. We believe that this is more likely to preserve Peace in Europe and the interests of all nations, and we are glad to note that Mr. Asquith in his speech at Cannon Street said, 'There should be the effective prosecution of a universal policy of disarmament on land and sea and in the air, — and the resolute avoidance of entangling engagements which might tie their hands and mortgage the future between separate Powers or groups of Powers.'

This has our full approval and support. We believe that the time has come when we must revert to the principles of Foreign Policy which were followed by this country after the Crimean War and down to 1904. Those principles were followed by Mr. Gladstone, and by his successor in the Premiership, Lord Salisbury. They were laid down very clearly and categorically by Mr. Gladstone in his great speech on Foreign Policy at West Calder.

The first principle is 'to foster the strength of the Empire by just legislation and economy at home, thereby producing two of the great elements of national power — namely, wealth, which is a physical element, and union and contentment, which are moral elements.'

The second principle is this. 'That its aim ought to be to preserve to the nations of the world — the blessings of Peace.'

The third principle is — 'to strive to cultivate and maintain, aye, to the very uttermost, what is called the Concert of Europe; to keep the Powers of Europe in union together. Because by keeping all in union together you neutralize and fetter and bind up the selfish aims of each. Common action is fatal to selfish aims.'

The fourth principle is — 'that you should avoid needless and entangling engagements', which he held would increase your engagements without increasing your strength.

The fifth principle — 'to acknowledge the equal rights of all nations. You may sympathize with one nation more than another; nay, you must sympathize in certain circumstances with one nation more than another. But in point of right all are equal, and you have no right to set up a system under which one of them is to be placed under moral suspicion or espionage or to be made the constant subject of invective'.

The sixth principle is — 'the Foreign Policy of England should always be inspired by the love of freedom'.

Mr. Gladstone adds: 'Of all the principles of Foreign Policy which I have enumerated, that to which I attach the greatest value is the principle of the equality of nations; because, without recognizing that principle, there is no such thing as public right, and without public international right there is no instrument available for settling the transactions of mankind except material force.'

We think that these principles applied to the state of Europe would have the most beneficial consequences for this country and for Europe. We hope and trust that the League of Nations may be so developed as to carry out these principles, which are entirely in accord with the idea of the League of Nations. We venture to express the hope that when the desires and suggestions of France or

Peraj, foreigu  
proposed princ

any other country conflict with the principles of the League of Nations, Liberal leaders will, without hesitation, support the principles of the League of Nations.

We believe that Free Trade, as full and as unfettered as it is possible to have it, is of vital importance to the restoration and well-being of this country and of Europe as a whole, and we urge that it should be one of the main endeavours of Liberal leaders to establish this.

Peace is the greatest interest of the British Empire as of Europe as a whole, and ought, we think, to have the first place in any consideration of British policy.

We believe that Peace can best be secured by interfering as little as possible in the internal affairs of other countries. We know the benefit of self-government in regard to the various portions of the British Empire, and the need of treating Foreign countries as self-governing is even greater. The League of Nations provides for the relations between various countries, and our relationships should be governed by its principles. The restoration of real peace, of confidence and of stability in Europe are essential as the foundation on which recovery can be based.

Among the twenty-four names attached to the letter were those of Earl Beauchamp, A. G. C. Harvey, R. D. Holt, T. Fisher Unwin, Sir Hubert Gough, Sir Herbert Leon, Stopford Brooke, Admiral V. B. Molteno, G. P. Gooch, Leif Jones, Sir Hugh Bell, T. Edmund Harvey, Lord Ashton of Hyde, H. G. Chancellor, Ernest J. P. Benn, Harry Nuttall, Sir William Barton, J. A. Farrer.

Lord Gladstone's conference with Asquith and his colleagues fully justified Molteno's hopes and his action. On February 28th, Asquith wrote from his house at 44 Bedford Square:

MY DEAR HERBERT,

I am anxious that there should be no shadow of doubt among Free Liberals as to our attitude and spirit in international matters.

I can, I believe, speak for myself and all my colleagues when I say we accept and adopt the guiding principles laid down by your father at West Calder, and that in the circumstances of to-day we are agreed that the Covenant of the League of Nations expresses and embodies, not only our ideals, but our practical aims.

The whole subject will be developed on these lines in the course of the campaign which has only just opened.

Yours always,

H. H. ASQUITH

Nothing could have been better than this letter, and Asquith followed it up with a speech in which he again condemned entangling alliances. He did not mention Grey; but at the time both Gladstone and Asquith had reason to believe that Grey would fall in with this declaration and explain or modify his Bristol speech, especially since Lord Robert Cecil had come out strongly for the League of Nations as against separate pacts with France or any other country. But after another talk with Grey, Gladstone had to tell Molteno that the ex-Foreign Secretary could not be counted upon.

Please remember [so wrote Gladstone to Molteno] that, as he told us publicly, he does not look upon himself as a Party leader. He speaks therefore with a certain detachment, but is ready to take responsibility for his words and action. It is clear therefore that he alone can deal with his own utterances.

In the course of further correspondence Gladstone asked Molteno to put down briefly the chief points in the

Bristol speech which he and his friends wished to be elucidated. Moltano thereupon drew attention to the sentences in which Grey had said we were so closely tied to the fortunes of France that if France fell we should fall too. This seemed to foreshadow 'an association of a special nature and not an association in which others could be as closely joined'. Then came the question of publication. Eventually, after some few modifications, it was agreed that the memorandum and Asquith's reply should be published, and after some delay they appeared in the newspapers on March 28th. The delay was due to Grey's hesitation. After inducing Grey to express a 'negative' agreement Gladstone had to report to Moltano on March 24th:

I have failed after all! I saw E. G. this morning. Quite changed since he dictated the 'negative' agreement. The operation followed two or three hours later.

Now he is militant and can work his mind. But he lays down a principle 'Nothing from a sick bed.' Rosebery, he said, ruined himself by making a speech and then making explanations. If he says anything now someone will make comment in criticism. He will wait till he can come into action. This is excellent in so far as it shows his determination to come in but unfortunate for our immediate purpose. I am sorry; but there is nothing to be done except to publish the correspondence as proposed—i.e. the signatories' letter and Asquith's to me in the form agreed upon.

With this letter the Moltano-Gladstone-Asquith correspondence ended. Moltano had gained the day thanks to the wholehearted co-operation of Viscount Gladstone in this effort to revive his father's ideas and principles of foreign policy. So far as the initiative and the work of carrying the movement to success are concerned it was a single-handed achievement. It involved an enormous correspondence, and in some cases Moltano had to use all his powers of persuasion to bring together the men of weight and influence who turned the scale. I wish it had been possible within the limits of my task to quote from the letters that passed between Moltano and Sir Hugh Bell, Sir Richard Holt, Gordon Harvey, Earl Beauchamp, Sir John Simon, Sir Frederick Maurice, Mr. G. P. Gooch and others who favoured the restoration of Gladstonian policy. In the case of Lord Robert Cecil, who was pressing similar views on the House of Commons, Moltano forgetting past differences of opinion wrote several letters of appreciation. Some day when the history of the decline of the Liberal Party in the years between the two great wars with Germany comes to be written, the box from which these extracts have been taken will throw more light upon the dramatic transitions and changes of Party allegiance which were in preparation during the spring and summer of 1922. The atmosphere was charged with electricity. It required no great prescience to foresee that Mr. Lloyd George's battered Coalition could not hold together much longer. But few could have imagined as even a possibility that Great Britain would undergo three General Elections and see three new Prime Ministers in the space of three years.

1922  
24

4/

19 SEP 1940

ROUGH PROOF ONLY.  
PLEASE RETURN THIS MARKED SET

I.A.P.

39373 Molteno 567

1998w

CHAPTER XXXVIII

THREE GENERAL ELECTIONS

1922-1924

CONSIDERING that Mr. Bonar Law had to form a Government without Lord Birkenhead, Austen Chamberlain and several other prominent Conservatives who had backed Mr. Lloyd George at the Carlton Club meeting, and consequently had a very weak team of Cabinet Ministers and platform speakers, he played his hand skilfully when he made his appeal to the country in October, 1922. The nation was sick of foreign adventures. There was bitter disappointment that a victorious peace, with all the glowing promises of prosperity had ended in trade depression and a rapid growth of unemployment. As Lloyd George had gained most of the credit for winning the war, so he was now forced to shoulder most of the discredit for losing the peace; and Mr. Bonar Law was astute enough to leave to his old chief and Mr. Churchill the task of defending themselves. In this the two were not very successful, and they were subjected to a cross-fire of criticism from the Independent Liberal Party, which, however, was sadly handicapped by lack of money. Bonar Law felt that the nation wanted rest to recover from the terrible effects of the war; so he chose for his election cry 'Tranquillity and Stability'—peace at home, and abroad a settlement with Turkey which would enable us to bring back our troops from Constantinople. Instead of reverting to Tariff Reform or adopting the Socialist proposal for a Capital Levy, he said that the best way of helping trade would be retrenchment and a reduction of taxation. The Geddes Report on Economy had appeared in February, and during the campaign (November 4th at Leeds) Bonar Law declared that there was still room for large retrenchments in administration which he would undertake if he was returned to Office. His Chancellor of the Exchequer, Mr. Baldwin, agreed that 'the burden of taxation was crushing our industries' and promised by reducing expenditure to relieve the taxpayer, adding on the eve of the poll (November 14th) that the beer duty would be among the first to be reduced. Bonar Law also gave a pledge that he would not raise the Tariff question in the new Parliament, and consequently an issue on which Liberal and Labour candidates would have stood to gain was removed from the contest.

*Tones split too*

Polling took place on November 15th, and the results gave the Conservatives a substantial majority. In the new Parliament, which met on November 20th, there were 337 Conservatives, 144 Labour men, 66 Independent Liberals under the leadership of Mr. Asquith and 54 National Liberals under the leadership of Mr. Lloyd George. The returns showed that the Conservative majority was elected by a minority of votes. Of 14,178,000 persons who recorded their votes in Great Britain, only 5,474,000 voted Conservative, while

*Nov 1922  
Election*

*41*

*2/*

*3/*

E 347 vs 14 2 Sept

39373 Molteno 568

4,312,000 voted for Labour, 2,651,000 for the Independent Liberals and 1,428,000 for the Coalition or National Liberals who followed Mr. Lloyd George. Under a system of Proportional Representation there would have been a large Labour and Liberal majority.

Molteno took these results with composure. Free Trade was safe from further encroachments; public economy was promised, and he much preferred Bonar Law's foreign policy to Mr. Lloyd George's. 'On the whole' he wrote to his brother, James (November 23rd), 'it is a good thing that the Conservatives have put out Lloyd George, as it was the quickest way back to sane, healthy Party politics.' Until its old leaders could show fruits worthy of repentance, or until they had been replaced by new ones, the Liberal Party he felt would do no good at an Election. Gladstonian liberalism had sustained a grievous loss in the death on November 6th of Alexander Gordon Harvey, Molteno's trusty friend and ally, a pillar of the faith in Lancashire and President of the National Reform Union which had kept the light burning through many dark years.

On December 20th Molteno wrote to a friend:

There was a little episode when Asquith was in the Chair at the Institute of International Affairs last week. Gooch, who was reading a paper, took the view that we were bound to assist France when the War broke out, owing to the position as it then existed. Asquith strongly combated this and said we were quite free. In a few words I supported Gooch and adduced the naval arrangements with France as conclusive proof of our entanglement.

At this time Bonar Law made a speech on foreign policy which Molteno described as the best by any responsible statesman since the Armistice. Things would now improve if the reparations question could be settled on business lines.

Turkey, the weakest of all our enemies, has torn up the ridiculous Treaty that was made to destroy her. As for Austria instead of receiving thousands of millions from her, we are making loans to her to try and keep the country alive. The Versailles Treaty will have to be altered from top to bottom.

At the beginning of January, 1923, he wrote again: 'Bonar Law has done very well in refusing to go any further on the road to ruin with France. The Entente has now dissolved. We are once more free, and I hope we shall follow Gladstone's advice in regard to foreign policy.' James had been writing articles about Coué. Percy replied with a story:

I hear that he was on the *Majestic* in a great storm on his way to America. The gale rose to a hundred miles an hour; but I am told that at its height he gave two lectures to the passengers! This reminds me that once, when I asked him if he had had a good passage across the Channel he replied: 'Yes, of course. The state of the sea can have no effect upon me.'

After a short visit to Switzerland, Percy, in a letter to Charlie, criticized General Smuts for supporting the impossible total of Reparations and for backing Mr. Lloyd George in his attempt to embroil us in war with Turkey.

c  
7  
ev  
8p

Percy's view of Mandates' purpose

He also quoted Lansing on the Mandate system as 'nothing but a dodge to deprive the Germans of their property and their colonies without compensation'. At this time the French, as he put it, were 'running riot in the Ruhr', and there was trouble in Belgium between the Flemings and the Walloons. As for affairs in England he wrote to his brother-in-law, Dr. Charles Murray:

I am afraid that our representative system is getting into great danger. Parliament is rivalled by the Press. The Press is always in session. It has machinery for reaching the electors more rapidly and more effectively than Members of Parliament or Parliament itself. Many papers don't even report the proceedings in Parliament any more. The result is that the policy of the country is determined by a number of very ignorant, often unscrupulous and always irresponsible people. There is no continuity of policy, no ideals, no harmonizing of past, present and future action. Hence the electors become more and more fickle, more wayward and less influenced by reason, experience, authority, knowledge, than by emotions generated at the moment by actual or fancied incidents and events.

The clever manipulator of the Chamberlain and Lloyd George type has a fertile field for action. He can and often does do irreparable harm before the electors are aware or are sober enough to judge rightly. The demagogue, the flatterer of the people is again having his day as he did in Greece. As Plato long ago pointed out, these men begin by being the friends of the poor. Chamberlain's three acres and a cow and his doctrine of ransom and Lloyd George's robbing of hen roosts are good illustrations of the modern demagogue.

Plato goes on to point out that they excite violent passions against the possessors of wealth and property. By this means they are entrusted with great power which they end up by abusing and using to place themselves in the position of dictators.

The sad thing is that the lessons of history are never learned. Each generation has to learn by its own experience the disasters that come from folly and violent passions. As a Chinese philosopher long ago pointed out, 'When ill-will comes in at the door, good sense goes out at the window.'

Q

These are the underlying causes of the destruction of European civilization, which is now proceeding rapidly before our eyes.

At that time Labour and Communism were threatening elements in South Africa. Against these he thought, 'the solid, stolid, substantial, slow-moving but on the whole well-intentioned Dutch are a great safeguard'. When I was last in the Transvaal a Uitlander said to me, referring to the dangers of the Labour and Communist Party, 'Thank God we have the Dutch.'

Percy in last touch with Jarvis Murray 1920s

Being much interested in Kenya, Uganda and the German mandated Colony of Tanganyika, Percy was in frequent communication with his nephew Jarvis Murray who was farming at Narromoru in Kenya. He pointed out to Jarvis that the difficulties of Kenya were part of the aftermath of the war. His own Fibre Company had lost many of its best customers, 'The development not only of Kenya but of the whole world has come to a standstill and raw materials are falling in price every day with great disaster to all concerned.'

SPX

Bessie

In February Mrs. Molteno had left for the Cape in the Blue Funnel liner Anchises. My wife and I sat with her at the Captain's table. She was a good companion, a provocative talker with plenty of caustic humour. I had been asked to lecture on economics and finance in the Universities and chief towns of South Africa, and we

e/ Anchises

next telling

Feb 1923 / Bessie leaves going to the Cape (her daughter in Law's family also there now - as well as her husband)

Ann goes lecturing in SA

had the pleasure of meeting John X. Merriman, General Smuts, Samuel Evans and many of Percy's relatives and friends to whom he had given me introductions.

In March and April, while we were away, Percy was losing faith in Bonar Law's capacity to cope with the situation on the Continent. His Chancellor of the Exchequer, Mr. Baldwin, had made a sorry mess of the negotiations about our debt to the United States. But there was one bright feature — 'after enduring the most stupendous taxation ever imposed the country can look forward to a reduction of taxation'. In May — when his wife returned with us from the Cape — things in the Ruhr were going from bad to worse, while the French in pursuit of their encirclement policy were lending great quantities of arms and military equipment to the Succession States of Eastern Europe, while French officers were organizing the Polish army. Molteno found relief in another visit to Switzerland, this time to see the Alpine flowers under the guidance of M. Correvon, the great Swiss botanist.

Another political crisis was now impending in England; for Bonar Law, who was suffering from a fatal illness, resigned on May 18th, 1923. Lord Curzon had expected to succeed him, but the Conservative Party preferred Mr. Baldwin, who was appointed Prime Minister on May 22nd. The new Prime Minister retained for a time his office of Chancellor of the Exchequer, and there were practically no changes in the Cabinet. On June 28th Percy wrote to his brother, James:

Professor Cassel, from Sweden, a great European authority on economics and currency, dined with me here last night. He has a very intimate knowledge of the situation in Germany, having been invited to Berlin last autumn to consider the stabilization of the mark. He says that France does not seem to realize that if she claims the right to go in and seize a creditor's property, England has the same right against her if she does not pay (as she is not paying) interest or principal on the six hundred millions sterling owed to England. I think the British Government have at last made up their minds to get to grips with this question. The first step has been to issue a questionnaire to the French Government as to what their objects are and what they expect to get and to do in the Ruhr.

I have also met this week Dr. Murray Butler and had long talks with him and other Americans. They too take the right view on this question. Butler considered the first fundamental mistake made by the Allies was imposing the Treaty of Versailles on the Germans without discussion. This opened the door to a further series of mistakes. His is the sound common-sense view that the war being over war mentality must be abandoned, and we must all seek the reconstruction and the renewing of the old life of Europe.

July 10th, 1923, to his brother James:

There is one piece of good news this week. Peace has practically been made between Greece, Turkey and ourselves, and the mad Treaty of Sèvres has been torn to pieces and scattered to the winds.

At this time heavy losses had been suffered by the National Bank of South Africa. Percy was not surprised. He had warned his friends about the local management and against 'the ridiculous encouragement of bastard industries' by the Union Government, as well as against

ama  
 1923  
 Alpine  
 flowers

c/

public extravagance and the consequent high taxation which was uniting Dutch and English farmers in opposition to the Smuts Administration. This he had heard from his friend Samuel Evans of Johannesburg who was in London.

September 5th to James:

The Italians have been behaving scandalously in bombarding Corfu. It is rather tragic that the only Power in Europe which is at all friendly to us has put itself out of court by this barbarous action.

1923  
Nelspoort  
properties  
need  
sorting out

He was busy at this time adjusting difficulties between his brothers about the management of the family property at Nelspoort, which Wallace was inclined to give up. After a long correspondence Wallace retained the property. Meanwhile, the new Premier's foreign and Colonial policy was causing Percy much concern, and the Imperial Conference meeting in London was initiating new developments of preferential trading which would have 'very evil consequences'. Colonial preference meant discrimination against our foreign customers. 'It went a long way' he wrote on October 11th, 'to bring about ill feeling between this country and Germany before the war, and it will lead to embittered relations with other countries, and will also burden unfortunate taxpayers here.'

On October 18th he made a prediction to his brother, James: 'There will be no peace in the world until Germany has got back the colonies that were taken from her. In the case of South-West Africa some compensation will have to be given as it belongs geographically to South Africa.'

James had referred to the passing of Lord Morley. Percy felt that it was 'the end of an epoch'. Earl Loreburn was still alive 'but very much impaired in health and in despair over the mad state of the world'. Nor could he find much comfort in the state of South Africa where 'the Nationalists openly declare they are looking for a republic, while Creswell with the Labour Party has joined hands with them to turn Smuts out'. General Smuts, however, was still Prime Minister, and had come to London for the Imperial Conference. On October 23rd Moltano took part in a dinner to him at which he made 'a great pronouncement on the European situation'. Afterwards in conversation with Moltano 'he said he was firmly convinced of the need for speaking out and doing something to stop the fatal slide to disaster'.

The second of the three General Elections covered by this chapter was brought about by a piece of political stupidity on the part of the Prime Minister unprecedented in modern history, though it was to be rivalled within a year by his successor.

At the Annual Meeting of the National Unionist Association in Plymouth on October 25th, 1923, Mr. Baldwin suddenly blurted out that unemployment was the most crucial problem of our country. He was willing to fight it, but he could not fight it without weapons, and he had come to the conclusion that the only remedy was

the protection of the home market. He was ready, he said, a few days later, to take his political life in his hands and to stand or fall on a protectionist programme, which should appeal to Labour, since Trade Unionism was 'lopsided Protection'. Accordingly when Parliament met on November 13th the Prime Minister informed the House of Commons of his conclusions about unemployment. He would be unable to steer the country through the next winter without the instrument of Protection, which he could not employ under the Bonar Law pledge given to the country at the previous General Election. Therefore 'as an honest man' he felt bound to act at once and would advise the Crown to dissolve Parliament three days later. The two Liberal Parties thereupon joined together and arranged to fight for Free Trade as a reunited Party under Mr. Asquith and Mr. Lloyd George, whose joint manifesto was sufficiently satisfactory to give Gladstonian Liberals like Molteno a better chance of success than presented itself in the previous year.

2 Liberal Parties  
try to come together

had

At first, however, Molteno hesitated. He had no intention of standing on November 8th when he wrote to Charlie:

You will see that Baldwin, who had the backing of almost the whole country in a mandate to settle the peace of Europe on surer foundations, has now started a protection campaign which will queer the pitch completely. The Imperial Conference is still tinkering away with these ridiculous preferences, which will only set up the backs of other countries and increase ill-will in the world at a time when goodwill is so much needed.

