NAME OF AUTHOR...John J. Loughran

TITLE OF THESIS...Britain and the Soviet Union, 1924-1927: A Study in the Interrelationship between Domestic and Foreign Policy

UNIVERSITY, School of International Affairs: Carleton University

DEGREE FOR WHICH THESIS WAS PRESENTED...Master of Arts

YEAR THIS DEGREE GRANTED...1973

Permission is hereby granted to THE NATIONAL LIBRARY OF CANADA to microfilm this thesis and to lend or sell copies of the film.

The author reserves other publication rights, and neither the thesis nor extensive extracts from it may be printed or otherwise reproduced without the author's written permission.

(Signed)...

PERMANENT ADDRESS: 3, Ford Close, Harrow, Middlesex, England

DATED...October 29, 1973

NL-91 (10-68)
BRITAIN AND THE SOVIET UNION 1924-1927

A Study in the inter-relationship
between domestic and foreign policy.

by

John J. Lenaghan

B.A. (Hons) University of
British Columbia

A Thesis submitted to Carleton University
in partial fulfillment of the requirements
for the Degree of Master of Arts in
International Affairs.

School of International Affairs
Carleton University
Ottawa, Canada.

© John Joseph Lenaghan 1973
The undersigned hereby recommend to the Faculty of Graduate Studies acceptance of this thesis, submitted by John Lenaghan, in partial fulfilment of the requirements for the degree of Master of Arts.

Director, School of International Affairs

Supervisor

Carleton University

October 3, 1973
TABLE OF CONTENTS

Chapter I ........................................ Page 1

Chapter II ........................................ Page 38

Chapter III ....................................... Page 71

Chapter IV ....................................... Page 113

Chapter V ....................................... Page 159

Bibliography ................................. Page 207
CHAPTER ONE

The subject with which this thesis deals has received very meagre attention from historians. It is now almost seven years since the initial publication of the Foreign Office documents relating to the Locarno period.\(^1\) Yet, in all that time, not one article, learned or otherwise, on British policy towards the Soviet Union has appeared. Instead, as if to emphasise the perennial neglect, the most recent study of Locarno does not even have a separate index entry for the Soviet Union.\(^2\) This might be excusable if the Soviet Union had been an insignificant factor in European politics and British diplomacy during these years. But, as this thesis will demonstrate, such was not the case. The Soviet Union figured prominently in the calculations of British policy makers. Why historians devote only two or three pages to this aspect of Locarno diplomacy remains a mystery.

---


2/ Jon Jacobson, Locarno Diplomacy, (Princeton, 1972.)
The result of this scholastic disdain has been that there presently exists only one work which covers in any detail British policy towards Soviet Russia during the Locarno period.\(^3\) To make matters worse, it is a book which suffers from serious weaknesses. First of all it is thirty years old and was written without benefit of the primary materials which are now available. Instead, the authors relied almost exclusively upon newspapers and other journals. Consequently, there is no discussion of the development of the foreign policy of the Baldwin government.

The major weakness of *A History of Anglo-Soviet Relations* tends to suggest that no matter how much evidence the authors had access to, their analysis would be substantially unchanged. That weakness is a total lack of critical objectivity. The book is the work of two naive and sentimental British socialists who, all too often, were passionately involved in many of the events they describe.\(^4\) As a result their account more


\(^4\) W.P. Coates was Secretary of the Anglo-Russian Parliamentary Committee, which had started life as the "Hands Off Russia" Committee.
closely resembles a morality play than a political history. At every point the Soviet Union is portrayed as the innocent victim of Conservative class prejudice.

Class prejudice or ideological antipathy certainly played an important, and sometimes central, role in determining the Conservative response to the Soviet Union. As an explanation of British policy, however, it is inadequate. For one thing, such an analysis reduces the Soviet Union to little more than a cipher instead of representing her as an important actor in the post-war international system. Consequently, the Coates' tend to examine interaction between Great Britain and the Soviet Union in isolation and not as part of that wider system. No attempt is made to place British policy towards Russia within the context of British foreign policy as a whole. The authors ignore any notion of geopolitics or realpolitik and are content to explain everything in terms of international (and national) class conflict.

This is not so much wrong as incomplete. What it gives rise to is a superficial analysis of elite political attitudes. To characterise, as the Coates' invariably do, the range of political opinion within the policy-making elite as
a contest between 'die-hards' and 'moderates' without any further elaboration is simplistic and misleading.\footnote{Coates, op. cit., passim.}

No one, in either the Cabinet or the Foreign Office regarded the Soviet Union with anything but distaste. Austen Chamberlain, Sir William Tyrrell and J. D. Gregory all displayed as much antipathy towards Soviet Russia as any of their colleagues.\footnote{See below passim. Sir Eyre Crowe, Permanent Under-Secretary of State in the Foreign Office until 1925, was an exception, according to J. D. Gregory who served under him, in that he saw no virtue of any kind in contact with the Bolsheviks. Crowe had "...waded through Das Kapital...", but it had left him "...more violently anti-socialist than ever; and Crowe was nothing if not violent." J. D. Gregory, On the Edge of Diplomacy, (London, 1928), 29-30, 149-50, 260.}

Nevertheless, they were able to develop a considerably more sophisticated analysis with regard to the Soviet Union than the notorious 'die-hards' in the Cabinet.

The basis of this analysis was a belief that there were inherent contradictions within the Soviet system of government.\footnote{The following analysis, unless otherwise stated is taken from J. Maxse memorandum: "Explanatory Note on recent Information from Soviet Russia." May 13, 1925. FO 371/11017, (N 2735/114/38).} These stemmed from the dis-
tribution of power within that system. The seat of power was the Russian Communist Party which was divided into two subsidiary wings. The first of these was the Communist International whose main function was "to prepare for and foment world revolution." Ostensibly, this was an international organization, with foreign national communist parties associated with it, but "in reality" it was dominated by the Russian section. The second arm of the Communist Party of Russia was the Soviet government which "devotes its attention practically exclusively to the political and economic problems of the country." The control of both these organisations lay with the Politburo "on which the leading members of both have seats."

In the eyes of the British policy makers, these two groups were regarded as logically incompatible. Gregory, for example, argued that "...it is impossible permanently to reconcile the policy of world revolution carried out by the Comintern with that of achieving political and economic stability carried out by the Soviet Government within the same party."7/ In other

7/ J. D. Gregory memorandum, Nov. 1, 1925, DBFP, IA, I, 46.
words, the Russian political elite consisted of nationalists working through formal governmental institutions and internationalists who advocated world revolution. At one time, "the prestige of Lenin" and "the active hostility of foreign powers" had obscured the incompatibility of these two groups. But once the Soviet Union began to "work out her own fate in peace" and the government introduced the new economic policy (N.E.P.), "then the interests of that Government and (the) Comintern began to diverge." "A stable Government with a gold currency and growing foreign trade, and one, moreover, which has realised that its own economic problems are insoluble without foreign assistance, is no longer so deeply interested in world revolution." With Lenin's death this divergent process accelerated and the "differences of opinion" between the two groups "are more than ever reflected in internal discussions in the Communist Party..." This, as far as the Foreign Office was concerned, was the significance of the power-struggle between Stalin and Trotsky, the leaders of the
nationalist and internationalist factions respectively. 9/

Awareness of the economic weakness of the Soviet Union encouraged policy makers in London to conclude that the power-struggle would end in a victory for the nationalists. "It seems clear," they argued, "that the economic reconstruction which is taking place (in Russia) must necessarily tend to the creation of vested interests in favour of nationalism as opposed to internationalism." 10/

Support for this view came from the British Mission in Moscow. W. Peters, understudy to the Chargé d'Affaires, Sir Robert Hodgson, discoursed on the poor state of the Soviet economy and concluded that "(c)redit (represents) an important form of political pressure and it will probably be found that where advantageous arrangements are to be made with the Soviet Union some credit consideration is the

---

9/ Sir Robert Hodgson, Chargé d'Affaires in Moscow, reported copiously on the leadership struggle and identified Stalin as the leading nationalist figure. He shared the generally held opinion that the nationalists would triumph. See, for example, Hodgson to Chamberlain, Jul. 29, 1926, DBFP, IA, II, lll.

10/ Note 7. Emphasis added.
lever which will bring about the desired result.\footnote{11}

The 'desired result' from the Foreign Office's point of view was the eventual victory of the nationalists in Moscow. British sympathies (not an altogether appropriate word), lay with the nationalists because it was believed that if they gained control they would be governed in their foreign policy more by raison d'état than by revolutionary doctrines. In effect, the Foreign Office saw in the nationalists the image of what might be called 'historical' Russia. Difficulties and points of tension would still exist between this 'historical' Russia and Great Britain, but they would be problems which could be accommodated within the traditional theses of British diplomacy. Austen Chamberlain presented this view in an Address to the Imperial Conference in October 1926. "Another obstacle to better relations (with the Soviet Union,\footnote{11}, he said, "less sensational but probably more permanent than the Third International, is the traditional expansive instinct of Russia, which made her, long before}