He did not like the arrangements made by the Liberal Party to rehabilitate Mr. Lloyd George, and as late as November 15th he wrote to his brother, Frank: 'We are now suddenly plunged into a General Election at a moment's notice with quite insufficient reasons. I have made no arrangements to stand anywhere.' But the challenge to Free Trade stirred his blood, and at the last moment he accepted an invitation to contest the constituency of West Perthshire in which Glenlyon House was situated. In the Election Address which he issued from Glenlyon House he put Free Trade in the forefront. 'Our efforts,' he wrote, 'should be directed not to the increase of barriers on international trade but to their removal, so as to facilitate the economic recovery of all Europe.' In foreign policy 'all our efforts should be directed to securing a sound, just, and firm peace on the Continent of Europe'. For this purpose the League of Nations should be developed and made more comprehensive. He looked for further reductions in public expenditure and in the excessive taxation, which had contributed to the increase of unemployment. He devoted several paragraphs to agriculture and land reform. On these subjects his speeches were so able and persuasive that many of the Unionist tenant farmers who had been counted upon to support his opponent, the Duchess of Atholl, recorded their votes for him. The weather was extraordinarily inclement, many of the mountain roads

JL  
1923  
to stand  
one  
wa

2 words  
later  
very.

Islay Molteno campaigner for her father & law ~ 1923 (but not Tenn?)

39373 Molteno 573

w1816

were snowbound and others were almost impassable, being covered with ice. In spite of this he and his daughter-in-law, Islay Molteno, issuing by different routes in their cars from Glen Lyon House, contrived to hold meetings in all the little towns and most of the villages. Mrs. Molteno gave me a lively account of her adventures. Though it was her first political campaign she quickly got over her nervousness, and made a most attractive and successful speaker. If they had been better supplied with cars and had a few more days it was generally believed that they would have wiped out the very small adverse majority of 150; for towards the end of the contest the tide was running strongly in favour of the Liberal candidate. In one of his letters soon after the poll Percy said: 'Great enthusiasm was aroused, but I could not reach those electors who did not come to meetings, as the local press was very poor and did not report speeches.' He took his narrow defeat quite philosophically. To his brother James, who now preferred the quiet of Elgin to the excitements of Cape Town, he recalled Pope's lines,

See previous query

Percy  
Loss

Happy the man whose wish and care  
A few paternal acres bound,  
Content to breathe his native air  
In his own ground.

In another reference to the Perthshire contest he said:

I had only twelve days and did sixty meetings with the weather conditions about as bad as they could be — ice, snow, rain, etc. — and was as fresh at the end of the campaign as at the beginning. Islay did splendid work at many meetings where I could not possibly be present, addressing no less than five on the concluding day.

A great revival of Liberalism had taken place not only in Perthshire but in other parts of the country, so great that 'had not the Lloyd George section lost 27 seats the Liberals would have been the second largest Party in the State'.

Nevertheless, genuine Liberals and Free Traders like Percy Molteno had reason to hail with satisfaction the results of Mr. Baldwin's blunder. The General Election reduced the Conservative forces in the House of Commons from 344 to 258, while those of Labour rose from 144 to 191 and the Liberals from 119 to 158. A Liberal-Labour Coalition might have held office for a long time with a limited programme of reforms which would have satisfied the country, and such a Government might have done much for the peace of Europe and the restoration of commerce. But this was not to be. After the meeting of Parliament on January 21st, 1924, Mr. Baldwin was defeated by Labour and Liberal Opposition. On the following day Ramsay Macdonald 'kissed hands' as the first Labour Prime Minister. His Administration being dependent on Liberal support, could not plunge far into socialism. This Molteno perceived.

Result

The General Election [he wrote (December 19th)] has resulted in saving Free Trade and securing a large majority for a real peace in Europe. The Labour

Party will now have to try their hand at Governing, and it will be impossible for them to carry any extreme measures.

Percy like Labour  
GN papers

In the next few months he was gratified by a change of foreign policy and by the refusal of the Labour Government, thanks to Philip Snowden their Chancellor of the Exchequer, to proceed with the preferential proposals of the Imperial Conference. His satisfaction reached a still higher pitch when Snowden's first Budget swept away the McKenna Duties and practically cleaned the fiscal slate of protective taxes. Moltano's letters of congratulation to Macdonald, Snowden and several of their colleagues evoked very friendly responses.

(1)  
(2) rose to /  
(3)

On February 8th the new Prime Minister, who was something of a connoisseur, especially in the English School of watercolours, took breakfast with Percy at 10 Palace Court, where he saw and admired the splendid collection of Turners which Mrs. Moltano had inherited from her father, Sir Donald Currie. 'We had a long talk on foreign affairs,' wrote Percy afterwards. 'I think he is taking a wise line.' This talk was followed by correspondence with the Prime Minister and by several letters in the newspapers directed against the Proposed Treaty of Mutual Assistance between France and Great Britain. Macdonald was sympathetic but less definite than Snowden, who saw clearly the danger of another entanglement on the Continent. Moltano also sounded the alarm among his Liberal friends and sent with their approval a joint letter to Viscount Gladstone reminding him of their action in February, 1922, when Mr. Asquith had laid it down that Gladstonian principles of foreign policy should be worked out within the Covenant of the League of Nations. They therefore viewed with apprehension recent suggestions for a pact outside the Covenant which would bind the signatories to go to war in certain eventualities, thus committing Great Britain to those 'entangling engagements' which Mr. Asquith had denounced.

MacDonald & S P  
breakfast with  
Percy - 1924  
A

This time Lord Gladstone's reply was discouraging, 'as my feelings', he wrote, 'are rather in favour of the Pact of Mutual Guarantee'. Moltano thereupon widened his appeal by writing to the newspapers and bringing influences to bear on the Labour Government, which was still in office. His arguments against the Pact prevailed, and next year the Locarno Treaty, which included Germany, was substituted, with general support, though Moltano, as we shall see, entered a strong and well-argued protest.

both right

Once he had taken up a stand on a question of principle Moltano was always indefatigable in pressing his views to a practical conclusion whenever he saw a chance of influencing opinion either by personal or public action. I had joined with him during July in calling private meetings at the National Liberal Club to discuss speeches by Asquith and Grey which seemed to mark an inclination to return to the policy of an Anglo-French entente.

Percy  
indefatigable

Bald

s/ v

A letter from Moltano with a leading article on the Mutual Guarantee Pact appeared in the *Manchester Guardian* on July 24th. In September important discussions began in Geneva at the Fifth Assembly of the League of Nations. In his diary on September 1st Moltano noted the attacks on the Prime Minister in connection with his acceptance of presents from Sir Alexander Grant. It was, he thought, a great indiscretion and a very ill-advised step damaging to the Prime Minister's prestige. But a much more serious trouble was brewing over the negotiations for a treaty with Soviet Russia, which strengthened suspicions that the Socialist Party had sympathies with the Bolsheviks and their Communist propaganda.

Returning from Glenlyon to London at the end of September Percy promoted a lunch at the National Liberal Club, where Liberal foreign policy was again discussed. A new political crisis had arisen over the Campbell prosecution. Nevertheless, Moltano joined with me in a small deputation from the Public Economy League to the Treasury. Snowden received us in a most friendly way; but on the same day Macdonald spoke at a Labour Party Conference in the Queen's Hall in defiant fashion, and after a rapid succession of mistakes, which Asquith tried in vain to repair by a conciliatory amendment, the Government was defeated in the House of Commons. Instead of resigning the Prime Minister sought and obtained the King's consent to dissolve a Parliament which had been in existence for less than a year. There was general disgust that business should again be disturbed by a General Election (the third within two years) with all the attendant expenses. It was a fatal blunder. All the conservative forces in the country were in revolt against Bolshevism, and hundreds of thousands of votes were turned over to the Conservative Party by the publication of the Zinoviev Letter. Polling day came on the 29th. There was a Liberal landslide; the Labour Party lost a good many seats, and the Conservative majority was overwhelming.

On November 4th Macdonald resigned and Mr Stanley Baldwin became Prime Minister for the second time. It was an undeserved piece of luck. The chief surprise of the Administration was Mr. Churchill's appointment as Chancellor of the Exchequer. In the previous year Mr. Baldwin had tried to get Mr. McKenna, but could not persuade any Conservative to vacate a seat for the purpose. It was remarked that Mr. Baldwin had abandoned his policy of fighting unemployment by means of a protective tariff. Perhaps this was the reason why he offered the Exchequer successively to Mr. McKenna and Mr. Churchill, who had both been ardent free traders when free trade was in the ascendant and afforded rapid access to office in the golden days from 1905 to 1914. Immediately after the General Election, which gave the Conservatives 415 seats against 152 Labour Members and 42 Liberal Members, a Liberal commentator explained how it came about that 16½ millions of people, about 2 millions more than had ever

Handwritten initials: J. M. P.

Handwritten notes: o/ Jan 1924 Result

Handwritten signature: J. M. P. 1723?

voted at a General Election, gave such an overwhelming victory to the Conservative Party. The mass vote had been mainly anti-socialist and anti-foreign. These were the two connected emotions which had brought about this sudden change of mind and had induced an enormous number of usually indifferent people to rush to the poll. The explanation ran as follows:

When the facts about the proposed Russian loan came to light during August, criticism of the Labour Government turned to active indignation. An uneasy suspicion crept through the country, skillfully exploited by the Yellow Press, that the nation was being exploited in the interests of the Bolsheviki. On the top of this came the piecemeal exposure of the Campbell case, which was interpreted as blackmail levied on the Government by our communists, who were in unpleasantly close touch with the Russian Bolsheviki. Thus the election opened in an atmosphere of suspicion and a general opinion among the middle classes that the Labour Government had been playing with mysterious foreign revolutionary forces, and when the Zinoviev Letter was thrown into the midst of the contest, 'it tumbled Bolsheviki, Communists and the British Labour Party into one undistinguishable heap'. Patriotism was aflame against foreign interference, and timid folk were really frightened by the spectre of communism. The Trade Unionists remained pretty firm in their allegiance to their Party. But a very large number of moderate Liberals, disgusted at the thought that their representatives had supported the Labour Government and kept it in office, transferred their vote to a Conservative candidate. But when the actual votes were added up it appeared that out of a total of 16,384,000 votes only 7,838,000 had been cast for Conservative candidates, who had secured 415 members out of a total of 615. The Labour poll was 5,423,000 and the Liberal 2,925,000. It was estimated that had Proportional Representation been employed, the Conservatives would have had 295 members, Labour 202 and Liberals 110. The new House of Commons was therefore a mere caricature of Representative Government.

After the Liberal disaster and the opening of the new Parliament with a foreign policy debate on the Address, Molteno summoned some friends to a luncheon at the National Liberal Club, December 16th, to discuss the position of the Party. It was not a very cheerful gathering.

The year 1924 had begun and ended sadly for him. In January he had accurately foreseen the consequences of 'Mr. Baldwin's General Election gamble'; but afterwards he feared that a minority government with very little experience would have a short life. 'Another General Election before very long will,' he predicted, 'be the result.' This was on January 22nd. Two days later he heard with profound sorrow and dismay that his eldest brother Charlie had died after an operation at the age of 65. An intimate friend and strong supporter of Mr. Merriman (now an invalid in retirement) Charlie had represented Tembuland and later on Jansenville in the Cape Colony and Union Parliaments. The two brothers had co-operated constantly in politics and family affairs. Charlie's public spirit and integrity were respected and recognized throughout the Cape, and his death was lamented by the native races of whose rights he had been a consistent champion. This blow fell upon Percy at a time when he was relying on Charlie's judg-

*Correct? I think  
perhaps not - but  
easy to check*

ment in supervising the family property and it threw much difficult work on his shoulders.

In the spring, as we have seen, Percy was hopeful about Macdonald's foreign policy; and he was greatly delighted by Snowden's budget and the courageous way in which he stood by his decision to repeal the McKenna Duties. In July after hearing of General Hertzog's succession to the Premiership of the South African Union, he wrote wishing him success and gave him some good but unavailing advice that he should retrench the bureaucracy and adopt freer trade.

Though his Liberal friends were much divided on the question whether the members of the League of Nations should be bound to use force to execute its decisions, he found that his objections to what he called the policeman theory had a considerable backing owing to a well-grounded fear that the rôle of policeman would fall to Britain. He put the case to Macdonald in a letter from Glenlyon House on September 18th, in which he congratulated the Prime Minister on having rendered in his 'great speech' at the League of Nations meeting 'an enormous service to the cause of peace by refusing to seek security in the principle of force when it is in the hands of the League of Nations'. He recognized that the Prime Minister had many difficulties to contend with, as 'many good people are attracted by the Policeman Theory', but he hoped that Macdonald would stand by the conception of the League as an instrument of reason, conciliation and arbitration, so that the reign of law might gradually extend until nations were imbued with a spirit of co-operation, which would lesson armaments and eventually put an end to threats of war and to war itself. On this occasion a favourable reply came from 10 Downing Street, September 22, 1924.

Thank you very much for your letter. You know how highly I respect your opinions whether I agree with them or not, and in this case I do agree. The great difficulty in practical action is that you have to get other nations to work with you, and that very often means that you have to sacrifice things. This problem between organic assimilation and absolutism as a method of action is always very great.

What this last sentence meant I do not know, and Molteno was perhaps a little mystified. Unfortunately, as we have seen, Macdonald threw away his chances, and at the beginning of October Percy predicted his defeat on the Campbell letter. The Premier, he felt, had been petulant. He seemed to have lost his head. But he had done well in foreign affairs and Snowden had carried an excellent Budget. It was a great pity that the Government should commit suicide just when 'they were bringing about a much better feeling in European affairs'. On October 15th he wrote: 'We are in the middle of this unnecessary General Election. I was asked to stand again for Kinross and West Perth but declined.' He also declined a request from Chertsey, chiefly because of the disputes over the Liberal leadership, and would have 'nothing to do with Mr. Lloyd George'. On November

I'm  
confused  
re  
Date  
here

28  
924

4th, when the Election was over, he attributed the overwhelming Conservative victory partly to the foolish behaviour of the Labour Party and partly to 'the attempt of the Bolsheviks to interfere in Great Britain, which had caused much resentment. The women especially had rushed to the polls to vote against Bolshevism'.

In November his wife's sister-in-law, Mrs. Wisely, died, and was buried at Fortingal. His daughter, Margaret, and her husband, Lennox Murray, had settled for a time at Haslemere while looking for a farm in the south of England. They were within easy reach of Parklands by car. Percy saw them constantly and entered with keen interest into their plans, which eventually ended in the choice of Painswick.

#### CHAPTER XXXIX

##### THE CONSERVATIVES RETURN TO POWER—THE LOCARNO PACT—AN INDIVIDUALIST MOVEMENT

DURING the General Election campaign Mr. Baldwin had committed himself to Imperial Preference; but warned by experience he had promised not to impose new taxes on food or to introduce a Protective Tariff. He had also talked about the need for public economy, and Molteno, if he had felt any confidence in Mr. Churchill, the new Chancellor of the Exchequer, would have been edified by a paragraph of the King's Speech, December 9th, 1924, which ran:

Every effort will be made to reduce public expenditure to the lowest possible limit consistent with the security and efficiency of the State. The present heavy burdens of the taxpayer are a hindrance to the revival of enterprise and employment. Economy in every sphere is imperative if we are to regain our industrial and commercial prosperity.

This was indeed the pure milk of the Cobdenite word, but it was only the word.

Nor was there much to hope from the distracted remnants of the Liberal Opposition. Mr. Asquith having lost his seat accepted an Earldom, and though he remained titular head of the Party, Mr. Lloyd George secured the leadership in the Commons. An external show of Party unity was maintained for a short time, but between the followers of Mr. Asquith and those of Mr. Lloyd George, no real reconciliation was possible.

In the second week of January, 1925, Mrs. Molteno with a family party left Liverpool for Cape Town, and Percy went for a month to Pontresina. While there he declined an invitation from West Perthshire Liberals to be their prospective candidate. A seat in Parliament had lost the attractions it once possessed for a Liberal of the Gladstonian school, and Molteno preferred to act independently of Party.

Accordingly after his return from Switzerland in February, 1925, he set to work again on foreign policy,

20 SEP 1940

ROUGH PROOF ONLY.  
PLEASE RETURN THIS MARKED SET

I.A.P.

39373 Molteno 579

1504w

foreseeing new dangers of continental entanglements. His private notes and correspondence, as well as his public letters in the Press, during the year, show how he grappled with the problem, subjecting counter-proposals to criticism in controversy with equally independent and disinterested publicists like Professor Gilbert Murray. He spared no pains. All the important official papers respecting the proposed Treaty of Mutual Assistance, were scrutinized, and his files contain an extensive correspondence with Ministers, ex-Ministers and others during the crucial negotiations of the MacDonald and Baldwin Governments that ended in the Locarno Pacts. His arguments are now familiar to my readers. In a letter to the *Westminster Gazette* he dwelt on the danger of being automatically committed to war by the assumption of new obligations on the Continent of Europe. A League of Nations relying on force to prevent war would fail. As for armaments — so he wrote in another letter — had not Grey himself said after the Great War: 'The lesson of European history is plain; it is that there is no enduring security in competition in armaments or in separate alliances'? But now, when a new kind of pact came in sight, both Grey and Asquith held that the inclusion of Germany would be an advantage counterbalancing the risk of a guarantee.

In a memorandum dated July, 1925, Percy set down on paper some observations, gloomy but not too gloomy as it turned out, about a debate in the House of Lords.

On July 6 in the House of Lords, Lords Oxford, Grey and Haldane all expressed general approval of the idea that Great Britain should bind itself to a military pact to fight either France or Germany if they quarrel in the future and either party refuses arbitration. Thereupon Lord Balfour on behalf of the Government stated solemnly that under the contemplated Pact we should be 'immediately bound to use our whole strength against the Aggressor Nation'. In other words, our peace is to be at the mercy of either France or Germany, and we shall be expected to be in a state of armed preparation, not for British interests or the defence of the British Empire, but for the frontiers of France and Germany as defined by the Treaty of Versailles. . . . The Pact will be used by Conscriptors to restore compulsory military service, and I suppose the Labour Party under Lord Haldane will take it lying down. The conscription of life will of course be accompanied by the conscription of wealth. The United States stands by and collects the debts of the last war.

From this debate in the Lords it was obvious that the opposition to military commitments on the Continent would find little support in Parliament; but Molteno went on, though he was ploughing a lonely furrow. I gave him what help I could during July, when he completed a very able pamphlet of sixteen pages entitled, *The Proposed Guarantee Pact*. It started from the standpoint of British interests. The Pact, he argued, would commit the country to a policy involving enormous liabilities — not only a vast expansion of armaments, but for the masses conscription and for the wealthier classes a possible confiscation of their property. The late war had left us no economic margin to play with. We should start another without adequate reserves of taxation or

credit. Yet the next war would be not less, but more costly than that of 1914-18. Such a Pact would deprive us of the control of our own Foreign Policy and even of the right to choose between peace and war. The Colonies were opposed to the project. We should be expected to become a great military power. Moreover, the Pact would tend to stereotype the Treaty of Versailles and make its modification more difficult. Lastly, by this guarantee of foreign frontiers Britain would abandon her traditional policy of non-intervention, and the advantages of her insular position. The Channel would no longer be our frontier.<sup>1</sup> We should become a Continental Power and get nothing in return. France was neither disarming nor agreeing to pay her debts to us. She was still exercising her freedom to interfere on the eastern frontiers of Germany. As a substitute for this policy, Moltano suggested that we should convert the League of Nations from an instrument to secure the Versailles fruits of victory into a real league of peace and conciliation. We should also abandon the attempt to create a super-state with sanctions to maintain its authority.

This pamphlet, published on July 31st, was widely circulated; but it came too late. After protracted negotiations and meetings between the representatives of the Belgian, British, Czechoslovak, French, German, Italian and Polish governments five treaties were approved on October 16th, 1925. The first, known as the Security Pact, or Treaty of Mutual Guarantee, was signed on behalf of Belgium, Britain, France, Germany and Italy by Vandervelde, Austen Chamberlain, Briand, Stresemann and Mussolini. The others were arbitration treaties between Germany on the one hand and on the other Czechoslovakia, Poland and Belgium, and also between Germany and France. The effect of the main Treaty of Mutual Guarantee was that Great Britain took part in the collective and several guarantees by France, Germany and Belgium of the frontiers between Germany, Belgium and France. Each of these three countries mutually undertook not to attack or invade one another; but in case either one or two of the three broke the agreement, Great Britain bound herself to oppose the aggression. Consequently Moltano rightly regarded this pact as one involving us in military obligations on the Continent of a most formidable character. It was agreed at Locarno that the treaties, bearing the date of October 16th, 1925, should be signed formally in London on December 1st at the Foreign Office. This was done, and at the conclusion of the proceedings Mr. Stanley Baldwin, who was then Prime Minister, in welcoming the representatives of the six nations who had joined with ours, dwelt on the importance of the historic act just completed. He was confident that all the seven nations represented would carry out their solemn obligations under the Pact, scrupulously and loyally. 'In this spirit we shall not disappoint the hopes of our peoples that the agreements now signed will

<sup>1</sup> Some years afterwards, to the general amazement, Mr. Baldwin announced: 'Our frontier is the Rhine.'