\footnote{11/ Peters to Chamberlain, 4 Dec. 1925, DBFP, 1A, I, 130. Viscount D'Abernon, ambassador to Germany, expressed the same sentiment rather more crudely, when he argued that the "effective participation by Russia in the League (of Nations) might be secured without much delay...if the capitalistic world risked some of its shekels in the interest of the negotiation." (D'Abernon to Chamberlain, Nov. 8, 1925, DBFP, 1A, I, 74.)}
the revolution, a menace to India and our communications with India and consequently our hereditary enemy in Asia.\textsuperscript{12/}

'Revolutionary' Russia, on the other hand, represented a challenge of a different nature. In the view of the Foreign Office, the Comintern's "activities (throughout) the world are centered on undermining our influence and institutions and (its) avowed object is the overthrow of the British Empire."\textsuperscript{13/} Under the influence of the Comintern, the Soviet Union had frequently not only disguised the expansionist ambitions of 'historical' Russia, but also, "act(ed) in a contrary sense and jeopardise(d) their fulfilment." Moreover, "by its methods of political propaganda (the Soviet Union had) developed a technique for influencing the decisions of foreign

\textsuperscript{12/} Statement by Sir Austen Chamberlain to the Imperial Conference, Oct 20, 1926. DBPP, I, II, Appendix. When told by Hodgson that the most likely effect of increased contact with the Soviet Union would be to "go back to the old rivalry between England and Russia" D'Abernon commented sourly: "If the only result of concessions to the Soviet is to get on such a basis, is it worth any great sacrifice to attain it?" (D'Abernon Diary, Sept 28, 1925. Viscount D'Abernon, An Ambassador of Peace, (London, 1930,)III, 191.)

\textsuperscript{13/} Note 8.
Governments to its own advantage by pressure from within."\textsuperscript{14/}
This was the crucial point. "The Bolshevist system depended in essence on its extension to other countries"\textsuperscript{15/} and, therefore, attempted "to upset by revolution all the other governments of the world."\textsuperscript{16/} In other words, this 'revolutionary' Russia did not behave as a traditional nation-state and observe the convention of non-interference in the internal affairs of other states. Instead, in cooperation with foreign communist parties through the Comintern, she sought to subvert and destroy other social systems.\textsuperscript{17/}

\textsuperscript{14/} Memorandum on the Foreign Policy of His Majesty's Government...Apr. 10, 1926, DBFP, 1A, I, Appendix. Chamberlain received this memorandum under cover of a minute by Gregory.

\textsuperscript{15/} Conclusions of a Cabinet Meeting, Jul. 8, 1925, FO 371/11016, (N 4037/102/38).

\textsuperscript{16/} J. Maxse memorandum, Apr. 1, 1925. FO 371/11015, (N 2290/102/38).

\textsuperscript{17/} Tyrrell complained that the Russians had discarded "the time-honoured practice of force and substitut (ed) for it the far more insidious (sic) weapon of peaceful penetration on the one hand in the internal affairs of other countries, and, on the other, the stirring up of revolution everywhere..." (Sir W. Tyrrell memorandum, Dec. 4, 1926, DBFP, 1A, II, 319.)
The policy towards the Soviet Union which the Baldwin government adopted reflected both the conviction that the nationalists in Moscow would emerge as the dominant political force, and an awareness of the potential for endangering British interests which the internationalists possessed.

Belief in the ultimate triumph of the nationalists coupled with the knowledge of the Soviet Union's present weakness imbued British policy with a certain smugness. The Foreign Office argued that, as a weaker power, the Soviet Union had more need of Great Britain than the latter had of her. Consequently, Great Britain could afford to wait on events rather than pursue an active policy. The policy decided upon, therefore, was one of "patience and expectancy" and "correct aloofness." Great Britain would refuse "either to renew negotiations (with the Soviet Union) until presented with an obviously acceptable basis, or to break off existing relations unless the conduct of the Soviet Government takes a deliberate turn for the worse."18/
In effect, this meant that the Soviet Union would have to acknowledge as legitimate the claims of British citizens who had suffered financial loss as a result of the Russian Revolution, and agree to a 'practical' settlement of them.\(^{19}\) Most important of all, the Soviet Union would have to admit responsibility for the anti-British activities of the Third International throughout the world and put an end to them.

Soviet propaganda, in fact, stood as the most contentious issue between Great Britain and the Soviet Union. In 1921, the Lloyd George government had signed a Trade Agreement with the Soviet Union.\(^{20}\) Under its terms, each state undertook not to engage in hostile activities, including propaganda, against the interests of the other. To the British government this meant that the activities of the Third International would have to be curbed. However, the Soviet government denied any responsibility for the Third International and consequently,

---

\(^{19}\) Note 8.

the propaganda had continued. For the British government, the cessation of propaganda became the *sine qua non* of any further agreement with the Soviet Union. In other words, once the nationalists had gained control of the Politburo an accommodation between Great Britain and 'historical' Russia would become possible. Russia could then enter the comity of nations as a legitimate Great Power. Conversely, so long as the power-struggle in Moscow remained unresolved, Great Britain would treat the Soviet Union as an outcast.