Too

Locarno  
Treaties  
1925

Frank  
&  
Bessie

The 26  
within a m  
of each A

lay the foundations of that peace which the world has so long sought and of which it stands so much in need.' Two days later Moltano delivered a final protest reiterating his objections to military entanglements on the Continent in an address at the Accountants Hall. After this he could say, 'liberavi animam meam'. Soon afterwards he sailed for the Cape in the Arundel Castle with his wife and their friend, Mrs. Selous.

Mrs Selous close friend

Percy to Cape 1925

On the very day after his return, in May, 1926, there broke out the famous 'lightning strike'. It was a sympathetic general strike which seemed to threaten the very foundations of our constitutional democracy. But the country soon showed that it would not submit to a trade-union dictatorship, and when its illegality became known it came to an end.

1926 Gen. Strike

To-day I wrote Moltano ~~on~~ May 13th, 'the strike has been declared off unconditionally, and it will remain to settle with the miners. In future it must be made perfectly clear that the union have no power to combine in order to paralyse the community.' Thanks to volunteers there had been no shortage of any kind. 'The chief difference was that there were no newspapers.'

day,

on / /

The General Strike brought about another schism in the Liberal Party, as Lord Oxford objected to Mr. Lloyd George's attitude of sympathy with the Trades Unions. On May 27th Percy wrote to James:

You will notice the quarrel that has developed between Mr. Lloyd George and Lord Oxford. I hope it may mean that the former will be cleared out of the Liberal Party; but it rather looks as if he wants to stick to it, as no other Party will have him, and the fund he controls gives him a large amount of power over candidates; for he can pay their election expenses. His land policy has aroused no enthusiasm.

In another letter he explained that, though he wanted Mr. Lloyd George to leave the Party, 'this does not mean that I am satisfied with Lord Oxford'. On June 2nd, after meeting Colonel House under my roof, Percy wrote drily to his brother: 'A nice quiet man, but I should not credit him with very great ability.'

Col. House & Percy

This summer of 1926 was saddened by personal bereavements. On June 9th Frank died from injuries received in a railway accident at Salt River near Cape Town. Percy and Frank were very fond of one another, and Frank was a special favourite with Bessie. A few days later another brother, Victor, who had just arrived with his wife on a visit to England, fell ill at Palace Court and died on July 10th in a London nursing home. This second sorrow was accompanied by the loss of two other friends, that of M. Coué on July 5th and that of John X. Merriman at the beginning of August.

Family News

Frank etc.

Victor etc.

often with etc.

1926

In a letter to Ted, Percy dwelt on Frank's 'bright cheerful unselfish character', and on the 'terrible blow' which Victor's death had inflicted on the family. Then on August 4th he wrote to James:

I see that Merriman has just passed away at the age of 85. He was instrumental in maintaining a splendid standard of honesty in South African politics, and the stand he made for liberty must ever be memorable.

The Individualist Bookshop

39373 - Molteno 582

w1743

1926  
TL

Percy's view  
combat s.  
propaganda

In July he sent his brother, James, a prospectus of the Individualist Bookshop which Sir Ernest Benn and others had just started for the purpose of combating socialist propaganda. Like Sir Hugh Bell, Harold Cox, Henry Vivyan, Principal L. Jacks and other able men Molteno felt that this movement was opportune. He subscribed a large sum to the Company, which was called 'Individualist Bookshop Ltd.', and remained a director of it until his death. For several years it ran a series of successful 'Individualist Luncheons' at which he frequently spoke, and on several occasions took the Chair. It opened a bookshop where it sold such famous classics as Mill on Liberty, and issued a few publications of its own including a useful bibliography, with an introductory essay on individualism in economics and politics.

Percy's Political Position

It must not be supposed that Molteno was a strict uncompromising individualist of the type of Herbert Spencer or Auberon Herbert, whose political philosophy was aptly described as 'Anarchy plus a Policeman'. On the contrary he heartily supported many forms of what is called municipal socialism, such as town planning, the preservation of natural or architectural beauties, and many desirable developments of local government activity going far beyond the provision of public health. He was an enthusiastic supporter of Campbell-Bannerman's social programme in 1906, including Old Age Pensions, and did as much as any Member of Parliament to promote the extension of small holdings. No one was more zealous in supporting efforts to increase the attractiveness of rural life, or to improve the status and housing of agricultural labour. But he was always alive to the dangers of public extravagance and to the encroachments of bureaucracy on the domain of private competitive industry. Whereas the Fabians almost invariably supported every proposal for enlarging the numbers and increasing the salaries of the central and local authorities, Molteno actively resisted red tapeism and demanded in every case strong proof that legislation or administrative regulations with this tendency were really necessary or desirable. He may be classed therefore as a supporter of individualism against socialism, of personal liberty against State control, and of free competitive markets against internal and external protection. His faith in individualism was to be confirmed by a visit to the United States which he began to plan in the summer of 1926. Towards the end of August he invited me to be his companion. I accepted with alacrity, and he booked passages in the *Homer* which was to sail on October 6th. Before leaving he arranged for the entry into Pembroke College, Cambridge, of a nephew, Donald Molteno, son of his brother. Donald studied law, became a member of the Inner Temple, joined the South African Bar, and has been for some years a zealous representative of the natives in the Union Parliament. During his vacations he was a frequent visitor at Palace Court and Parklands. Percy's interest in his nephew's career continued, and he was much pleased that the family tradition of watching over

Social Reform

(1)

(2)

TL

Donald Molteno 1926 to Cambridge

Percy's View of Donald

Start to  
be a list  
'de

the welfare of the native races in South Africa, which he and his brother Charlie had inherited from Sir John Charles Molteno, should be carried on by a younger member of the family with equal devotion and public spirit.

CHAPTER XL

A VISIT TO THE UNITED STATES

Trip to USA

'There are few things in life more interesting than an unrestrained interchange of ideas with a congenial spirit.'

Q

Disraeli, *Coningsby*.

In the summer of 1926 Percy Molteno, who already counted some distinguished Americans, including Mr. Herbert Hoover, among his friends, had the conversations previously recorded with Dr. Nicholas Murray Butler and other Americans. He then conceived a strong desire to see the United States, and invited me to go with him in the autumn. It was a most generous proposal, and the temptation was too attractive to be resisted. We sailed in the *Homeric* on October 6th, 1926, and returned in the *Olympic* at the beginning of December after an extensive tour of six weeks, having enjoyed wonderful kindness and hospitality wherever we went.

Percy & Hbt go together

In nearly all the cities we visited, industrial prosperity was evident and the Universities were throbbing with vitality. Soon after his return, Molteno wrote two articles for *The Times* entitled 'America To-day', the first dealing with the 'Growing National Efficiency' (February 4th, 1927) and the second (February 8th) with the problems of a creditor nation and America's attitude towards inter-allied debts and the League of Nations. They are still worth reading as descriptions by a highly competent observer of the United States at the height of its real post-war prosperity before speculation went mad in a Stock Exchange boom which was to end in the disastrous crash of 1929 and the economic blizzard.

He wrote 2 articles for The Times

It was Molteno's first visit to the States, whereas I had crossed several times — once in 1921 at the suggestion of Mr. Hoover to lecture in California. I had also many friends in New York, Boston, the Middle West and Virginia, so that I was of some service to my host. But Molteno's extraordinary knowledge of agriculture, business and mechanics gave me new ideas and made the whole tour one of the most delightful of my lifetime. Wherever we went he would point out things that but for his keen practised eye and trained power of observation would have escaped my notice. It was a revelation to hear him discuss American agriculture on equal terms with the experts at Cornell and other Universities. They were astonished at his scientific grasp of the conditions and his quick appreciation of their difficulties. Never before had I perceived so clearly the sharp contrasts of prosperity and depression that existed side by side in the New England States, in Illinois, Kansas and the South. Nor should I have understood at all without my companion's commentaries the triumphs of Ford or the

Percy loved pointing things out

JL

dgn

significance of those giant terrifying steelworks in and around Birmingham, Alabama. For me our journey supplied practical lessons in American methods. We passed through a vast society of federated States, a conglomerate of races, working under a system of individualism in the greatest Free Trade area in the world, yet hampered by a high protective tariff which fostered monopolies, encouraged waste and diverted much productive energy from natural to artificial channels.

From first to last we were extraordinarily fortunate in the men we met, in the route we took and in the weather which favoured us on our long journeys. On our outward voyage in the *Homeric* we had the good luck to count among our fellow-passengers Senator Underwood of Alabama, who talked well about American politics and his struggle for the moderate Wilsonian tariff to which he had given his name. Then there were on board our friend, O. G. Villard, and Frank Kent, the able editor of the *Baltimore Sun*. We chatted and played chess and skimmed a few books — among them a brief but stimulating history of the United States by Cecil Chesterton. After a narrow escape from colliding with another big steamer in the fog outside New York we passed the Statue of Liberty, and were hardly through the Customs when we found ourselves in a whirl of engagements planned for us by Charles Burlingham, who knew everyone worth knowing and everything worth seeing from the Aquarium to Columbia University. Under his conduct we visited the clubs and talked with many of the celebrities. Of all the men I have known not one has equalled Burlingham in the art of entertainment and of guiding conversation aright. He had won the affection of all that was best in a brilliant and diversified society. He was a magnet who drew to him men of all parties, creeds and opinions.

In New York, usually under Burlingham's auspices, we met leading Democrats like John W. Davis, and liberal journalists like Rollo Odgen of the *New York Times*, and Walter Lippman of the *World*. Davis, it may be noted, had been Democratic candidate for the Presidency at the previous election and before that Ambassador to Great Britain. Some members of this group seemed to think that the moral state of the Liberal Party in England and that of the Democratic Party in the United States were comparable. They certainly discussed in a broadminded way the League of Nations, the war debts and other European problems. In Wall Street Republicans predominated; but most of the bankers favoured cancellation of war debts though the mere fact that bankers wanted to cancel the debts made the man in the street suspicious. The one live issue was Prohibition, and that was splitting Parties from top to bottom. Dr. Nicholas Murray Butler, President of Columbia and Director of the Carnegie Peace Endowment, a very independent Republican, was strongly against Prohibition, and he favoured a lowering of the tariff which even then was causing America to import and sterilize unwanted gold. The Democratic Party was already receding from its traditional policy of a revenue tariff, as

Party meets  
Walker  
Lippman

important sections in the South were protectionist, and the prosperity boom with resultant high wages seemed to justify Protection in spite of the depression in agriculture. Among the clever and interesting men we met in New York City were Paul Warburg and David F. Houston, former Secretary of the Treasury. We also had very pleasant talks at the Century Club and elsewhere with publishers and men of letters like Max Farrand. My sister, Gertrude, a Professor of Classics at Barnard, introduced us to many of the stars of the University.

On October 16th Moltano went off to stay with his friend, Mason Stone, in Vermont. Two days later I departed for Yale and rejoined Moltano at Boston, where we had long talks with Archibald Coolidge, Josef Redlich, Taussig, Morison and other brilliant Harvard men. President A. Lawrence Lowell took us over the University and showed us with natural pride his new buildings and the great Business School. We had time to visit Quincy and Braintree and the three homes of John Adams. It was with no little reluctance that we tore ourselves away from the learned society of Harvard and the splendid hospitality of Lowell.

Thence we fared through Albany, the capital of New York State, to Syracuse. At first the country was dull. Moltano pointed out the poverty of the land, the many farms that had gone out of cultivation. But the scenery improved as we neared Albany in the afternoon, and towards evening autumn tints on hills and woods shone gloriously in the light of the setting sun. After a night at Syracuse we started for Cornell. Nearing Ithaca I saw a little wooden wayside inn with a sign which announced: 'Apple Tree Inn — Harry's Place — Harry keeps this place, and this place keeps Harry.'

We were quite entranced by the beauty of Cornell. The University is built on the top of a hill above Ithaca. There are two fine gorges. Below lies a lake 40 miles long and 400 feet deep in many places. Here I gave the Goldwin Smith lecture while Moltano made friends with the Agricultural Department and found time to observe the flora of the neighbourhood. From Ithaca we travelled to Buffalo and spent a day at Niagara. Our next move was to Detroit, where a much-needed Safety Conference had been convened to consider measures for reducing the number of accidents in factories and on the roads. The city was expanding rapidly. In ten years it had doubled in size and claimed to be the fourth largest in the United States. Moltano took me over the Chrysler and Ford factories which are only a mile apart. It was amazing to see the rate at which cars were built, assembled and finished off on the moving line invented by Ford in imitation of the stockyards. Moltano had a long talk with the managers of Chryslers who seemed to be quite as much impressed by his knowledge of cars and business as he was by theirs. But I noticed a suspicion of a smile on his face when they explained to him that their best car, though much cheaper, was really superior to a Rolls-Royce.

From Detroit we took train to Chicago where we visited the University and dined with some of their leading economists. At a public luncheon Molteno made an impressive plea for Anglo-American co-operation. I remember that my friend was immensely impressed by this mighty city and wanted to explore it; but he was a little startled when I pointed out to him in one of the papers a police commissioner's report stating that in the previous year murders in Chicago had averaged one per diem. Thus I was able to deter him from a nocturnal tour of the streets, though he seemed utterly impervious to danger and was always rather amused at my timidity or caution.

Leaving Chicago we passed through pleasant undulating country, where the farmers were getting in their maize crops, to Madison, the seat of the University of Wisconsin, very prettily situated on a lake. The University had long specialized in political economy. At the time of our visit the economics department boasted sixty professors, lecturers and instructors. Rather to my surprise there was only one course on economic theory; but our discussions with the staff showed that they abounded in practical knowledge and political sagacity. 'The uninstructed American', they told us, still held that war debts were debts and should be collected and that the United States tariff was the cause of the high wages and the full 'dinner pail'. But one of them prophesied correctly enough that some unpredictable event would bring about a general cancellation of war debts.

Our next stopping-place was Springfield, the capital of Illinois, famous in American history as the home of Abraham Lincoln for many years before his Presidency. An enthusiastic antiquary named Fay was curator of the museum, which is housed in the Lincoln Tomb and Monument. He thought that Lincoln's ancestors must have come from Lincoln in England, and Molteno promised him a photograph of that ancient Roman city. On hearing that in Roman times Lincoln was 'Lindi Colonia', Mr. Fay drew our attention to a similarity which he had discovered between Abe Lincoln and Servius Tullius, both of whom were killed for trying to free the slaves. At Springfield we saw many signs of preparations for the coming elections. The appeals of the candidates showed how difficult it was for the Republicans and Democrats to find a clear popular issue.

On Sunday, October 31st, we crossed the Mississippi in bright sunshine and noted that Hannibal on the western bank was Mark Twain's home, and the scene of *Tom Sawyer*. The woods wore all the colours of an Indian summer. But, alas, terrible floods had ruined the maize crop and damaged the apple orchards over wide tracts of country round Bluff and Griggsville. I noted in my diary how interesting it was to have Molteno for a companion. He recognized all the crops and all the breeds of cattle. He noticed a shortage of labour and a lack of agricultural machinery. On our way through

Perry's Agric

Illinois and Missouri he remarked what a surprising fact it is in economic history that this huge agricultural area, with a good rainfall, should have lain from the beginning of time, or at least of recorded history, barren and uncultivated until the eighteenth century or later, while many parts of Africa, Asia and Europe have been cultivated with spade or plough for anything from two to, say, ten thousand years. The Red Indians are now supposed to have arrived about 1500 B.C. from Asia. But they only scratched the land here and there, and failed to multiply beyond perhaps a hundred thousand over all Canada and the United States.

Our train arrived at Kansas City that night (October 31st). A great friend of mine, Thornton Cooke, one of the leading bankers and economists in the Middle West, joined us at our hotel and told us that he had arranged a dinner for us of bankers, business men and lawyers on the following day at the University Club. The Governor of the Federal Reserve Bank in Kansas City was there, and there were a number of racy speeches. He drove us out to Lawrence, the seat of the State University, some 50 miles away, where we lunched with Dr. Lindley, the Chancellor, and addressed the students. Kansas City is a fine town with some delightful suburbs, but with a climate oppressively hot from June to September. It is the great market for Kansas wheat and cattle, and for the maize and hops of Missouri. Its stockyards are enormous. During the post-war inflation and boom excessive sums were advanced to the farmers on land mortgages and even on cattle mortgages, with the result that in the last two years during the fall of prices 160 banks, chiefly in Missouri, had failed. We saw some of them during the drive to Lawrence. In one large village three had closed and there was no bank left. In many districts the rural population had diminished, but the output had increased *Tractors* *~ 1920s* owing to tractor ploughs and labour-saving machinery. The town is fortunate in having a first-rate newspaper, the *Kansas City Star*, which owes its high repute for integrity, independence and stability to its founder W. R. Nelson and the Haskell family. Kansas State (across the river) is celebrated for John Brown the Abolitionist, whose body 'lies mouldering in the grave, though his soul goes marching on'. His life and exploits (not wholly admirable) have been recorded at full length by O. G. Villard.

Our stay in Kansas City gave us a vivid impression of business in the Middle West and of the methods by which its huge crops are harvested, marketed and financed. The raising of hogs, probably the chief source of wealth in this region, depends on the maize crop on which they are fattened. When the prices of wheat, maize and bacon are good and the crops satisfactory, Kansas City flourishes. When conditions are reversed by drought or glut, there is severe depression and many failures. But prosperity is apt to produce luxury and speculation. There were 90,000 cars in Kansas City alone and many of their owners were in debt.

On November 3rd we were guests of the Chamber of Commerce. There were about 250 at the luncheon. After we had spoken, chiefly about war debts and Free Trade and our impressions of what we had already seen in the United States, we were plied with questions which showed how keenly the leading men of a city, midway between the Atlantic and the Pacific, with little direct interest in foreign trade, appreciated the problems of Europe and realized the importance of a peaceful world to the farmers of Kansas and Missouri. This most fortunate episode we owed to our friend Thornton Cooke, a Bagehot among bankers of those parts, whose cool independent judgment had won him the esteem of the whole community. When we left that night for New Orleans we had gained a real insight into the industrial character and operations of the central city of the United States, in some ways the most typically American of all its great towns and marketing centres. We slept well on the Pullman car in what is called a drawing-room, and on waking caught our first glimpse of cotton fields, mostly unpicked and dotted with innumerable white blossoms. The market price at that time, ten cents per pound, was not profitable. At Memphis, where we stopped for over an hour, we took a walk and saw signs of depression. There were many unemployed in the streets and we noticed advertisements offering jobs for cotton-picking to white labour at a dollar and twenty cents per day. In the afternoon our train stopped at Jackson, a big lumber centre in the State of Mississippi with a most miserable ramshackle station. In the dining-car a Fundamentalist lecturer, one of Bryan's disciples, told us startling stories about the Ku Klux Klan, then happily on the downgrade, and about the evils of intemperance which had been checked, though not extinguished, by Prohibition. Under cross examination he had to admit that Prohibition had given an impetus to bootlegging and that furiously fights at Herrin and other places had taken place between rival bands of bootleggers with much loss of life. His ancestors came from Lichfield, but he had not heard of Dr. Johnson.

On November 5th a sunny day greeted us at New Orleans, and we found our way at once to the old town with its French and Spanish houses — mostly in shabby disrepair. The one that had been prepared by hopeful admirers for Napoleon, just before his death at St. Helena, was for sale. We were hospitably entertained by a French lawyer, a banker and a historian. After a ramble in the beautiful park we saw a cemetery where people are buried not below but above ground, and the French market, and the Batture — derived from beat or batter — 'the place on which the waves and tides beat'. It has formed a shore on one side of the Mississippi river which makes a horseshoe at this point.

One of our hosts, Captain James Dinkins, a hale old gentleman of 81 who had fought in the Civil War for the South, drove us out to the scene of the Battle of New Orleans (January, 1815) where the British general,

Tu

Pakenham, was killed and his force repulsed in a foolish attempt to storm Andrew Jackson's position on a wooded swamp near the Batture. This made Jackson a national hero and ultimately Democratic President. Captain Dinkins, an excellent raconteur with a wonderful memory, told us thrilling stories of the Civil War. He thought Forrest, under whom he served, the greatest of cavalry generals, the most audacious, dashing and successful. Dinkins gave me a card showing the twenty-seven battles in which he had engaged. He took part in the famous raid on Memphis, and in the battle of Brice Cross Roads, where three or four thousand cavalry under Forrest routed fifteen thousand Northerners. If Forrest had commanded the French cavalry at Waterloo, he averred, there would have been no British Empire! I wonder what he would have thought of the idea now common among Utopians that Federal Union is a certain antidote against war? He was a delightful person, cherished no rancour against his enemies and seemed to personify the happy warrior who is 'fidus amicitias, ipsos generosus in hostes'. He told us, and we quite believed him, that he and Mrs. Dinkins had adopted the practice of making somebody happy every day.

We noticed, by the way, in New Orleans, at the Country Club and other fashionable resorts, that Prohibition, though the law of the land, was honoured in the breach rather than in the observance. One leading official whom we met set a shocking example and expressed openly his contempt for the law.

Next to New York, and easily next, the New Orleans Cotton Exchange was then the most important in the United States. We were told that the cotton crisis had been exaggerated. A good crop of cotton, sugar or rice, said one of the bankers, usually produced a hullabaloo. 'But,' he added, 'the farmers won't support the Eugene Meyer plan for lifting four million bales off the market.' The chief trouble of America, he added, is 'the rage for motoring, which wastes a vast deal of time and money'. This glimpse of New Orleans and Louisiana gave us enormous pleasure, and we were quite sorry when the time came on November 7th to start for Montgomery. Before leaving we had another evening with Dinkins and his friends and discussed the origin of Dixie. All that we could learn was that the Mason-Dixie Line divided the free North from the slave South; but no one could tell us why the well-known ditty was so named.

From New Orleans for many miles our train passed through swampy country with here and there a few wooden huts for fishermen and duck hunters and muskrat hunters, who were said to be making lots of money. On the night of November 8th we arrived at Montgomery, the capital of Alabama. Molteno arranged a visit by car to the Negro University of Tuskegee, where he collected information and compared notes with the professors and some of the undergraduates. Booker T. Washington had found Tuskegee, and his spirit still

Car!!

ing  
with  
Kegee

TL

pervaded the place. Molteno was struck by the excellence of the organization and the bearing of the students. Most of them work alternately at lessons and useful vocations such as handicrafts, mechanics and farming. We got back in time to visit the first 'White House' of Jefferson Davis and the Capitol, where Alabama resolved to secede from the Union and Jefferson Davis took the oath at the beginning of the Civil War between North and South. Next day, November 9th, we started for Birmingham, Alabama, the smokiest, busiest and richest town of the South, with its seventy dollar-millionaires — a coal, iron and steel centre which had risen to be a rival of Pittsburg. An hour's visit to a steel inferno was quite enough for me; for Molteno it was a thrilling experience to see this tremendous exhibit of mechanical power and automatic machinery. Our guide was not enthusiastic about labour conditions. He told me that even skilled workmen (with a nine-hour day) were not well off, as living was very expensive. I was not sorry when we moved on to Atlanta, Georgia, rather a fine town but then in a state of depression; for a big bank had failed recently and had brought down a number of smaller in turn.

Percy Lard  
with to a  
Steel works

On Armistice Day, November 11th, we alighted at Charleston, which is in many ways the most beautiful and attractive town of the United States. Old families still dwelt in charming old timber houses dating from colonial times. There was still a strong Huguenot element and a Huguenot church, dating back to the time when the Huguenots played a part in the development of Charleston and South Carolina. We were particularly fortunate through an introduction from Charles Burlingham to his friend Alfred Huger, a Charleston patrician of Huguenot descent, who lived very simply in a picturesque Colonial house. In another we visited a prominent banker, R. Goodwyn Rhett, then the most influential man in South Carolina, who traced his descent to a British Governor of the colony. Our friends took us to the site of the shore battery from which the first shot was fired on Fort Sumter, thus opening the second great military drama of American history.

On the night of Sunday, November 15th, we took the train for Richmond, the capital of Virginia, where we were hospitably entertained at the Commonwealth Club and taken in charge by John Stewart Bryan, proprietor of the *News-Leader*, a perfect Virginian, equally instructive and entertaining as a talker, a man of letters and a cicerone. On the morning of our arrival he drove us to Westover to lunch with the Cranes, who had put that fine old Colonial house into perfect repair. It was built in the early eighteenth century in the period of tobacco prosperity. A few piles only are left of the two wharves on which the tobacco from the plantations was loaded. On our way back we called at Shirley and saw some treasures of the Carter family. Then we dined with John Stewart Bryan and his brother St. George. I noted in my diary that they were 'fascinated' by Molteno's presentation of

English Liberalism and of his views on foreign policy. Next day we saw Tuckahoe and the little square wooden school house where Thomas Jefferson learned the rudiments. On our return to Richmond, Bryan introduced us to his Editor, Mr. Freeman, now famous for his military history of the Civil War. ~~Mr. Freeman showed Molteno an automatic refrigerator (then a novelty) with which my friend was much delighted.~~ Next day we were dispatched in a fast car to see Madison's house at Montpelier. After lunch at Louisa we drove over small hills, with glorious views of the Blue Ridge mountains, to Charlottesville, where we stayed the night and saw Monticello and the University on the following morning. Of the glories of Monticello, Jefferson's home and his University of Virginia I have not space to tell, nor of our talk with Mr. Alderman, President of the University, one of the most distinguished scholars and orators of Virginia, a worthy disciple of Thomas Jefferson and an intimate friend of Woodrow Wilson. On the following morning we departed for Lynchburg and visited the Randolph Macon College for women. There we had a lively talk with some clever undergraduates. Their three best speakers had been chosen to debate on Tariff Policy with some Oxford Union men who were expected in the following month. They welcomed a discourse on Free Trade and Protection which, they said, 'are never argued philosophically in the United States'. Next day there was a morning ceremony and a march past of the seniors. Molteno gave an address on Europe and the need for Anglo-American co-operation, which went off very well. From this attractive and vivacious college we drove to the Natural Bridge, some 40 miles away — a wonderful rock formation in a fine gorge which reminded us of a Scottish glen. We were back at Lynchburg in time to catch the afternoon train for Washington, where we stayed in the sumptuous Mayflower Hotel from the 21st to the 25th of November.

There we caught a glimpse of President Coolidge, visited the Capitol and were shown over the Library of Congress. We had tea with Mr. Justice Brandeis, who gave us his card to hear a judgment of the Supreme Court (from which he dissented) on the following day. Brandeis is a remarkable man, a strong Democrat and an ardent Zionist. When he told us that the United States was absorbed in the new-won opulence and 'drunk with the wine of a transient prosperity', Molteno thought him wildly pessimistic, and preferred to found his impressions on the signs of the real prosperity which he had seen. These were confirmed by the statistical evidence furnished by Mr. Henry Chalmers and other highly competent officials of the Department of Commerce, where we had a sort of round-table conference for a couple of hours to discuss economic conditions in the United States and foreign trade. For this opportunity we were indebted to our friend Mr. Hoover, President Coolidge's Secretary of Commerce. Mr. Hoover also gave us introductions to his colleague the Secretary of Labour, in

New  
Bridge

Mr Justice  
Brandeis

Hoover

whose department we met Ethelbert Stewart, a character worthy of a Dickens' caricature. Another remarkable man whom we came across at dinner was Senator Smoot of Utah, who was said to have been in friendly intimacy with the old Polygamist Society of that remarkable colony. At this dinner an American, who had recently spent a whole fortnight in England, deplored our social and economic decay. On which one of us ventured to remark: 'Your Government evidently does not think us very badly off; for it assesses our capacity to pay at four times that of the French and eight times that of the Italians.'

From Washington we made two delightful excursions, one to Arlington House, the home of Robert E. Lee, hero of the South, and the other to Mount Vernon, where we were shown by special favour a few books from George Washington's slender library. In one of them I saw his bookplate with the family arms and his own motto: 'exitus acta probat'. On our return journey to New York we stopped at Philadelphia to see the old hall where the Declaration of Independence was signed, and the historical museum. My sister joined us here and we were entertained hospitably by Mr. and Mrs. George McFadden. McFadden was an authority on cotton and a successful business man. He reminded us that Philadelphia and Pennsylvania were strongholds of the G.O.P. — the Grand Old Republican Party — and therefore of high Protection. He himself was inclined to Free Trade and thought he saw a tendency among Philadelphians in that direction, though the old faith was still very strong.

In New York, as before, Charles Burlingham pulled most of the strings. He arranged for us to see the Morgan Library and other sights which had been omitted on our first visit. Among those with whom we dined or met at the clubs, or at Columbia or Barnard were George Wickersham, Dr. Butler, Miss Gildersleeve, Professors J. B. Clark and Seligman, Claude Bowers, J. T. Shotwell, Finley, Ochs (proprietor of the *New York Times*), Judge Veeder and Colonel House. House foresaw a slump in trade but thought, quite correctly, that it would not come before the election, in which case he seemed pretty certain that the Republicans would win again. And so it turned out.

Our last evening in New York was spent at Columbia in a discussion on Liberalism and Foreign Affairs. We had already packed, and after the discussion we started down-town in a snowstorm and two taxicabs for the *Olympic*. By the time we were on board the snow had stopped, and we were soon speeding across the Atlantic in one of the finest and most comfortable ships afloat. Molteno was not a good sailor, but after a day or two he recovered and began to dictate roseate impressions of the tour.

Peru not a good sailor

Hic finis chartaeque viaeque.

For weeks and months after his return America took up a large part of Molteno's thoughts and table talk. The visit had filled his mind with new ideas. New hopes for

Percy  
read  
spunder

civilisation and for wider prosperity seemed to open out if only the marvellous expansion of American wealth and the peaceful aspirations of American statesmen could be brought to bear on the world through an interchange of commerce, a reduction of tariffs and a general disarmament for which the times were propitious. The old friendships he had repaired and the new ones he had formed were maintained by a lively correspondence with men like Mason S. Stone of Vermont, V. B. Hart, Head of the College of Agriculture in Cornell University, Charles C. Burlingham and Clarence Mitchell of New York, Thornton Cooke of Kansas City, B. E. Hutchinson, Vice-President of the Chrysler Corporation at Detroit, John Stewart Bryan of Richmond, Henry Chalmers, one of the chiefs in the Department of Commerce who was concerned with foreign tariffs, and others too numerous to mention. With some of these he exchanged letters and pamphlets for the remainder of his life.

His own impressions of America were embodied in articles or letters to the Press as well as in numerous lectures and addresses.

His analysis of American conditions as he found them in the autumn of 1926 proves his powers of observation as well as the reasoning power backed by great knowledge of industry, commerce and politics which he applied to all that he observed and to all that he gathered from conversations, newspapers, bulletins and statistics. Molteno's analysis of the causes and extent of American prosperity was discriminating, critical and judicious, though he inclined perhaps to paint the good side in too bright colours and to pass too lightly over the dark. Nevertheless, his picture was comprehensive and there were in 1926 plenty of grounds for optimism. He had seen the largest and richest Free Trade area in the world composed of forty-eight states with a vigorous energetic population engaged in the development of vast resources, aided by marvellous ingenuity, inventiveness and organizing capacity. He saw that a considerable measure of industrial peace had been achieved between labour, capital and management. In the great industrial areas labour had preferred rapidly rising wages to limitation of output; it had accepted improved methods of working and labour-saving machinery and regulations for the saving of waste. At that time no one could have foreseen that the rising tide of industrial prosperity in America would bring about a speculative mania such as had never been known before and a crash so devastating that it not only wrecked American prosperity but spread ruin over the world, contributed to the overthrow of the German Republic and so through Hitler to that terrible uprising of an armed Germany which not long after Molteno's death brought on another Armageddon.

*for Mr. J. A. Spender*

CHAPTER XLI

LORD OXFORD'S RESIGNATION—THE  
KELLOG PACT—FALL OF MR. BALDWIN'S  
GOVERNMENT

*As with  
resign*

ON October 15th, 1926 — soon after we landed in New York — the Earl of Oxford resigned the leadership of the Liberal Party, stating some of his grounds in a letter to his friend Mr. J. A. Spender, who was then President of the National Liberal Federation. Lord Oxford was 75. He had found it impossible to work with Mr. Lloyd George, and he was unequal to the task of reconstructing an independent Liberal Party. In a fine valedictory speech at Greenock on October 15th, when he was supported on the platform by Lord Grey, Sir Donald Maclean, Sir John Simon, Mr. Walter Runciman, Mr. J. A. Spender, Mr. Harcourt Johnstone, Mr. Vivian Phillipps, Mr. Geoffrey Howard, his own brilliant daughter Lady Violet Bonham-Carter and other prominent Liberals, Lord Oxford surveyed his own past record, dwelt on the importance of Party independence and gave reasons why the mission of Liberalism had not been rendered superfluous by the appearance of the Labour Party on the scene. His definition of Liberalism as 'the preservation and extension of liberty in every sphere of our national life and the subordination of class interests to the interests of the community' was conveyed in a few sentences which appealed to Molteno and Liberals of the Gladstonian school:

*Liberty*

Liberty in our understanding of it means Liberty in its positive as well as in its negative sense. A man is not free unless he has had the means and opportunities of education. A man is not free unless he is at liberty to combine with his fellows for any purpose in which they have a common interest. Nor is there real freedom in industry if it is carried under conditions injurious to those whom a man employs, or with whom he works, or to the health and well-being to his neighbours. The liberty of each is circumscribed by the liberty of all. It is of the essence of national and industrial liberty, in a country situated economically and geographically like ours, that you should have an open market, the free influx and efflux of commodities for exchange, and unrestricted field for individual energy, individual enterprise, individual initiative.

*s def. of*

It was a generous, magnanimous farewell — a worthy tribute to the historic achievements of Liberalism in the sphere of reform. After the Coupón Election of 1918, he said, the party seemed to be so battered and mutilated as to be on the verge of annihilation. 'But there is only one way in which it can ever be killed, that is by suicide. And even then its principles would survive and before long find a new and fitting incarnation.' Lord Oxford did not touch on the real causes of Liberal decay and national disaster — the substitution of imperialism, the Anglo-French-Russian Alliance and his own reversal of Cobdenite and Gladstonian foreign policy which had resulted after four years of ruinous war in the victorious but disastrous Peace of Versailles.

*Causes of Collapse  
of Liberal  
Party after 1918*

After Percy's return from the States he found that the revolt against Mr. Lloyd George and his secret fund had taken shape in the formation of 'the Liberal Council' under the presidency of Viscount Grey. In a communication to the Press on January 24th, 1927, it was definitely stated that the new organisation had been created because a committee of the Party had accepted money from Mr. Lloyd George's Fund, which acceptance entailed a 'moral' obligation towards the donor. The Liberal Council would be entirely independent both of the fund and of the obligation. Molteno, and others of us who agreed with the main purposes of the Liberal Council, afterwards became members, and did what we could to encourage the candidatures of Liberals who refused to touch the Lloyd George Fund. Mr. Lloyd George tried hard to regain what he had lost; but neither arts nor money availed, and eventually he, too, had to abandon his unhappy leadership of the Party in the House of Commons. (X)

Molteno  
supports  
Liberal Council

For quite a year after our American tour Molteno's mind constantly revolved round what he had seen and heard in that amazing country. It was a favourite topic of his table talk. As already mentioned, two articles recording some of his impressions appeared in *The Times* at the beginning of February, 1927. In the *Arbitrator* of May he explained why the United States had left the League of Nations, and why neither the individual States of the American Union nor those of the British Commonwealth of Nations needed the force of sanctions for the security they possessed. The twenty-seven independent States of Europe, he argued, must learn this lesson instead of trusting to economic nationalism and competing armaments. In June, at an Individualist luncheon, he discussed the connection between American prosperity and American individualism. In July he wrote to *The Times* in support of an argument by his friend Sir Edward Boyle that crippling taxation and Government interference were the root causes of bad trade. But for them, Molteno held that most of our million unemployed would have been at work. About the same time, in the columns of the *Scotsman*, he exposed the absurdity of taxing British farmers for the purpose of settling young labourers, who were badly needed at home, in the Dominions. The money should have been used to give them a start in farming at home in order to repopulate the countryside and increase our production of food.

Percy  
wrote  
endless  
articles in  
the press

In August the *Contemporary Review* published an article from his pen on 'The Causes and Extent of American Prosperity.' Next, in two addresses at the National Liberal Club and Chatham House in December, he discussed industrial conditions in America, and wound up his year's work with letters to the *Spectator* and *Manchester Guardian* on the League of Nations and the danger of allowing foreign Powers to force us into war. By guaranteeing territories on the Continent of Europe we ran the risk of encouraging the Governments concerned to quarrel with their neighbours. They might then call

upon us to help, and we should be involved. That would be rendering but a poor service to the peace of Europe, and would make general disarmament, still our avowed policy, more difficult than ever.<sup>1</sup>

Percy's interest in the study of foreign policy was shown in October, 1927, by a gift of £1,000 to the Royal Institute of International Affairs. His name was included among the founders of the Institute by the Council, of which his friend Major-General Neal Malcolm, was chairman. From this time onwards he took an active part in the proceedings of Chatham House.

Another foundation to which he subscribed liberally was the Dunford House Association. It was established in memory of Richard Cobden by his daughter, Mrs. Cobden Unwin, and her husband, Mr. T. Fisher Unwin, who handed over the house to trustees in the summer of 1927. This gift of the house, which Cobden had built and made his home, with furniture, books, pictures and beautiful grounds, attracted Dr. Murray Butler, President of the Carnegie Peace Endowment, who was in London at the time. He and Moltano had talks in July. Dr. Butler saw and seized the opportunity of converting the Association into an institute where Americans in co-operation with Englishmen might discuss Cobden's international ideas and interpret them in modern terms at conferences in Cobden's home. To encourage the project Sir Hugh Bell, Mr. Philip Bright and Moltano invited a number of friends to dinner at the Reform Club to meet Dr. Butler, who had just returned from the Continent. He described conversations with Briand, Stresemann and others aiming at a friendly understanding between Germany and France as a prelude to a general scheme for the outlawry of war. Moltano was much encouraged. It was the first hint he had received of what came to be known as the Kellogg Pact. A few days later, on July 29th, he joined in entertaining Dr. Butler and twenty-five American Editors at Dunford House. This was the inauguration ceremony of the Dunford House Association, in the proceedings of which Percy took an active part until the end of his life. In December, 1927, he headed a list of subscribers to the Endowment Fund which was being raised for the purpose of maintaining the property, with the help of the Carnegie Peace Endowment. Sir Hugh Bell tried to persuade Moltano to take his place as Chairman, but he would not do more than accept a seat on the Board of Governors. In the following year, 1928, a further appeal signed by Lord Oxford, Ramsay Macdonald, Philip Showden, Sir John Simon, Sir Hugh Bell, Moltano and other leading men was made for subscriptions to Dunford House as 'the home and birthplace of Richard Cobden, to be used to promote political and economic peace and co-operation between the nations'.

Early in January, 1928, Percy left for a month at Pontresina, while his wife went to Monte Carlo for her health.

<sup>1</sup> During 1927 Percy lost his aunt, Mrs. J. J. Bisset, and his sister Betty Moltano, who was very dear to him. She died at St. John's Wood in August after a short illness, and was buried at St. Merryon, Cornwall, beside her friend Miss Alice Green.

Percy in the  
of Chatham  
House

Dunford Ho  
Association

Cobden

C  
D

Percy

Bisset

X

X

In March the Earl of Oxford's death removed a great gladiator from the political arena. But the schism in the Liberal Party continued, though a sort of conventional understanding was brought about between those members or candidates who acknowledged Mr. Lloyd George's leadership and accepted subsidies from his fund and those who did not.

During March, Percy had a letter from Sir J. Kotze, once famous as the Chief Justice of the Transvaal, whom President Kruger had dismissed from office. He was writing a book about the period, and after reading the *Life of Sir John Charles Moltano*, wanted to know Percy's authorities for various statements about Shepstone's annexation of the Transvaal and other matters. In a long and very interesting reply our author mentioned his years of research in the British Museum and elsewhere. Sir Henry Barkly had 'placed his private correspondence with Lord Carnarvon and the Colonial Office at my disposal; but of course I was not entitled to give that authority in the text'. His judgments of Carnarvon and Bartle Frere had been confirmed by the publication of Disraeli's letters, with their bitter complaints about Old Twitters, as he called Carnarvon, for misleading the Cabinet. Percy ended this letter by saying:

To me it is an immense gratification to have been consulted by Sir Henry Campbell-Bannerman throughout the Boer War, and subsequently for the new constitution for the Transvaal Free State, and to see this country entirely converted to the views which I strongly advocated in the *Life of my father*.

His wife's health had been shaken by illness at Monte Carlo, and in April Percy took her to recuperate on a sea voyage to Athens and Constantinople. Jervis and Islay met them at Naples on their way home. On their return to London they found Wallace with his wife and daughter. Wallace went with him to Parklands to examine his new system of dairying in the open-air. The cows, he explained in a letter to James,

are out day and night, and are milked in the field in which they live. The milking is done with a moveable plant taking six animals at a time. The milking machine is moved constantly so that the ground is never fouled. With this system one man and a boy can manage about sixty cows. The pastures improve very rapidly, and the expense of carting hay and straw is saved.

This was in June. In July Ted joined the two brothers and they had many talks about fruit and other problems of the farm. Ted told of the great benefit he had derived from Percy's close observations and exact reports on the condition of South African fruit in London. Many of the South African growers, who had suffered severely, had also expressed their gratitude to Percy for his advice.

At this time, Mr. Herbert Hoover was nominated as Republican candidate for the Presidency.

use

Bessie

Wallace & family in London

Ted in UK 1928

TL 1928

FL

Bessie - separate holidays

Leather

I have known him for some years, [wrote Percy to James in June], he is a very capable man and has a better knowledge of Europe and its difficulties than any other American. Hirst and I had long talks with him in Washington on our recent visit. He is not an orator or a parliamentarian; but this is not required in a President. Indeed, he has something much better, a well stored mind, penetrating intelligence, and a great fund of goodwill in handling public and international affairs.

In October he confidently predicted Mr. Hoover's return 'by a very large majority'. He was right; but neither he nor anyone else foresaw at that time the terrible collapse of the American boom which spread devastation over the United States and Europe at the end of the following year, dissipating all the hopes which Moltano had built on the general acceptance of the Kellogg Pact and as well as on President Hoover's desire to promote peace and goodwill in Europe.

Percy and his wife were now eager to see South Africa again. His brother-in-law, Dr. Murray, was eighty and Caroline seventy-five. They were about to celebrate their golden wedding, so Percy and Bessie sailed on December 7th in the Arundel Castle and arrived in good time for the event. Before leaving, Percy consulted Sir William Bragg about some gas which Wallace had found on his property at Nelspoort in case it might contain helium or even radium. Sir William suggested how it might be bottled and hermetically sealed. 'Great efforts', wrote Percy, 'are being made to find radium within the British Empire and the gas helium is very valuable for airships. The U.S.A. have two or three wells, but they keep all the helium for their own use.'

When Percy sailed for South Africa the outlook for peace was brighter than at the beginning of the year. He had made a close examination of the war prevention policy of the United States and especially of its exposition by the Secretary of State, Frank B. Kellogg, who had said (March 15th, 1928) in New York:

I cannot state too emphatically that the United States will not become a party to any agreement which, directly or indirectly, expressly or by implication, is a military alliance. The United States cannot obligate itself in advance to use its armed forces against any other nation in the world. It does not believe that the peace of the world or of Europe depends upon, or can be assured by, Treaties of military alliance. The futility of such as guarantors of peace is repeatedly demonstrated in the pages of history.

This passage was doubly marked and emphasised by Moltano and also Kellogg's further statement: 'In addition to Treaties there must be an aroused public conscience against the utter horror and frightfulness of war.'

He was 'not so blind as to believe that the millennium had arrived'. But he did hope and believe that the world was making great strides towards the pacific adjustments of disputes. Undoubtedly the common people of all countries were of one mind in their desire to see the abolition of war. The only question was whether, when

5-8

W. D. J. 1926  
Dec 1928  
Trip to SA

AL

Wallace found gas at Nelspoort

Hastings of fracking!

the test came, the Governments which had signed the Peace Pact renouncing war would honour their signatures.<sup>2</sup>

On April 22nd, 1929, after another happy visit to the Cape, the Moltenos arrived again in London. The country was preparing for another General Election. Percy found letters from many Liberal candidates and from all the Free Trade organisations asking him for support. He subscribed to the Liberal Council, as it was assisting Parliamentary candidates who desired to be free from any obligation to the Lloyd George Fund. But he would not have anything to do with what he called 'the Lloyd George unemployment stunt'. As he put it to his brother James: 'I entirely disapprove of Lloyd George and think nothing of his plan for employment in one year for all the unemployed. It is a physical impossibility, and is only misleading everybody, and will tend to retard the real recovery.' The General Election took place on the 30th of May, 1929. Only 54 Liberals of all varieties were elected, though the Liberal poll amounted to well over 5 millions. The Labour Party with a smaller vote than the Conservatives had 288 members in the new House against 254 for the Conservatives.

Mr. Baldwin resigned, and on June 8th Ramsay MacDonald formed his second administration, with Snowden as Chancellor of the Exchequer, and Arthur Henderson as Foreign Secretary. One of Molteno's friends, G. S. Barbour, stood as Liberal for West Perthshire, but was defeated by the Duchess of Atholl. Molteno subscribed to the contest, but was unable to take any part owing to ill health. After the election he wrote to Barbour:

To me it seems the Liberal Party has lost its soul; it made no moral appeal to the country; it relied on money, advertisements and arts of that kind; it threw overboard one of its main planks, economy. Lloyd George himself is not a Free Trader; he is a preferentialist; there is not a word about Free Trade in any of his speeches; he has suddenly adopted a milk and water socialism. Just as in 1918 the country went to the Tory Party for jingoism, so now it goes to the Labour Party for Socialism.

If Socialism is to be the policy it would prefer to have it from the real socialists rather than from the Liberal Party. 'The Liberal Party', he added, 'will be wanted again by the country; but it must be a real, honest, genuine Liberal Party, true to its principles through thick and thin, not abandoning them when they seem unpopular at the moment.' Molteno was quite pleased with the new Government, and wrote personal congratulations to its leading members. He relied upon Macdonald and Henderson and Lords Parmoor and Arnold for a peace policy, and on Snowden for the maintenance of Free Trade. He wrote hortatory letters to Macdonald, Snowden and most of the other Ministers whom he counted among his personal friends. In these letters he laid stress on President Hoover's services to peace and his zeal for

<sup>2</sup> The text of the United States note on the renunciation of war appeared in *The Times* of April 14th, 1928. The Pact was signed by the British and Dominion Governments and by those of practically all the other nations.

(12)

1929 Elect

8/

Very pleased  
at new  
Labour Gov

(16) Amrogant?  
1929

the cause. Since his visit to America and his talks with Mr. Hoover at Washington, he felt that the peace of the world depended above all on Anglo-American co-operation. The replies from Macdonald, Snowden and Henderson were friendly and encouraging, as indeed were all of those to whom Molteno sent his congratulations.

Mr. Sidney Webb, now Lord Passfield, had been appointed Colonial Secretary, and on November 5th, 1929, Molteno took a private deputation to the new Minister in his room at the Colonial Office from the Anti-Slavery Society to put forward suggestions for the improvement of native conditions in Kenya and Tanganyika.

On the same day he called on Ramsay Macdonald at 10 Downing Street to congratulate him on his return from a visit to the United States. Macdonald had been welcomed warmly at Washington but unfortunately the New Era was about to end. In the autumn came the first crash in Wall Street, and the Republican Party, still believing that high and ever higher Protection was the key to American prosperity (which they regarded as identical with big business profits), prepared the highest tariff on record. It was named after its parents in the House of Representatives and the Senate the Hawley-Smoot tariff, and made prohibitive many duties which had not been quite prohibitive in the Fordney-McCumber Act of 1922. Soon afterwards, to Molteno's bitter regret, President Hoover — reluctantly it is believed — signed the tariff. Had the Republican Party at this critical moment opened the American market to international trade the economic tragedy of Europe and the American Continent might have been averted. Great Britain and the British Empire would have been saved from Protection; the Open Door of the British Empire would have been preserved, and Germany might well have remained in the comity of nations, instead of turning under Hitler's leadership to armaments and war. Dr. Nicholas Murray Butler, an independent Republican, has recorded in his Recollections his considered opinion that these tariffs 'put a large portion of American industry upon the dole in defiance of the public interest in trade and commerce, both nation-wide and internationally'.<sup>3</sup>

On November 21st, 1929, Molteno gave an address afterwards reprinted on the economic relations between the Empire and South Africa. Earlier in the year he had corresponded with General Hertzog, now Prime Minister of the Union, on the evils of Protection in South Africa, pointing out the deplorable effects on the native population of additions to the tariff which had raised still further the prices of the necessaries of life. General Hertzog tried to argue that Molteno's criticisms were based on imperfect information; but the comparative prosperity which South Africa enjoyed later on in the years preceding the war ~~were~~ in spite of its high tariff, being due entirely to the great profits of the Transvaal

<sup>3</sup> *Across the Busy Years*, by Nicholas Murray Butler, vol. 1, pp. 290-1, Scribner's, New York, 1939.

Percy acts  
for Africa  
wakes  
Africa

ment

Percy's in  
touch with  
Hertzog

gold-mines resulting from the American gold standard and the rapid accumulations of unneeded gold in the cellars of the Federal Reserve Board.

After a visit to the Continent in July and to Glenlyon in August Molteno returned to find his Parklands farm in good condition. 'My maize', he wrote on October 8th, 'was a very big crop, standing about ten to twelve feet high, and affording enormous quantities of food which is now being consumed with avidity by the cows.'

During the summer he had had a long talk with Snowden about the Budget in his home Eden Lodge, near Tilford, and had urged him to beware of interfering in any way with insurance. Snowden, I believe, was impressed by his arguments. Percy's admiration for his friend at the Exchequer was enhanced later in the year when the Imperial Conference was sitting and some of the Colonial Premiers pressed for a preferential tariff which they might have got out of the Macdonald Government but for Snowden's determined opposition. Molteno provided ammunition. After some research he discovered that in recent years 'most foreign countries have reduced their tariffs, while all our Dominions have increased theirs, in some cases enormously'. After meeting the Dominion Prime Ministers and their colleagues at a dinner in the Royal Gallery he wrote to his brothers in South Africa and one of his judgments is worth recording. Pirow, he said, is 'utterly unfit for the position he occupies, and likely to give considerable trouble'. By November 28th he was able to congratulate Snowden on 'maintaining the sound finances of the country against external and internal forces in your own Party'. At the same time he wrote to General Hertzog urging him to beware of the economic nationalism which was threatening the world with disaster. Percy saw that a huge economic crisis was developing and pointed out to Ramsay Macdonald and Snowden that unless it were correctly diagnosed and dealt with it would grow in severity and lead to disaster. This, he felt, had become the greatest international question of the day and must be dealt with internationally. Snowden in his reply fully appreciated 'the vital importance of the monetary problem'.

On June 4th Molteno had taken his sister, Caroline, to Cambridge for the installation of Mr. Baldwin as Chancellor of the University in succession to Lord Balfour. He saw the conferring of Hon. Degrees in the Senate House, partook of the official lunch at Caius and went to a garden party at Magdalen. In the evening he dined at the High Table at Trinity sitting next to Sir Ernest Rutherford, with Professor Eddington nearly opposite and Einstein quite near. These three, he wrote afterwards to his brother James, 'are some of the best brains the world contains at present, and of course the Master of Trinity is also in the first rank'.

Snowden

1930

Percy meets

DPMs of  
Commonwealth

d/

witnessed /

Molteno's discussions with men of science at Cambridge had directed his thoughts to the 'mysterious universe' on which Sir James Jeans had been speaking and writing. He did not think that analytical investigations into the structure of the universe had carried us far, and wrote to his brother, James, on November 27th, 1930:

Our knowledge is too small to enable us to understand things in their ultimate analysis. We had in mathematics a device for sending things to infinity and saying certain things must happen there, and then bringing them back and applying the results to our finite conditions. I always objected that this was illegitimate, as we could never go to infinity and see what was really happening there. Clever as these men are, they are still only groping like children in a thick wood.

So far was Molteno from imagining that science has solved the mysteries of the Universe, or 'passed the flaming bounds of Space and Time'.

#### CHAPTER XLII

#### THE FINANCIAL AND POLITICAL CRISIS OF 1930 TO 1932 AND THE DOWNFALL OF FREE TRADE

'THE economic blizzard' started by the collapse of Wall Street in October, 1929, as a result of the gambling mania which had intoxicated the American people, swept over the civilized world in 1930 and 1931. The crashing of banks and credit establishments and old-established merchant firms in the Old and New World, dislocated the exchanges and threw millions out of work. Molteno, with his trained eye and keen observation of the gathering clouds, saw that the pressure of Labour for more and more expenditure would disorganize our own Budget.

On June 14th, 1930, when he visited the Chancellor of the Exchequer and Mrs. Snowden in their home at Eden Lodge, Tilford, he laid stress on the need for public economy and urged the Chancellor to avoid any interference with insurance, seeing that it encouraged thrift and promoted that saving of capital of which the country was in sore need. Snowden, who was doing his best to restrain the extravagance of his Party, delighted Molteno in October when he torpedoed the preferential tariff proposals put forward at the Imperial Conference by the Canadian Premier, Mr. Bennett. Mr. Baldwin had welcomed them with enthusiasm. The Conference broke up on November 13th; but Snowden was unable or unwilling to prevent the introduction of internal protection in the shape of an Agricultural Marketing Bill, which Molteno subjected to severe criticism in the Farmer and Stock-breeder. In his diary for November 8th he noted: 'Sir John Simon and Sir R. Hutchison declare open war on Labour Government.'\* Then on November 19th came an anti-dumping speech from Mr. Lloyd George in the House of Commons which showed how little confidence could be placed in his leadership. Next day at a meeting of the Free Trade Union Executive Molteno proposed a resolution that Mr. Lloyd George's speech 'was destruc-

\* cf. Philip Snowden's Autobiography vol II pp 9, 12-14.

tive of the Free Trade position' and that Liberal Members of Parliament ought to dissociate themselves from it. Sir Hugh Bell agreed, but Sir Charles Mallet and Sir George Paish dissented. Moltano thought their attitude weak 'as giving away a fine opportunity for striking a blow for Free Trade'. He was right. The fortress, of which only a few outposts had been lost, was already endangered by the Labour Party which, in spite of the financial crisis, was still bent on more and more social expenditure. It was their only recipe for the trade depression and the growth of unemployment.

Moltano's health was not very good, and on January 11th, 1931, he took a party to his favourite Pontresina for a long holiday from which they did not return until March 9th. He doubled his own pleasure in giving pleasure to others, and was the best of hosts and companions, always rejoicing in the freedom and ozone of the high Alps, like Goldsmith's Swiss mountaineer who 'breasts the keen air, and carols as he goes'.

Percy in poor health in 1931  
Percy's love of No. 10

The confused and complicated story of the economic and political crisis in Great Britain, which overthrew the Labour Government and ended in the overthrow of our fiscal system, has not yet been fully told and the whole truth will not be known until it is revealed in the biographies of the leading actors. ~~Macdonald, Snowden, Chamberlain, Baldwin and the Liberal and Labour Leaders who contributed to the final result.~~ Percy Moltano was concerned first with the urgent necessity for retrenchment, which threw him at once on the side of Macdonald and Snowden when the Labour Party split on this rock, second with the danger of a general election, and thirdly with the disastrous consequences that followed when the Tory Party converted it into a victory for Tariff Reform.

1931  
G.R.S.

It should be mentioned that after Snowden's second budget (April 26th, 1931) Moltano wrote a letter to the *Manchester Guardian* and the provincial press which was used in the campaign for economy then under way. That campaign had started with Sir Donald Maclean's resolution and the appointment of the May Committee. The Labour Government resigned on August 24th and on the next day Ramsay Macdonald formed a 'National' Government. Snowden remained Chancellor of the Exchequer, but the main body of the Labour Party went into opposition. Parliament met in September, Snowden introduced the new budget in one of his greatest speeches. This and the Economy Bill were passed through all their stages with large majorities on September 4th. But these measures failed to avoid a monetary crisis. A gold drain set in, and on September 1st the gold standard was suspended and the Stock Exchange closed. Then the Conservative members of the Cabinet began to press for a dissolution. Macdonald yielded and announced that Parliament would be dissolved. Polling day came on October 27th. The Socialists were routed and there was

Elections 1931

an enormous National Government majority composed as follows: Conservatives 471 and Liberals 72, and 'National Labour' 13. Against these the Opposition Labour Party had only 52 members.<sup>1</sup> Macdonald and Snowden soon found that they could not count on all their Liberal colleagues to stand by free trade. Sir John Simon indicated his willingness to accept a protective tariff for which he drew justifications and arguments from Mr. Keynes. To the even greater amazement and dismay of free traders Mr. Walter Runciman the new President of the Board of Trade, hitherto the most stalwart of free traders, threw in his lot with Mr. Neville Chamberlain, the most determined of protectionists, and set the ball rolling on November 16th by introducing a series of 'exchange' or anti-dumping duties. Three days later Molteno gave an address at the National Liberal Club on Tariffs and British Shipping. It was a very powerful argument based upon theory but illustrated by experience, and its cogency was recognized by many city friends who were too timid for the most part to oppose openly measures which they saw would be disastrous. The address was reprinted in full as a pamphlet by the Liberal Free Trade Committee. Many thousands were distributed, and Molteno was gratified by many letters and other signs of approval. It is one of the most effective pamphlets of the period and is still worth consulting.

Until the lamented death of his friend in the summer of 1931 he responded generously to all Sir Hugh Bell's appeals for subscriptions to the free trade campaign, and helped Sir Richard Holt, then Treasurer of the Free Trade Union and President of the National Reform Union, to maintain their activities. Unfortunately, the newspapers, especially in London, were falling into the hands of financiers, who saw prospects of unlimited plunder if their industrial trusts and combinations could be protected against foreign competition. So it happened that correspondence on the free trade side was usually suppressed, and as Molteno's letters were always well argued and effectively illustrated by facts and figures, they were usually returned to him with polite expressions of regret. Besides those who have been already mentioned, Henry (afterwards Lord) Gladstone was a tower of strength. Like Molteno, he was always ready to help and as chairman of the Liberal Free Trade Committee I often had to acknowledge a generous financial support. Another active member and most effective writer was Alfred Beesly, who raised a fund in 1932 to circulate a valuable book, written by Professor Lionel Robbins, Sir William Beveridge and other leading economists of the London School. Meetings of the Dunford House Association at Midhurst constantly turned on Free Trade, and Molteno made many valuable contributions. No one saw more clearly than he from the very first through the maze of monetary fallacies by which many men who had been Free Traders all their lives endeavoured to justify their conversion or apostasy, and adjust their political sails to the breeze which was to aid their political ambitions or enlarge their private fortunes at the expense of the community.

<sup>1</sup> The results were ludicrous. The Conservative vote was 11,932,000, the Labour (Opposition) vote was 6,648,000, the Liberal vote 2,318,000, and the National Labour vote 343,000.

*Press de facto censorship*

*Holt's note*

*useful of Economics*

*s/*

*, Tu  
The Ca  
Kamu*

*3 Gr 52 facts*

His correspondence throws light on the crisis and explains his own attitude.

September 24th, 1931, to James:

Here we have gone through a very critical and dangerous time, and the trouble is by no means over. The rush for gold has sent us off the gold standard. This was inevitable owing to France and America absorbing the greater part of the world's gold. The Tory backbenchers are asking for an election and want to bring in measures of heavy Protection. No one can tell what a day may bring forth. The full consequences of the financial disaster have not been realised yet.

October 1st to James: He notes a determined drive by Beaverbrook and Co. to stampede the Government into a General Election, 'a course which I think would be most wicked and disastrous'.

*Percy tried to stop Macdonald*

October 2nd: He wrote a 'private and personal' letter begging Macdonald not to agree to a dissolution and giving him cogent reasons against it. The best course he thought would be to find some means of bringing Henderson and the bulk of the Labour Party into a truly National Government, but only to do with the present emergency'.

*2*

October 7th to his brother James: He encloses an account of the unveiling of a memorial to Cobden at Heyshott and of the gathering at Dunford House, 'a beautiful spot just under the South Downs'. He also mentions that his farm at Parklands has taken prizes for the cleanest milk in Surrey, for grass lands and for the best field of kale.

*His farm*

Here [he adds] we have during the week-end a General Election announced. I was strongly opposed to this. It has been entirely forced upon us by the Tariff Reform Conservatives. They realised that Snowden could not stand again and that in this way they would get rid of their most determined opponent. They are making use of Macdonald who will come back merely as an individual with no power in the Cabinet of getting his way, and he will then be thrown aside as soon as it suits them. There is no proper issue, the thing is utter confusion, and no useful decision can be got from the electorate. If we go in for tariffs, it will merely make the situation in the world worse confounded.

In these circumstances, though a Liberal split was impending, independent Liberals had to fight as best they could without help from the Lloyd George fund, as its owner was indignant at not being included in the National Government. Molteno subscribed £200 to Lord Stanmore for the Liberal election fund and helped a number of Liberal candidates who promised to be faithful to Free Trade. He also subscribed to the Liberal Free Trade Committee. The Tories and Tariff Reformers had the organization and the money bags. Molteno foresaw that the results of the General Election would be 'most unsatisfactory, with five million young women enfranchised and the women voters in a great majority'. Nevertheless, he congratulated Macdonald and the Liberal Ministers on their majorities and on the national victory over the Socialists and sent a special telegram of congratulations to Philip Snowden on his 'bold, effective and patriotic intervention', on behalf of the National Government. What he felt about the action of

*diffs. or ed*

*Percy anti-Women voters*

the main body of the Labour Party is shown in another letter after the Election to his brother James, October 29th, in which he quoted an excellent article by *The Times* pointing out that the election result was not a Party victory but a national one, and that no section must be allowed to destroy the national unity. It was a sweeping victory. 'The attempt of the Trades Unions to dominate the nation has been resisted by the whole country'. Molteno was much concerned about the South African exchanges and held rightly, as events proved, that the South African Government should have gone off the gold standard when we did instead of inflicting disastrous losses on its primary producers.

Among the personal victories at the election which gave Molteno special satisfaction was that of his friend Sir Donald Maclean, to whom after it was over he sent a contribution of £100 for election expenses. In his reply Maclean said, 'Your most generous gift fairly took my breath away.'

Amid the distractions that followed he found consolation in the company of his favourite dog and wrote on November 5th to James: 'You will be glad to know that Fiach is very well and thoroughly enjoys his week-ends at Parklands and his walks with me in the mornings here.'

In December came the grievous news of his brother Wallace's death on his return to South Africa after a long visit to England. He thought that the exchange difficulties and worries had contributed to his collapse and could not understand why General Hertzog, after the South African Reserve Bank had lost all its reserves and half its capital, still refused to go off gold. At home things were most unsatisfactory (December 17th, 1931) and Molteno wondered whether the National Government could last 'as the Protectionists are fighting hard to get their way'. He had had a confidential talk with one of the Ministers, and felt very pessimistic. After doing what he could to stem the two dangers of Protectionism and Socialism, he was arranging to pay his usual visit to Switzerland early in January.

On the last day of this disastrous year he felt that the outlook in Europe was very bad 'and will get rapidly worse unless some suitable action is taken in February to ease the situation for the debtor countries'.

In the first week of January, 1932, just before leaving for Pontresina, Percy wrote two letters to his brother James, in which he dwelt on the great economic disaster to Europe 'if Germany collapses', and on the stupidity of the National Government's policy in 'continuing to issue foolish tariff orders against imports, thus preventing our customers buying from us as they cannot establish credits here'. Thanks, however, to the balancing of the Budget and our repayment of the loans lent by France and America to the Bank of England, the pound sterling had been recovering its value. But alas! he added, after his return to London in March,

Percy's dog

1931 Wallace  
diesPercy loves  
Switzerland

F. Molteno

we have been infected here with the madness of tariffs and the national verdict against socialism is being perverted into a Tory triumph. So far from combating socialism three super-men are to control the whole of the country. \*This is far beyond anything the Socialists have proposed here.

Returning to the theme on March 16th, 1932, he wrote to his brother James:

At the General Election the attention of the country had been fixed on the need of public economy, but the success of the National Government on this issue was exploited by the tariff section of the Conservative Party, and the country has been cheated and turned over to Protection without the subject having been properly accepted and discussed by the country, so that it is really a fraud on the electorate and will bring its nemesis; but tremendous damage will be done in the meantime.

The curious effect of these duties is seen in many ways. The foolish Sisal people insisted on getting a tariff of 10 per cent on all other fibres. The result has been to cause immediately a drop of £2 to £2 10s. in the value of sisal, as it was used by the Continental manufacturers and not by the English manufacturers, and as the very high tariff of 50 per cent levied under the Abnormal Imports Bill has hit all the Continental products, they cannot buy our sisal. The whole thing is a tissue of folly, falsehood and corruption.

*End of  
Tariffs*

This country [he wrote a few days later] has caught the disease of economic nationalism and owing to its great influence and widely extended operations is causing more damage by so doing than would be the case with a smaller country. The sad thing is that these economic diseases are very much like physical diseases — they are catching and affect great masses of people. Each country is now setting up business in separate boxes by such expedients as tariffs, exchange restrictions and quotas. The two latter are much worse than tariffs. There are now 23 countries out of which no money is allowed to come. You may sell to them but the proceeds may not come back to you.

He pointed out to his brothers and they agreed with him that General Hertzog had made a great mistake in maintaining the gold standard instead of following the example of Great Britain; for the Union had lost a great opportunity for exploiting the low-grade gold-mines of the Rand. In that case, said Percy, the big premium on gold would have doubled or trebled the profits of the gold-mines.

When a competent historian and economist undertakes the task of telling how in 1931 and 1932 the 'National' Coalition Government, after a victory gained over Socialism and Trades Unionism at the polls, turned aside to overthrow our Free Trade system, Molteno's collection of documents and leaflets will be very useful; for they help to show not only how the fortress was betrayed, but how a remnant of stalwarts fought the fiscal revolution and exposed the insincerities, plausibilities and fallacies by which the change of economic freedom to economic servitude so disastrous to international trade and goodwill was bolstered up by time servers and renegades.

\* The reference is to the Import Duties  
Advisory Committee of three members  
established by the Import Duties Act  
of February 1932.

Mr. M. J. Condon

Condon's copy

608-632

39373 Molteno 608

1513w

CHAPTER XLIII

LAST YEARS—WAR PREPARATIONS AND PEACE EFFORTS

WHEN the General Election of 1931 swept the Tory Protectionists into power on the issue of a balanced Budget, the mandate for economy was soon converted into a fiscal policy which was to prove equally disastrous to international commerce and international peace. Despite the pledges of his Conservative colleagues that victory at the polls would not be used for Party purposes, Mr. Neville Chamberlain, who succeeded Philip Snowden at the Exchequer, had no scruples and speedily insisted on his pound of flesh. Ramsay Macdonald was allowed to remain Premier on condition that he surrendered, and for a time he kept his Liberal and Labour colleagues by an arrangement enabling them to speak and vote as they chose on tariffs. Some of them professed to have been converted to faith in the policy which they had so strenuously opposed; others led by Snowden, now in the House of Lords, and Sir Herbert Samuel in the House of Commons, made powerful speeches for free trade and resigned office when the Ottawa Agreements for Colonial Preference came to be negotiated. Thus what should have been a triumph for sound finance against the dangerous extravagances of Socialism, turned out to be a triumph for Protection. After nearly thirty years of Party controversy, the fortress that had resisted Joseph Chamberlain fell before his son's attack, not because the country had been converted, but because it had been duped.

Molteno was now seventy, an age when most men of wealth and education, who love leisure and know how to employ it, are ready to leave the field of politics. But Molteno's public spirit never faltered, his courage never quailed. Though his health was impaired by attacks of asthma which often drove him to the Swiss mountains or to the seaside, his mind was as active, as observant, as acute as ever; and there is no finer episode in his life or, I would make bold to say, in that of any of his contemporaries, than the last six years during which he laboured with constant zeal and foresight for the cause of peace, employing at every opportunity whatever influence he could bring to bear to change the course of British diplomacy and to turn it into peaceful channels. He appealed to men of all parties and religious sects — to the Christianity of the churches, to the morality of politicians, to the intellectual conscience, where haply it survived, of professional economists, many of whom made haste to disavow the doctrines of Adam Smith when they fell out of favour. Though Molteno would sacrifice almost everything to the cause of peace, he was disgusted and dismayed at the numbers of those who trimmed their sails to the passing breeze. At such a time one is reminded of Swift's bitter saying that climbing is performed in the attitude of creeping. How easily personal ambitions conform to personal interests. 'What', says the weakling, 'is

Percy soldiers on

Labour for Peace

!!

the use of a principle or institution when it is discredited, disestablished and disendowed, when it offers a positive obstacle to worldly advantages and to the worship of the Golden Calf?

Those who have followed the course of Molteno's life will not be surprised that he was unmoved by these temptations. A sophistry was no more palatable to him because it was gilded with pills that appealed to the tribe of place-hunters. For him, a principle or a tradition became the more sacred when it was displaced or dis-inherited from public life. It might be defeated, but it could not be falsified. It might be ridiculed by time-servers, but in due course truth and honesty would be restored, though he might not live to see the day. I had the satisfaction of rowing with him in the same boat against strong tides and tempestuous gales. I knew that his strength and resolution never failed, but it is only since I read his papers and correspondence that I have realized how much he gave, how nobly and skilfully he wrestled with the powers of evil.

Molteno's diary and letters in 1932 reflect his views on foreign policy, his fears, anxieties and hopes. In letters to his brothers during March and April he rejected the opinion then widely held by the official spokesmen of the Labour and Liberal Parties, that Sir John Simon as Foreign Secretary ought to have threatened Japan with war over Manchuria. On the contrary, he did right, said Molteno, to pursue a policy of non-intervention, though our moral sympathies were with China. In April the Danubian Conference was sitting in London, and some of the Governments concerned were asking for money. 'I am afraid', he wrote to James, 'that any help given to these bankrupt States will be lost and will merely enable them to carry on their mad policy of enormous armies and immense expenditure on armaments. I expect Greece will also go bankrupt.'

Then there was the Disarmament Conference at Geneva, and its proceedings were not encouraging. The French, he said, were at their old game of paying lip service to disarmament, but they had produced a plan which would allow them to keep *their* armaments. He was glad that General Smuts had declared against converting the League of Nations into a super-state armed with pains and penalties and guns; but, alas, none of the rulers of Europe seemed ready to do what all the international conferences had stated to be necessary — that is to suppress quotas and embargoes, to reduce tariffs and to allow freer play to economic forces. Our own country was turning to these desperate remedies notwithstanding their obvious failure abroad.

As a member of the Reform Club Molteno took part on June 7th in a great banquet to celebrate the centenary of the passing of the Reform Bill. Among the speakers was his friend Sir Donald Maclean, who died suddenly a week later. 'He was a very fine Liberal', wrote Percy to James, 'a staunch Free Trader, a man of principle and courage. He will be sadly missed.'

Percy &  
Principle

Had &  
Percy stand  
together

In the middle of June a Conference opened at Lausanne to seek remedies for world depression by dealing with Reparations and war debts. President Hoover sent a helpful message, and on July 9th an agreement was reached. Molteno was grateful to Macdonald, who seemed to have persuaded the French to come to a reasonable settlement with Germany. The conference, he said, had been conducted by the Prime Minister with admirable skill and good temper.

Unfortunately, the Colonial Conference at Ottawa, which set to work soon afterwards, arrived at conclusions which proved disastrous to the cause of peace and international commerce; for it superadded to our general protective tariff a preferential tariff for the Empire which discriminated against our foreign customers. In a letter to Samuel Evans on September 9th, Molteno wrote: 'Your troubles are nothing to ours in Europe where 25 to 30 millions of people are unemployed. Ottawa refuses a policy of lowering duties all round and compels us to raise ours.' The conclusion of the Ottawa Agreements caused the resignation of Viscount Snowden, Sir Herbert Samuel, Sir Archbald Sinclair, Lord Lothian, Sir Robert Hamilton, Mr. Isaac Foot and several other Liberal ministers. Molteno sent them his congratulations on coming out of the Government and refusing, as he put it, to be catspaws of the Protectionists who had reduced the idea of a National Government to a farce. Lord Lothian in his reply said: 'The only counter to the prevailing extravagant nationalism in the world is the development of a Liberal internationalism.' From this time onwards until Molteno's death the two co-operated in a vain endeavour to moderate the foreign policy of the Liberal Party of whose Council they were both members.

Meanwhile financial and economic conditions in the United States were going from bad to worse. Unemployment had spread rapidly. Thousands of banks and credit institutions had crashed and the Republican Party was completely routed at the Presidential Election (November, 1932) when Mr. Franklin Roosevelt defeated Mr. Herbert Hoover by an overwhelming majority.

Among other consequences of the economic blizzard was a disastrous slump in the prices of many raw materials, including sisal, which it was no longer profitable to grow. Consequently in July Molteno, as Chairman, decided to liquidate the British East Africa Fibre Company — one of his few bad investments. He had had the pleasure of a visit from his sister Caroline earlier in the year, and later on his brother, Sir James Molteno, came over. They took part on November 16th in the jubilee of the National Liberal Club, which was celebrated at a reception given by its President, Lord Gladstone of Hawarden. In the same month Percy went to the Prime Minister's reception at Londonderry House and dined with his friend, Sir William Bragg, at the Royal Institution.

At the beginning of January, 1933, Percy wrote to his nephew, Dr. C. M. Murray, at Kenilworth welcoming

1932 2

Percy's 55's at  
interest  
of the  
Depression

1932 - Conkly  
& James visit

the 'good news' that 'the Cape has gone off the gold standard and the exchange is now rapidly approaching par'. He foresaw that the gold mines would 'flourish exceedingly', and that their prosperity would benefit fruit-growers and farmers.

The world situation [he went on] is still highly unsatisfactory and trade is being killed. In the first six months of last year our trade declined by over fifty per cent., that of the United States by over sixty per cent. The creation of our tariff barriers has hit the small farmers of Holland and France very badly—a cruel blow on the top of their other troubles. It has cut off the consumption of fruit and vegetable produce in this country by very large percentages.

Ottawa was a complete fraud, and there ought to be a heavy reckoning for politicians who are trying to deceive the people into believing that it is a success. There has been no real diminution of the Empire tariffs against us, which remain impossibly high while we are to tax ourselves for their benefit.

Pontresina put him in good health and spirits, and he wrote on March 9th to his brother James:

I returned from Pontresina yesterday. A splendid crossing of the Channel. Even poor sea travellers like Islay were perfectly well on deck. I was glad to find Bessie very well and very cheerful, and Fiach in splendid form and overcome with delight at seeing me again. . . . Here of course the crisis in America is the great dominating factor. It is an astounding situation for a great country of 120 million people to have no currency at all and all business paralysed.

The situation in Germany was also very disquieting. France was struggling to balance her budget, Japan and China were at war 'and we here are still overspending at a dangerous rate. The so-called statesmen are incorrigible'.

March 16, 1933, to James: 'The triumph of Hitler and his violent methods are having repercussions on the Disarmament Conference and on Germany's relations with other countries.' However, the American crisis seemed to be settling down. 'It looks as if Roosevelt were strong enough to make some very necessary changes in their banking system and tariff policy.' Unfortunately our House of Commons was 'very ignorant and very Protectionist'.

In March and April the situation in Germany and indeed throughout the world was still deteriorating. Percy's letters to his brothers James and Ted throw light upon the darkness.

' . . . As you know, my opinion for long has been that the only hope of peace was the replacement of the Versailles Treaty by an agreed treaty. Germany is like a bull which has been cooped up and goaded until at last it will stand it no longer. . . . The world situation looks no better. Great ill-will is being generated by the German treatment of Jews. It is a step right back into the middle ages so far as human liberty is concerned.' The Russian arrests of British subjects had created great ill-feeling, 'but I regret to say that I think the Government has lost its head. . . . MacDonald's Cabinet are making his task of reconstruction at the World Economic Conference and in America impossible'. If Roosevelt wished to do anything towards the reduction of the American tariff, 'he should act soon. Otherwise public enthusiasm will not be sufficient to carry him through against the vested interests.' (A true diagnosis.)

On April 19th he wrote: 'The unbridled violence of our newspapers against the Russian and German Governments is very detrimental to international peace.' The dollar was 'tumbling down' and financial confusion was worse confounded. 'Owing to our having abandoned our policy of free trade' the debtor nations were being pre-

1933

Percy wants  
a new TreatyThey oppose  
anti-Semitism

vented from paying their debts to us, just as the American tariff prevented them paying their debts to the United States. On the other hand, 'the gold mining industry is flourishing and will continue to flourish, as gold is now the only commodity in which trade balances can be paid'. Our Foreign Office, he thought, had handled the Russian affair very badly and a despatch lecturing the Germans was having unfortunate results.

On May 18th he referred to important announcements by Roosevelt and Hitler. Hitler's 'was surprisingly moderate; but his persecution of the Jews made it very difficult to give fair treatment to Germany'. As for the World Economic Conference in London, it 'will be a hopeless failure unless they deal drastically with the trade barriers'. Unhappily Protectionism was strong even in the Democratic Party, and President Roosevelt did not give a free hand to Mr. Cordell Hull, who struck Moltano when he met him on July 12th as 'a fine personality and very sincere'. The Ottawa spirit still dominated the British Government, and by July 18th Percy recognized that the World Economic Conference was floundering and foundering. President Roosevelt, he wrote after another talk with Mr. Cordell Hull, 'has queered the whole pitch by his complete change of front and his resort to economic nationalism'. At the end of July the Conference ended in failure, and Percy went off to Chamonix with his brother Bartly, for a much-needed change after a sad summer.

In May his wife's health began to fail. On June 1st Percy wrote to James: 'I fear her strength is giving way. She has always shown most wonderful courage.' For a long time indeed she had been unable to walk, and towards the end she was in such constant pain that death came on Sunday, June 4th, as a merciful release. She was laid to rest in the family burial-ground close by the ancient church of Fortingal, a few hundred yards from Glen Lyon House, the home which she loved best. She had been a lady bountiful on the Glenlyon estate, which had been left to her by Sir Donald Currie and passed on her death to her son Donald Jarvis Moltano. She had contributed generously to the relief of suffering and poverty, and to such local charities as the District Nursing Association and the Holiday Home in the village which had been carried on at her expense. She was a devout Presbyterian and a regular attendant at the services at the church as long as health allowed. A touching tribute to her memory was delivered from the pulpit of the Fortingal church by the Reverend William Campbell.

Before the end of August Percy was back in London. The European situation was very bad. He set down the following note of a conversation with the German correspondent in London of the *Berliner Tagblatt*:

I put the question to him whether Hitler could make good. He replied that Hitler had the machine guns, and could destroy anyone who tried to oppose him. He compared the situation in Germany to that of the Roman Empire, when the later Emperors were selected by the Prætorian Guard.

Bessie  
will

Glenlyon  
- Bessie

Bessie a  
Presbyterian

The death of his old friend Sir Graham Bower in September, so he wrote to Sir James Rose Innes, 'is a blow to us all'. He had seen Sir Graham several times during his last illness about a box of papers concerning Joseph Chamberlain's implication in the Raid. Sir Graham was resolved that the truth should be known, but his will provided that the box should not be opened until some years after his death.

At this time the sterling price of gold and consequently the profits of the Rand mines were soaring. Molteno rejoiced that confidence and prosperity were being re-established; but he regretted the outburst of feverish speculation at Johannesburg. America and France now held two-thirds of the monetary gold stock — so Percy wrote to James — and Great Britain had taken 200 millions of the free gold, though before the war a gold reserve of 40 millions in the Bank of England did comfortably all the work required of it.

In October the exchanges had fallen into utter confusion. The British Government had put aside a vast sum with the consent of Parliament which was to be employed secretly by the Bank of England to stabilize the market and 'iron out' fluctuations. Molteno thought this a bad policy which could not succeed. The following quotations from his letters in October require no comment:

October 12th, 1933: The European situation is very bad. You should read a book which has just come out entitled *War Unless* by Sisley Huddleston. I am entirely in agreement with it. He is doing his best to warn the world that there are only two alternatives — the revision of the Treaty of Versailles in peace or by war. That is the naked situation.

October 19th, 1933, to James: The great political sensation has been the Disarmament Conference and the crisis in connection with it and the warlike talk which has followed. You will no doubt see mention of Lloyd George's article in which he blames the Powers for having driven Germany to extremities — which is quite true. It is ridiculous to talk of Germany (the only Power which is disarmed) breaking down the Disarmament Conference. All the others except ourselves are more heavily armed than they were when they promised Germany to disarm at Versailles.

Hitler's broadcast of the position taken up by Germany had been 'fairly appreciated' by Mr. Vernon Bartlett in his broadcast of the foreign news, and our Government (i.e. the Foreign Office) seemed to be 'quite embarrassed'.

November 2nd, to his brother James: I see in this morning's paper that Smuts has issued a warning against anti-Semitism. He is quite right, as this kind of thing can only lead to trouble, besides, ~~it is most monstrous to persecute on account of race and religion.~~ The foreign situation is a little quieter; but we are rapidly drifting into a position similar to that preceding the war, dividing Europe into hostile camps, and estimating everything in war material and war strength.

Switzerland was spending 5 millions sterling to protect her neutrality as if in fear of war; but he had decided to go as usual to Pontresina in January.

The Independent Liberals were crossing the floor of the House a year after their leaders had resigned office as a protest against the Ottawa Treaties. 'They are quite justified in so doing,' wrote Percy. It was no longer a National Government since the Conservatives had used

Percy + letter  
Semiram

their victory for Party purposes. Soon afterwards Percy presided at an Individualist luncheon in honour of a distinguished Western Australian free trader, Sir Hal Colebatch. As business no longer took him to the City, he retired in December from the City of London Club after a membership of forty-two years.

Percy? Ch...  
 (He's wa  
 member  
 leave 3)

The years 1933 and 1934 are of tragic significance in the history of Europe; for they saw the rise of Hitler to power and the breakdown of the Disarmament Conference. Article 8 of the Covenant of the League of Nations laid upon members of the League the duty of so reducing and limiting armaments in order that all Nations and Governments should feel that their dangers as well as their burdens were being diminished. After the Great War a golden opportunity presented itself. Germany was disarmed, and the energies of Soviet Russia were absorbed in the creation of a Communist State. But as successive French Governments were bent on extorting impossible reparations from Germany, they would not reduce their own armaments or allow Germany to re-arm seeing that they could not rely upon either the United States, or the League of Nations, or even Great Britain to guarantee their frontiers and protect them against a *revanche*. They did, however, count upon the Little Entente and Poland, which all possessed large territories taken from Austria, Hungary, Bulgaria, or Russia. Consequently the League of Nations under French influence procrastinated with Article 8. Commissions of experts were appointed and a treaty of mutual assistance was drafted in order to conciliate the French. At last in October, 1925, the Locarno Treaties were signed. In the following year the German Republic joined the League and a preparatory commission was appointed. But four more precious years were frittered away. Then came the economic blizzard, which wrecked the finances of Europe and turned the thoughts of bankrupt governments from peace and disarmament to Protection and economic nationalism. The situation was pretty desperate when in January, 1931, after an inexcusable delay of ten years the Council of the League of Nations decided to convoke the Disarmament Conference, five years after the appointment of the preparatory commission. The Conference (for the reduction and limitation of armaments) met on February 2nd, 1932. After some discussions the German delegation refused to participate unless the proceedings were conducted on the basis of equality of status. In the autumn of 1932 Britain, France and Italy made a declaration which satisfied both Germany and the other Powers disarmed by the Treaty of Versailles. In March, 1933, the British delegation led by Mr. Arthur Henderson presented a draft Disarmament Convention; but in that very same month the German Elections put the Nazis and Hitler into power. On October 14th, 1933, the German delegates withdrew and the Commission adjourned until January, 1934. The Conference had failed. Its last meeting was held in June, 1934. In August Hitler succeeded

Hindenburg as President, and became sole dictator of German policy. From that time onwards German rearmament was in full swing.<sup>1</sup>

In 1933 and 1934 Molteno was corresponding with friends who shared, or differed from, his views. Lord Davies tried hard to persuade him that the only means of preventing war, the only remedy for the race of armaments between the Powers, was to place international justice in the care of a great international police force which would be strong enough to coerce any militant and aggressive State. Molteno replied from Pontresina on February 10th, 1933, that the dictated peace of Versailles stood in the way of peace and disarmament. The military treaties made by France with Poland, Jugoslavia and Czechoslovakia were in violation of her duty to the League, as they had never been registered with the League; and under the French plan France was to continue arming, officering and equipping the superforces she proposed to put at the League's service. He saw that the French plan would be rejected, as the Protocol had been rejected, by our Dominions as well as by the majority of the members of the League.

The British Government had inserted in its draft convention, much to Molteno's disgust and to that of Sir John Harris, a clause retaining the right to bomb native villages and native tribes, on the ground that it was an economical method of policing the north-west frontiers of India. Sir John Harris wrote an effective protest to the *Manchester Guardian* on June 12th, 1933, quoting the case of the Bondelzwarts natives in the Mandated territory of South-West Africa. The story of this rebellion had been told in a South Africa Report of 1923. The suppression of the rebellion by the Governor was a horrible affair and had excited Molteno's wrath at the time. The commission of enquiry had reported that this was the first time that bombing aircraft had been used to suppress a native rising. Molteno expressed his feelings in a letter: 'It is astonishing', he wrote (July 12th), 'that after all the horrors of bombing in the late war our Government should have put forward this horrible scheme for its retention. During the War I protested against the bombing of women and children, but could get very little support.'

When the disarmament crisis came in the spring of 1934, Fred Maddison, the secretary of the International Arbitration League, inserted in *The Arbitrator* speeches by Sir Edward Grigg and Mr. Wickham Steed which Molteno thought 'tendencious in the direction of war', and he wrote to Maddison: 'I am much concerned to see that you are advocating a resort to war. I had thought that the International Arbitration League stood definitely for the maintenance of good relations between the nations by means of arbitration. But *The Arbitrator* was now suggesting that we should promise France to go to war in certain eventualities. The nature of war is not altered because you think you will use it in a good cause.' It was very sad

<sup>1</sup> See for a fuller account Chapter 4 of *Armaments*, by F. W. Hirst London, 1937 (Cobden-Sanderson). x

Percy  
opposes  
HMIG  
claim of  
rights  
bomb TW  
people  
Bondelzwarts

that peace lovers should be ready to support war with all its horrors, including that most detestable of all, bombing, because there was some good object which they were impatient to achieve. As for Mr. Steed, he advocated the League of Nations as a League of conquering powers to hold down the defeated nations by force. In his book on the Hapsburgs he had boasted of what he had done to destroy their power in Austria. Molteno had always felt that the break up of Austria-Hungary — whose territories should at least have remained in a federal economic union — was one of the worst features of the Peace Treaties. Maddison, he thought, had overlooked the Kellogg Pact. Maddison evidently felt uncomfortable, and in the next number of *The Arbitrator* (June, 1934) he admitted an article from Molteno on the question whether war should be resorted to as a sanction for the decisions of the League of Nations. It was an effective statement of the case and a reiteration of the arguments with which readers of this biography are familiar. Most of his friends, however, even in the Liberal Party, had gone over to the view that in a righteous cause we must not shrink from using war as an instrument of policy and held that Great Britain as a member of the League of Nations should try to induce other members to employ economic, and if necessary military measures against an aggressor, though the difficulty of defining an aggressor was admitted. In July, August and September, 1934, the League of Nations Union organized a national ballot for the purpose of obtaining an affirmative answer to five questions, one of which involved strong measures against any nation which attacked another. When asked to contribute to the expenses by Mr. Ramsay Muir and others, Molteno refused, saying: 'I am entirely against the League of Nations resorting to force.' He saw how quickly and easily good men desirous of peace in the abstract fix their minds and hearts upon some object they think can be attained by inducing their Government to go to war. They forget that the first duty of a democratic Government is to be the guardian and trustee of its own people. Yet they are ready in some complicated case such as that of the Polish Corridor, on the plea that the liberties of another country which they cannot protect must be protected, to stake everything on the hazards of war, ignoring the fact that the ordeal of battle is not a substitute for justice and gives no certainty of victory.

Before passing from the year 1934 I shall make a few extracts of personal and political or economic interest from Molteno's correspondence.

March, 1934, on the death of the Marquis of Aberdeen, 'a man of charming character, a great public servant as well as a great Liberal'. The Liberal Party was suffering from the lack of such men. The only London newspaper professing Liberalism was supporting Socialism. 'It is an extraordinary eclipse of a great Party and of great principles, but there must eventually come a swing-back to sound ideas.'

May: 'I am limiting my farming as much as I can. I see no prospect ahead for it. The whole dairy-farming community is seething with indignation against the Milk Marketing Board, which has landed all the milk producers in disastrous prices, mostly below the cost of production.'

Percy reduce farming

In the middle of May Professor Gustav Cassel (whose communications on economics had been prohibited by the Governments of Germany, France, Italy and even Holland!) 'delivered the Cobden Lecture in London, and afterwards we had a conference with him at Dunford House, Cobden's old home near Midhurst'. Cassel's theme was the danger to liberty and democratic Government from detailed official interference in the sphere of private business. Molteno heartily agreed. 'No Parliament can effectively discharge such duties. Hence the tendency becomes greater towards a dictatorship, not necessarily of an individual but of a Cabinet, or rather a bureaucracy.'

12  
1934

In July Percy and his brother, Barkly, took a three weeks' trip to Tenneriffe in the Almoda Star. On their way home they stopped at Lisbon, where they found great improvements, thanks to President Salazar, 'who is economical, honest and progressive'.

Percy & Barkly  
w/ dog  
Fogel

12

At this time Molteno was arranging for the better lighting of his daughter's house at Painswick. His hydro-electric scheme at Glenlyon was now finished. He had planned it all and supervised its execution, and on August 16th he wrote to James:

HEL  
at  
Glenlyon

It has been in full work for six weeks and is running perfectly. It supplies all the heat for cooking, for hot water, for heating the house, for lighting and for working the laundry. There are two engines, each generating 115 H.P. One is enough in the summer, but in the winter the two will be running. The fall which we utilize is 1,100 feet. Jervis and Islay are very pleased indeed.

August 23rd, to James: 'You may have noticed that the Ottawa Agreements have become very unpopular and are causing bad blood between this country and the Dominions, just as preferences did in the old days before Free Trade was introduced. Lancashire is now furious with Australia for putting a prohibitive duty on cottons, and has threatened to boycott all Australian produce.'

He was delighted to hear that the Cape Government was about to pay off the whole of its war debt. 'The principle of repayment of debt in times of great prosperity is entirely sound.' The rise of gold to nearly 140s. per oz. was disturbing countries like Holland and Switzerland, which were still on the gold standard.

1934

In September after winning prizes at Parklands for horses and for ploughing he went for a motor tour on the Continent. After passing through parts of France, Italy, Austria and Germany the party ended in Holland, where they crossed the great barrage between the North Sea and the Zuider Zee, 'a magnificent embankment seventeen to eighteen miles long with a paved road on it wide enough for two or three cars'. It had created, he said, four polders of over four million acres and the cultivation of the new land had already begun. Soon after his return he arranged to leave for the Cape on December 7th in the Edinburgh Castle. On this visit he travelled through the native territories, and devoted a good deal of time, as usual, to fruit and flowers. He sent some proteas which he had brought back to the Royal Horticultural Society at Chelsea. They were placed in three vases among the rare and new plants, and attracted the special attention of the King and Queen.

1934/5  
Percy & Barkly  
SA

1934

This was after his return in May, 1935. On May 23rd he wrote to his brother James:

his  
1934

'The great political event has been Hitler's speech of yesterday. I think it is a splendid opportunity for putting European affairs on a better footing. As usual everything is being done by France, and even by Italy, to belittle what he says. But Baldwin in his speech treated it much more seriously, and if it is properly utilised it ought to be the means of bringing about an appeasement.' On May 30th he heard General Hertzog at a dinner. 'His pronouncement on peace and on the impossibility of war curing the evils of war was excellent.'

A week later after talks with friends in the House of Commons he still felt that Hitler's speech and Baldwin's had made a great difference. '*The Times* has played a good part in the last few weeks. It is still urging moderation and proper consideration of Germany's position and the need of keeping her in the Comity of Nations.'

Percy's visit to the native territory of South Africa bore fruit at a meeting of the Anti-Slavery Society in June. Mr. Patrick Duncan, afterwards Governor of the Union, was present, and listened to Percy's account of what he had seen and heard. 1935

June 20th. 'The conclusion of a naval agreement with Germany is most satisfactory, and I am glad the Government had the courage to make it. The Italians are much annoyed with us because of our action with France in holding them to the Covenant and to their agreement, made quite recently, to respect the independence and integrity of Abyssinia.'

June 27th. 'The Abyssinia affair looks very stormy.'

At the end of June, while taking refuge from hay fever at Bognor, he went over to Chichester and had a long friendly talk with the Bishop, Dr. Bell, on the attitude of the Church to war sanctions and other peace problems.

July 18th. On the death of Lord Gladstone of Hawarden. 'He was a most valued friend, a charming man and true to all his father's principles and policy. We shall miss him greatly.'

The French were now encouraging Mussolini and he was afraid the League of Nations might break up. He thought the Council of the League ought to report on Italy's flagrant aggression and organize world opinion. But he was 'certainly not' for fighting Italy. Percy

Before leaving for the Cape Percy had written an essay on 'The Question of Sanctions'. It was accepted by his friend Dr. G. P. Gooch, the Editor of *The Contemporary Review*, and appeared in the February number (1935). He ordered a number of reprints, and on his return from South Africa sent them to many addresses at home and abroad. After examining the Covenant of the League of Nations and discussing the true functions of the League as an instrument for finding alternatives to force and war between nations, he concluded that its moral prestige and value would grow as confidence was established in its goodwill, justice, and impartiality through successful handling of difficult crises. The League, he added, 'was constituted as a means of settling disputes by reason, discussion, conciliation, arbitration and law, as opposed to the principle of settling them by force and war. It cannot have it both ways. It must be consistent and must itself be true to its fundamental principle. We must not destroy our one hope, the League of Nations.' As to sanctions, he recalled the fact that the recent Naval Treaty of London had no sanctions, nor had the previous Treaty made at Washington limiting the navies of the five leading Naval Powers, nor had any sanctions been attached Sanctions

to the Kellogg Pact. The great political question of the day was how the twenty-seven States of Europe could be induced to surrender their rights to fight one another. If only our moral progress had kept pace with our stupendous progress in science all would have been well; but 'we are behaving like children who have found dangerous weapons and are injuring themselves because they know not how wisely to control their use'.

By far the most interesting correspondence evoked by this article was with an acquaintance he had met in the Alps, one Dr. M. Milch of Budapest, who wrote from that city on August 27th a brilliant criticism of the League of Nations. It is too long to reproduce in full, but a summary may be presented:

The birth of this famous instrument (The League of Nations) was trumpeted forth as one of the greatest achievements of human culture—the right of the other man to live, the love of our fellow man and by Englishmen simply as 'fair play'. Under such auspices the League should, as you say, have become a means of settling disputes by reason, discussion, conciliation and law. But law is distilled in public opinion, developed through ages and depending on environment.

The English public has been fortunate enough to enjoy an almost undisturbed evolution through many centuries, and its experience with Colonial life in a large Empire has enlarged its way of looking at things. In England too the struggle for life has always left a margin for enjoying the pleasures of sport, and thus almost without effort Englishmen have developed the idea of fair play in dealing with other men. Moreover, the Englishman's temperament has cooled down to common sense which rejects absurd theories and has been a powerful agent in the making of an Empire. But what about public opinion in the rest of Europe?

1. Take Germany. It has never governed itself and hence has never learned to judge for itself and to deal justly with a fellow nation. Its mind has been diverted to the development either of abstract thought or material welfare.

2. Take France. Its system of education has developed much patriotic phraseology, a keen analysis of the French language and the acquisition of facts; but it has not produced a sense of fair play. In France any man bobbing up in the street and able to express himself is sure to find a dangerously large audience, whose imagination is easily inflamed to hot resentments unhampered by the cool regulators of common sense or fair play. In France, too, havoc may be, and is, wrought by a corrupt Press. Hence French public opinion sways to and fro.

3. What of the new small States created by the Treaty of Versailles and cherished by France? Obviously in them public opinion is not based on long experience, but is fabricated by a clique of men mostly unscrupulous and 'out for harvest in the mess'.

4. And what of public opinion in the States smashed by the Treaties of Peace? In these the most important factor, the intellectual part of the population (Dr. Milch was thinking specially of his own country Hungary and Austria), has found itself suddenly deprived of its old hinterlands and of most of its former means of existence. After all the sufferings of the war a struggle for subsistence ensued which gradually destroyed traditional morality and faith in human justice. New preachers are scattering new and subversive theories. The old idea of equal justice for all classes and individuals has been undermined and seeds of suspicion have been sown everywhere.

Such being the public opinion in the old and new States of Europe, it seems inconceivable that the League should be able to administer law to the nations. Such a body should therefore be confined to the settlement of disputes by conciliation and arbitration, and should avoid passing judgment as a High Court of Justice, since its judgments would probably be questioned by the public opinion of the countries concerned. Its very existence might even be endangered in the same way by an arbitral award or through the refusal of arbitration by an interested State.

Like Molteno, Dr. Milch hoped for the growth of international fraternity. This he thought should be sought by improvements in education to counteract the evil teachings of hatred, resentment and revenge between men and nations. But to effect this would be very difficult, as it would involve international supervision of history books and books on political economy used in schools, as well as international guarantees of liberty of opinion and restrictions to prevent abuses of freedom by the vile newspapers which distort facts and inflame animosity between nations. Dr. Milch thought it futile to speak of disarmament or perpetual peace until they could rely on a world opinion of fair play and common sense — something like English public opinion. He ended by saying that this was a continuation of their talk on the top of the Ehrenbachhöhe. The correspondence was continued for some time; but Molteno refused to abandon his hopes of a better time notwithstanding the gloomy outlook. Europe, he wrote on October 8th, had gone through many similar epochs and had survived. But they must take every step possible in times of peace to strengthen the forces that fight against war. He had taken a hand with other correspondents in *The Times* as to the right way of dealing with Italy's aggression in Abyssinia through the League of Nations, and he still looked forward to a time when agreements like the Kellogg Pact would become the law of nations, when no individual nation would be allowed to judge its own cause and when all legal disputes would be settled by The Hague Court, with its impartial body of judges. He agreed that the sheltered position of England and our freedom from vast military organizations had helped us to evolve a system of fair play, and it was our duty to spread through the rest of the world humanizing and civilizing ideas by a process analogous to that by which scientific knowledge had been disseminated.

We must now remind ourselves of the course of events. During August, 1935, the attitude of Mussolini towards Abyssinia became more aggressive and a Three Power Conference between Italy, France and Great Britain at Paris broke down on August 18th. The British Cabinet thereupon decided to maintain its support of the League and the Covenant, but M. Laval, the French Premier, went on discussing the Abyssinian question with the Italian Government.

During September the British attitude stiffened and all Parties supported a stand on behalf of Abyssinia. The Council of the League met at Geneva and after it had heard the Abyssinian representatives, further efforts to settle the Abyssinian disputes were made. On September 11th at the League Assembly, Sir Samuel Hoare, our Foreign Secretary, made a very strong speech which was afterwards quoted against him when the Hoare-Laval proposals became known.

On September 27th the Committee of the League met to consider the Abyssinian dispute. But on October 2nd Mussolini ordered mobilization for war against Abyssinia and on the following day the Emperor of Abyssinia notified the League that the Italians had invaded and

bombed Adowa. British indignation was stirred up against this unprovoked aggression by a big member of the League on a small one. On October 10th the League of Nations by a majority of 50 to 2 agreed on collective measures against Italy. Mr. Anthony Eden, speaking at Geneva on October 12th, advocated an immediate boycott of Italian exports. And on October 14th the representatives of 50 States of the League at Geneva decided to set up financial sanctions against Italy after October 31st.

On October 23rd, after a debate on the Abyssinian crisis, Mr. Baldwin announced the dissolution of Parliament for a General Election, and opened the campaign with a broadcast address on October 25th.

Polling took place on November 14th. The results were very disappointing to Labour and disastrous to the Independent Liberals. The supporters of the Government polled 11,811,000 votes and obtained 431 seats. Labour, with 8,316,000 votes, obtained 154 seats and the Independent Liberals, polling 1,443,000 obtained only 21 seats, losing their leader, Sir Herbert Samuel, Mr. Isaac Foot and several other effective Parliamentarians. They elected Sir Archibald Sinclair as chairman of the Party and Sir Percy Harris as Chief Whip.

On September 12th, after reading Sir Samuel Hoare's speech at Geneva, Percy Molteno recognized its importance. But with his usual skill in diagnosis he told his brother James that he did not expect war, because 'all rests with France now, and I do not think she will agree to go against Italy'. Unfortunately the League had become a League wholly dominated by England and France; 'and if Italy goes out, as she undoubtedly will, we shall have the old antagonism between two blocks in Europe — Italy, Germany and Hungary against France and the Little Entente, with all the elements of fresh disaster'.

At the end of the month he joined in a correspondence opened by *The Times* about Sanctions in connection with the Abyssinian dispute. Then he went to Zurich to undergo treatment for his asthma. While there he was invited by his friend Mr. Jacklin, the Treasurer of the League of Nations at Geneva, to attend the most important meeting ever held by the Assembly. The following is his account of the visit.

*Note of a Visit to Geneva. October 10th to 12th, 1935*

LEAGUE OF NATIONS

As soon as my friend Mr. Jacklin, Treasurer of the League of Nations, heard that I was at Zurich, he wrote to me and said that he was sorry I was not there during this most interesting time and suggested my coming over from Zurich to Geneva and that he would put me up. I therefore decided to go on Thursday, October 10th. Mr. Johnson also went with me.

Geneva is quite a long way from Zurich and it took us most of the day to get there. Mr. Jacklin met me at the station and said that I must lose no time as the most important meeting was then in progress and decisions would very soon be come to. So he took me down in his car straight to the Palais de Conseil where the League was sitting and taking the opinion of the various members. He had a card of entrance which entitled me to go in at once.

1935  
election

Asthma  
getting  
worse

It was an interesting sight to see the representatives of all the nations sitting in conclave, with the President of the Assembly on a raised dais. The Secretary-General of the League was next to him, another League official and an interpreter.

The speeches were short and to the point and all was conducted with great dignity; there was no violent language, no scenes and no excitement, but just calm determination.

The burden of every speech was that the nation was prepared to accept the report and carry out the Covenant, until it came to Austria and Hungary, who excused themselves owing to their special position.

The representative of Ireland, de Valera, earlier in the proceedings had made a speech full of fervour which much impressed the delegations by its intense earnestness, and of course supported the Covenant strongly.

The representative of Hayti, General Nemours, made an admirable speech also and pointed out that no distinction in justice could any longer be drawn between black and white, that they were all entitled to the same justice, they had been admitted to the League on an equal footing and entitled to claim its protection. I believe it was quite a surprise to the Assembly to hear so fine a speech from the representative of a black Republic.

Percy  
no  
race

Aloisi spoke again, always trying to question a decision and repeating over and over again the old arguments. He is rather a nice-looking man and one was very sorry for him, because he must have realized there was no sympathy whatever with the attitude Italy had taken up.

Finally the President, Dr. Benes, asked if there were any other speakers, and none being forthcoming he then put the question. All who were silent were taken to give consent unless they had spoken against, and in this way the final vote took place in perfect calm and in complete silence. If no other Delegate desires to speak, said the President, I shall interpret silence as consent to the decisions taken by the fourteen members of the League, that the special Committee has found that Italy has broken the Covenant. He paused, and after a short interval, the Assembly waiting in tense silence, his hammer fell with a sharp blow on the table before him. The Resolution had been passed, the judgment upon Italy that she had broken the Covenant.

Thereupon a Committee was appointed consisting of one delegate of every nation, to deal with the situation, and to go into the question of what steps should be taken in consequence of it.

It was a great historic occasion and I was very fortunate to be present to see the Resolution agreed to.

The next day Mr. Jacklin had also secured cards of admission for myself and Mr. Johnson to a meeting of the Committee of Co-ordination, which decided after a few words to sit in private.

At noon the Assembly met to give approval to the recommendations of the Committee of the League, that a Committee of Co-ordination should be set up to go into the question of embargoes on arms to Italy and Abyssinia, and further to decide what other embargoes should be imposed against Italy.

In this way the machinery was set up which has been working progressively ever since to elaborate and perfect the steps to be taken to bring pressure to bear upon Italy, not of a warlike but of an economic character.

At the end of the decisions the day before, the President said they were still open to consider approaches from the Parties concerned with a view to bringing about an agreed and peaceful solution. The war having started, they were eager to see it stopped at the earliest possible moment.

At the conclusion of the sitting of the Assembly on Friday I saw most of the principal delegates close at hand, such as Mr. Eden, M. Herriot, M. Hymans, De Valera and others, and I also had a short talk with Mr. de Water.

Q

Mr. Jacklin introduced Molteno to the officials who were actually working the machinery of the League, so that he got an insight into its methods and learnt a great deal before his return on October 12th. They also visited the new building which was to house the League of Nations. His friend, the Treasurer, 'a man of great ability,' he wrote, 'has managed and economized so well that the League is able to build this spacious building on a very fine site just outside the town at a cost of some twelve million gold francs without any borrowing whatever. He had just received the arrears payment of five million gold marks from Germany. She has now discharged her obligations and leaves the League on the 20th of this month.'

In the course of his conversations he was told of 'the difficulty created by the imperfect and unfinished character of the Covenant', and by the conflict of principles, which he had so often pointed out between the undertakings not to go to war and the clauses contemplating war. He was also struck by the determination of all the members of the League except Austria, Hungary and Albania to facilitate important measures with a view to bringing the Abyssinian war to an end. He heard, however, that Herriot and Laval were at daggers drawn over the League policy.

One day when he was taking refreshments at a café in Geneva Percy was amused to see inscribed on the wall the names of many well-known persons, including a curiously assorted quartette — Lenin, Snowden, Trotsky and Baldwin.

~~On October 21st he returned to Zurich and started work with his secretary on the family record.~~ Hearing of the General Election he wrote a letter on Mr. Baldwin and Conscription, which appeared in the *Manchester Guardian*. Mr. Baldwin had said that conscription was a 'matter of reality' to every man and woman and one on which they were 'bound to reach a conclusion'. But, shrewdly suspecting that it might be very unpopular, the Prime Minister added characteristically that there was not a word of truth in the suggestion that his Government proposed introducing conscription. Molteno asked whether this guarantee was consistent with another statement made by Mr. Baldwin that he wished to make the League of Nations more effective by giving it more collective force. In the last war the Government had resorted to conscription when they had neither an army suitable for the purpose nor machinery for carrying it out. 'The resultant loss in life and treasure had been estimated by a competent judge at an unnecessary waste of four-fifths in life and four-fifths in treasure.'

Conscription on the Continent had turned Europe into an armed camp. Our policy for a generation had been the avoidance of Continental entanglements. Statesmen of both parties had realized that intervention in quarrels on the Continent would require a vast army, and we should not be able to rely on our navy alone. If Mr. Baldwin and his colleagues could only realize the implica-

Did Percy want to write his own history of the family?

tions of their League of Nations policy, they would see the danger of supporting a League based upon force and of acting as one of the chief policemen to carry out its decisions.<sup>1</sup>

While at Zurich he wrote several times to his brother James:

October 21st, 1935: "The European situation is still very serious. We have had to send out reinforcements to Egypt and the naval base has been removed from Malta to Alexandria. The French have been, as usual, most difficult. The trouble, it seems, has been caused by Laval having agreed last January that he would not interfere with Mussolini's African venture. This was secretly concluded without any reference to us, and has been embarrassing France throughout the proceedings."

October 29th: "You will have observed that our Government has come down on the side of no war sanctions. This accords with the views I expressed in my letter to *The Times*." Only the 'pacifists' of the League of Nations Union wanted war with Italy.

November 5th: "I am just leaving. The treatment for my bronchial catarrh has benefited me very greatly. I attended the League of Nations meetings at Geneva. On the whole, unanimity has been well maintained, but France is not wholeheartedly supporting the policy."

A few days after his return to London the General Election gave the Government another huge majority in the House of Commons, a majority which supported the foreign and fiscal policy of Mr. Baldwin and his successor, Mr. Neville Chamberlain, with disciplined cohesion right along to the Munich crisis, the Polish alliance and the second of the two great wars which Molteno had striven to avert. But as he agreed with the Government's policy of stopping Mussolini's aggression by economic sanctions and by an effective oil embargo which he thought would serve the purpose, he was not sorry that the Government's majority was large enough to show other nations that 'England is quite united and determined on stopping Mussolini'.<sup>2</sup>

Molteno repeated his views on December 4: "I can see no escape from the duty of the League members to refuse to have dealings with one who has so flagrantly broken his obligations not to go to war with a fellow-member. Mussolini is evidently beginning to feel alarmed and the French are still making every effort to avoid putting the final pressure on him which must bring him to a standstill. It is only prolonging a state of tension and encouraging Italy to think that she can still get away with her aggression."

Parliament had met and Mr. Baldwin had announced a policy of again trying to secure peace by preparing for war — a policy which 'has never been successful'.

At this time Molteno had entered his flock of sheep in a competition open to the whole of the United Kingdom and had only been beaten by the Duke of Bedford by 180 points to 177. He had won first prize and championship at the Tonbridge show with two ewes from Parklands. Then came the Hoare-Laval thunderbolt:

Family  
Activity

<sup>2</sup> This letter was published in the *Manchester Guardian* on November 4th, 1935.

London, December 19th: 'Here, of course, the great sensation has been the astounding action of our Government in putting forward a plan utterly inconsistent with all their professions and all the foundations of their policy as announced by themselves.

'Laval, as I have said all along, has played a treacherous game. His arrangement to give Mussolini a free hand made in January has governed all his actions and prevented him from being loyal to us or the League. I have never known such a unanimous condemnation of a public act, not only in this country but in Europe and throughout the world. The outcry here has fortunately put an end to these inept and disgraceful proposals; but the repercussions are still most serious. Our prestige at Geneva and elsewhere has received a disastrous blow, and it will be extremely difficult to get back the complete confidence we were enjoying on the part of the other nations at Geneva.

'Laval is said to be obsessed with the idea that, if the war goes on, Italy will be so weakened as to be a useless ally to assist France as a counterpoise to Germany.'

Fortunately Hitler was keeping quiet, 'and his naval arrangements with us will gradually work for much better feeling'.

London, December 31st: 'The Franco-British proposals (known as the Hoare-Laval Pact) were instantly and universally repudiated as soon as they were known, with the result that they had to be abandoned and Hoare resigned.'

Mr. Baldwin saved his Government by making a scapegoat of his friend, Sir Samuel Hoare, who resigned the office of Foreign Secretary on December 18th and was succeeded by Mr. Anthony Eden, who was expected to show more determination in resisting Mussolini.

Though the Hoare-Laval treaty had been frustrated, Molteno felt that Mr. Baldwin's weakness had queered the pitch for a sensible approach to some compromise agreement which might have ended the Abyssinian war. After his signal failure in statesmanship and diplomacy, Baldwin could only fall back on the argument that what Great Britain wanted was more force and more armaments, so that Britain might speak with more authority for peace in the councils of Europe.

Percy sought relief from this new cause for pessimism in a visit to Glenlyon at the beginning of January, 1936:

'I took the opportunity', he wrote to his brother James, 'of going up to see the new intake for the electric lighting plant, which is working very satisfactorily. We are also starting to build a village hall in commemoration of Bessie. It will take the place of the old hut, which is pretty well on its last legs.' The family was in splendid health, thanks to the outdoor life they led. His grandson, Ian, was already 'a little taller than I am and a good deal heavier'.

1936

Village Hall  
for  
Bessie

Soon after his return the death of King George the Fifth, for whom as a high-minded constitutional monarch with a strong sense of duty and a human personality he felt real esteem, grieved Percy very much. The new King he hoped with his great experience of the world would do 'quite well'. The chief drawback, he wrote on January 23rd, was that he had made an unfortunate choice of friends.

Percy, as we have seen, had always been keenly interested in the preservation of fine scenery, open spaces and historical architecture. For several years he had tried to prevent the building of a motor road near Parklands

Percy opposes  
road at  
Parklands

Percy Re  
Conservation

which would have marred the amenities of the neighbourhood, and had spent a good deal of money, more or less successfully in opposing the scheme, with the assistance of his secretary, Mr. H. B. Johnson. Early in 1936 he bestirred himself to resist the sale and destruction of All Hallows Church in Lombard Street, built by Sir Christopher Wren. He took part in a meeting at the Girdlers' Hall for this purpose and pleaded for a revival of the City Churches Preservation Society. As patron of the revived society along with Lord Esher and others, he spoke, and afterwards contributed to the cost of opposing the demolition of All Hallows. But it was in vain. The Bishop of London wanted money and had his way.

In February and March the situation in Europe grew worse, owing partly to a new French pact with Russia, which looked like a violation of the Locarno Agreement and was followed by a German march into the Rhineland. The French pact with Russia irritated Germany and constituted a new danger for Great Britain because it put into the hands of Soviet Russia the power of automatically committing us to war.

There was a strong feeling in England against going into a war with France and Russia and a real desire to see that Germany was given fair treatment. The British Government, however, under the influence of Sir Robert Vansittart, was still stumbling from one mistake to another. It had even made an absurd proposal — which was universally condemned — to send a joint force of British and Italian soldiers to the Rhine. Meanwhile France had succeeded in preventing the application of effective sanctions to stop Italy in Abyssinia, and feeling here was running high about the gas atrocities of the Italian forces.

Percy Barkly  
to Cape  
1936

Percy now decided on what proved to be his last visit to the Cape, with his favourite companion, Admiral Barkly Molteno. The two brothers had a business purpose as they wanted to look after the affairs of the Real Estate Corporation in Johannesburg, of which Percy was Chairman and Barkly a Director. He wanted, moreover, to investigate the plight of the South African fruit trade (due largely to the bad handling of shipments by the Union Government) and also the problem then being discussed of how best the natives should be represented in the Union Parliament — a matter in which his nephew, Donald Molteno, was taking a prominent and very useful part. They left for South Africa on April 24th and stayed there until the end of July, when they returned with their sister, Caroline Murray, and their brother, Sir James Molteno, in the Balmoral Castle. During July he had lost his sister-in-law, Mrs. Wallace Molteno, and his aunt, Miss E. Jarvis, then in her 90th year. Another grief was in store for him; for in September his brother James was suddenly taken ill at Palace Court and died on September 16th, aged 72. Percy buried him on September 19th at Peaslake, not far from Parklands. Of all his brothers only the youngest, Barkly, now remained. But his sister Caroline stayed on with him at Palace Court, and her daughter, May Parker, was often with him there or at Parklands.

Donald

Back to London  
11 Dec 1936  
Miss Jarvis

His own health was much impaired by attacks of asthma, but his courage and public spirit were undiminished, and he never desisted from his efforts for peace. In this quest he went to a meeting of the Dunford House Association at Cobden's home near Midhurst and gave an address on foreign policy which led to an animated discussion. He dwelt on the disastrous change in British policy from non-intervention to Continental entanglements. In 1914 we had been compelled by a secret alliance with France and Russia to stake our lives, liberty and property on a great war which had left Britain and Europe in a far worse case than before. Were we now on the right road? Was our foreign policy a wise one? He had raised the question a few months earlier on April 15th in a letter to *The Times*, when he reviewed the diplomatic entanglements that had involved us in the Great War and pointed out that our previous policy of independence had preserved us in peace and prosperity for generations and had thus provided large resources for the development of the Empire. It was not, he hoped, too late to revert to the policy of prudence and so-called isolation, which had stood us in such good stead. In any case our foreign policy should be thoroughly discussed in Parliament so that the country might have an opportunity of judging whether we should disentangle ourselves or incur further obligations.

During his controversies with the Liberal Council, which are about to be described, Percy spent several weeks during February and March in a trip to Egypt. From the Nile he made an excursion into 'an absolute desert without a particle of vegetation', where there had been no rain for twenty-three years. On his way back he stopped in Sicily and noticed that in the gardens of Palermo and other towns many kinds of Cape fruit, flowers and shrubs had been domesticated. He was keenly interested in the architecture and in the remains left by the successive occupations of Sicily by Greeks, Romans, Saracens and Normans, noting in one of his letters that as late as 1140 the three official languages of Sicily were Greek, Latin and Arabic. Soon after his return he learned that his nephew Donald Molteno, then an Advocate in Cape Town, was to stand in the native interest for one of the new seats created by an Act of the Union Parliament.

Molteno was a leading member of the Liberal Party Organization which had been newly constituted in 1936. He was on friendly terms with Lord Meston, the Chairman, who expressed his gratitude for 'a most generous contribution to the funds' in September, 1936. In the same month, however, Molteno began to fear that the Executive of the Organization was embarking on a dangerously bellicose policy, and he wrote to Lord Meston:

I do hope it may be possible to arrange that the Liberal Party should not be committed to intervention in the great struggle which is boiling up between Fascism and Communism on the Continent, nor to pressing for a policy which would entangle us further in the quarrels of the Continent by way of the further use of force, whether by the League of Nations or through alliances.

The question of Foreign Policy deserves fuller discussion among Liberals before conclusions are drawn.

To  
Egypt

Feb 1937

Donald

Shortly afterwards, however, without consulting the Liberal Council or the General Assembly of the Party, the Executive issued a leaflet purporting to represent Liberal Foreign Policy entitled 'Peace or War? A statement on British Foreign Policy by the Liberal Party'. It was issued by the Liberal Publication Department at the popular price of a penny.

When Molteno read it, he conferred with Lord Lothian and myself, and we learned that Mr. J. A. Spender, who was then on the Executive, had been endeavouring to moderate the policy of his colleagues, but without success. Molteno wrote on December 8th to the chairman of the Council:

I was much concerned to receive this statement (the 'Peace or War?' pamphlet) purporting to be a pronouncement of the Liberal Party on Foreign Policy.

He had also received notice of a resolution on the international situation which had been adopted by the Executive, and asked whether the policy of the Liberal Party could be so settled without consulting the Council and without any reference to the Scottish Liberal Federation. He recalled the fact that in 1922 Mr. Asquith, then leader of the Party, had accepted certain principles of foreign policy, and he thought that no change should be made until that pronouncement had been considered by the Party as a whole. He was particularly indignant that a statement on Foreign Policy should have been issued to the Press before it had been submitted to the Council. The Marquess of Lothian wrote on similar lines. We three met on this occasion and several times afterwards to discuss the danger of proposals which suggested that the British Government should endeavour to convert the League of Nations into a fighting organization, and should look to such despotically-ruled countries as Russia, Poland and Rumania for support. The attention of the country had been diverted from Foreign Policy by the excitement of King Edward's abdication, but the meeting of the Liberal Council was held on December 16th. Lord Lothian moved an amendment to the resolution, deleting the words 'endorses the statement on Foreign Policy recently issued by the Executive'. He criticized the pamphlet for proposing definite alliances and naming potential aggressors and for suggesting that the larger Powers should oblige themselves to take military sanctions while the smaller nations might confine themselves to economic sanctions. Such obligations, he thought, would involve conscription. He did not think war was inevitable unless we had an alliance system, in which 'a knave or a fool or an accident can start a world war'. He also objected to the idea that the democracies ought to take sides with the Communists in a Fascist-Communist quarrel. Molteno enlarged on the subject in seconding the amendment, and dwelt at length on the danger of alliances and obligations through which we might find

ourselves automatically involved in wars in Eastern Europe. In supporting my two friends, I predicted that the policy set out in the pamphlet, if carried out, would mean public insolvency and overwhelming taxation, as well as the destruction of private property if we allied ourselves with Communism. The members of the Executive supported the resolution. There was a rather heated discussion. Eventually our amendment was thrown out by a large majority, but we received assurances that in future the Council would be properly consulted, and the obnoxious pamphlet was withdrawn from circulation.

In January, 1937, we were able to defeat the move for a Popular Front, and Lord Lothian gave notice of a motion urging that the League of Nations should be supported 'as an instrument for securing revision of treaties and abatement of economic nationalism', which he held to be 'essential to disarmament and lasting peace'. But his motion also recognized 'the danger of general commitments which would automatically bind the country beforehand to impose sanctions or declare war on other nations in unknown circumstances'.

~~At the beginning of March Molteno was returning from a visit to Egypt and wrote to Lord Lothian from Palermo.~~ I had kept him in touch with our discussions and he was hoping to return in time to take part. 'No one', he wrote, 'of adequate experience, authority or statesmanship, vouches for our recent foreign policy. The Government is really drifting, hoping to avoid serious disaster by big armaments, hoping also that something may turn up, but all the time drifting into serious danger by loose and unexplored entanglements, such as an obligation unlimited in time or circumstance to defend France, but with no control of French policy, really a blank cheque and an obligation which cannot be limited to Naval and Air operations, but may, as in the Great War, compel land operations for which no preparation has been made!!'

After his return in April he pressed the same point in letters to his friends, T. E. Harvey, M.P., and Lord Arnold, whose speech in the House of Lords on February 24th, criticizing warlike commitments on the Continent and advocating a policy of non-intervention, Molteno circulated to a number of friends and found wide agreement. The policy also received welcome support in well-argued letters from Mr. Ellis W. Davies, of Caernarvon. Molteno began to hope after reading some encouraging letters in *The Times* that a movement might be started which would checkmate Viscount Cecil and other champions of a militant League who were pressing for a dangerously warlike Foreign Policy. ~~I was seeing him constantly at the time and one day he talked to me about Hitler's peace offers. My mind was very vague on the subject and I asked him if he could let me see them.~~ He said 'Certainly', and was as good as his word. I was much struck and suggested that he should incorporate them in a letter to *The Times*. He doubted whether *The Times* would publish them, but I urged him to try. He wrote

the letter, I thought it very good. His secretary took it to *The Times* on May 3rd and it was published on the following day. It was his last important effort in the great cause of peace, to which he had devoted himself for the last twenty-five years.

Perry's last letter to Times on Peace

It ran as follows:

PEACE IN EUROPE

GERMAN OFFERS

To the Editor of THE TIMES

SIR,—The letters of Captain A. L. Kennedy in your issue of April 22, and of Lord Noel-Buxton in your issue of April 29, call attention to the importance of our relations with Germany in its bearing upon the functions of the League and the peace of Europe.

Germany seems to have made a number of offers in the direction of peace, and also made substantial contributions to the peace of Europe. Allow me to refer to some of them.

Gosh!!

Hitler has recorded that Germany has renounced all intention of seeking a re-acquisition of Alsace-Lorraine. Has solemnly recognized and guaranteed France her frontiers as determined after the Saar plebiscite, and has further declared 'We are prepared to do everything on our part to arrive at a true peace and a real friendship with the French nation'. Has made peace with Poland. Has offered to join in complete disarmament. Has offered to limit her army to 200,000, and when this was abandoned, offered to limit her army to 300,000. This was refused. Has stated her willingness to be ready in principle to conclude pacts of non-aggression with neighbouring States, and to supplement these pacts with all provisions which aim at isolating the war maker and localizing the area of the war.

That Germany is ready at any time to limit her arms to any degree that is adopted by the other Powers.

Prepared to take an active part in all efforts which may lead to a practical limitation of boundless armaments. Prepared to agree to the prohibition of the dropping of gas, incendiary, and explosive bombs outside the real battle zone, and stated that this limitation could then be extended to complete international outlawry of all bombing.

Hitler also offered the concrete proposal for an air pact on the basis of parity of strength as between France, England, and Germany.

Prepared to agree to any limitation which leads to the abolition of the heaviest arms especially suited for aggression such as (1) heaviest artillery, (2) heaviest tanks.

Declared Germany's readiness to agree to any limitation whatsoever of the calibre strength of artillery, of battleships, cruisers, torpedo boats, and of the size of warships, the limitation of the tonnage of submarines, or their complete abolition in the case of international agreement.

Prepared to agree to prevent the poisoning of public opinion among the nations by irresponsible elements, orally or in writing, through the theatre or cinema, having already taken steps to this effect in Germany.

[Ma  
been

Of all these proposals the only one which eventuated in agreement was his offer to limit the German Navy to 35 per cent. of the British Navy.

In his speech on March 7, 1936, he recalled all these proposals and their complete rejection except for the Naval agreement with Britain.

Finally, on March 21, 1936, he made the offer of a most comprehensive peace plan to the British Government and people, including an offer to return to the League of Nations. This has had no answer, but a query was addressed to the German Government by the British Government in regard to certain points of the offer.

Thus there appear to have been a number of opportunities open to British diplomacy for forwarding the conclusion of real peace in Europe, and the restriction of the mad race in armaments. We are without information why, with the exception of the Naval agreement, no advantage has apparently been taken of these opportunities.

I have the honour to be, Sir,

Your obedient servant,

P. A. MOLTENO.

10, PALACE COURT, W.2.

In the light of what has happened since, it has been argued that these lost opportunities were not real opportunities—that when Hitler spoke of peace he never meant it, that all his offers were frauds intended merely to deceive his future victims, to lull dangerous potential enemies into a sense of false security and to gain time for plans to conquer Europe, or at the very least to reverse without actual war those articles of the Treaty of Versailles which had robbed Germany and Austria of German territories and German colonies. It is easy to be wise after the event. Some day perhaps the archives will be opened and the whole truth known. Then it may be possible to say for certain whether it was a prudent and farsighted policy on the part of British and French diplomacy to reject Hitler's offers instead of exploring them by conciliatory methods and testing them in conference. It is certain that a preventive war was out of the question as against Germany and that France was too distracted politically between Communism and Fascism to permit of a war against Italy in the Abyssinian affair. Nor would the Conservative Party at that time or in the following year have agreed to a war in support of China against Japan or of mingling in the Spanish conflict when French and British aid might have defeated Franco. What can be said after the subjugation of the free democracies of Europe by Germany and Russia is that nothing

*The Barkley proposed parts of this letter  
use of this letter.*

could have been worse than what has actually happened and that the policy advocated by Molteno and his friends might have been successful and could not have done any harm. When Mr. Chamberlain changed the policy of the Foreign Office, removing Sir Robert Vansittart, and substituting for our Ambassador at Berlin one who was ready and willing if possible to reach an agreement with the German Government, it was too late. Munich was the last substitute for war. The French Government was then utterly unprepared and unwilling to fight, and even after another year of preparation it was almost as reluctant to go to the aid of the Poles as it had been to fulfil its obligations to the Czechs. If Molteno had lived to see the wreckage he would probably have said that we ought not to have encouraged either the Poles or the Rumanians to rely upon protective guarantees which we had no power to implement.

On the very day, May 4th, on which *The Times* published Molteno's important letter, Ellis Davies and I lunched with him at Palace Court to discuss foreign policy and the correspondence private and public in which he was engaged. During May and the Coronation festivities he entered into friendly relations with the Earl of Clarendon on his return from South Africa, and on June 10th the Earl unveiled a South African flag and a pew which Percy had presented to the City Church of Saint Lawrence Jewry. The ceremony was followed by a reception in the Mercer's Hall. Next day General Hertzog, then Prime Minister of South Africa, came to tea at Palace Court. About this time Molteno asked me to take a voyage with him to Rio and back. He was much troubled by asthma and hoped that a sea voyage would do him good. Unfortunately I could not accept, and he tried other remedies which were unsuccessful. Finally he went to Switzerland for treatment. Complications had set in. He never gave up hope and fought on bravely against a painful malady. The end came suddenly on September 19th in a clinic at Zurich. On September 24th his friends and family attended a memorial service in Saint Margaret's, Westminster, and on the following day he was buried beside his wife in the churchyard at Fortingall. His sister, Caroline Murray, remained at Palace Court until her death on December 5th. Of the ten brothers and sisters only his youngest brother, Admiral Molteno, remained, and but for him and his keen interest in this work the early chapters would have suffered and many personal incidents in the later career of Percy Molteno could not have been recorded.

Hertzog  
Zurich

19/9

72

X

no story

37 Perry  
front

1937 Scott  
Or god!