However, from a British perspective, Russia nevertheless presented a dangerous threat to international stability and hence to Britain's world-wide interests. To counter this threat, and in the process hasten the political evolution of the Soviet Union, the Baldwin government set out to eliminate, as best they could, Soviet influence from the international system.

In Europe, the method the Conservative government

---

21/ Repeatedly Foreign Office representatives informed the Russians that this constituted the *sine qua non* of any agreement between Great Britain and the Soviet Union. See, for example, Chamberlain to Peters, Nov. 5, 1925, DBFP, 1A, I, 65.
adopted was the establishment of a western security system from which the Soviet Union would be excluded. The main danger posed by the Soviet Union in Europe, as far as Britain was concerned, lay in a potential alliance between her and Germany which would divide the continent into opposing camps. This would inevitably hinder the reconstruction and recovery of the European economy and might even involve Great Britain in a major war. A fundamental aim of British policy in the Locarno period, therefore, was to prevent the formation of a Russo-German alliance by re-integrating Germany into the European balance of power. Essentially, this meant that some method of appeasing both France and Germany had to be found. The search for an answer to the problem of European security took five months of prolonged and passionate debate. The outcome was the Treaty of Mutual Guarantee, signed at Locarno in October 1925, and which the British government believed had effectively placed the Soviet Union beyond the pale.

In Asia, Great Britain and the Soviet Union clashed in two areas, India and China. In the immediate postwar period the Russians had regarded India as the most likely locale for an Asian revolution and had devoted
a great deal of time and energy to creating an anti-imperialist movement there.\(^{22}\) In May 1923, however, Viscount Curzon, the British Foreign Secretary, sent his famous "Ultimatum" to the Russians, demanding, among other things, that Soviet propaganda in India and the training of Indians as "Communist agitators" be stopped.\(^{23}\)

This was the high-point of direct confrontation between the two powers and although British suspicions of and protests at Soviet propaganda continued, tension in India itself, subsided.\(^{24}\) To some extent, the rise of the Gandhian movement explains this lessening of tension.\(^{25}\)

On the other hand, the Russians took a less direct approach to India after 1923, relying instead on the proselytising efforts of Indian and British communists.\(^{26}\) In any event,


\(^{23}\) Ibid., 119-20.

\(^{24}\) Note 16.


between 1924 and 1927 China became the cock-pit of Anglo-Russian enmity.

From an economic standpoint, China, and more especially the Yangtze valley, represented an important area for Great Britain.\textsuperscript{27} Between 1921 and 1927 British exports to China totalled almost £129 million.\textsuperscript{28} In addition, about 16,000 British subjects lived in China, the majority of them in Shanghai.\textsuperscript{29} One important Foreign Office official called China "an undeveloped market of almost fabulous potentialities."\textsuperscript{30} Indeed, in May 1925, an official in the Foreign Office declared that "(t)here is no region of the world except China where we can reasonably hope for that large and rapid expansion of the foreign market that our industries urgently require today."\textsuperscript{31}


\textsuperscript{28} Great Britain. \textit{Statistical Abstract for the United Kingdom. No. 78: 1913 and 1920-1933.} (Nendeln, Lichtenstein, 1966), 330-333. Total U.K. exports during this period were £2,925,772,000. (\textit{Ibid.}, 328.)

\textsuperscript{29} Note 14.

\textsuperscript{30} Louis, \textit{op. cit.}, citing a memorandum by Sir John Pratt who was Adviser on Far Eastern Affairs in the Foreign Office from 1925-1938.

\textsuperscript{31} \textit{Ibid.}, 144-5.
British policy, therefore, aimed at the preservation of existing interests, and at participation in the development of China's economic potential. The best guarantee for the success of this policy, the Foreign Office believed, would be "a prosperous and orderly China under a stable...Government." 32/

Unfortunately, no such government existed. Throughout the 1920's a prolonged and brutal civil war raged in China and control of the most important political centres fluctuated with the military fortunes of the various warlords. However, the Foreign Office regarded this civil war as fundamentally different and more significant for China's future, than previous civil wars. In fact, officials in London compared the situation in China with the modernisation of Japan in the nineteenth century. Under the impact of Western civilisation the Chinese "social regime" had failed to maintain "political coherence and strength" and thus the country had disintegrated into

32/ Note 14. The Foreign Office regarded "the maintenance by international co-operation, of the Washington guarantees" as essential.
practically autonomous regions controlled by warlords.

Concurrent with this territorial disintegration, however, "a political reintegration and the growth of a national conscience existing and acting independently of the organs of government" had occurred. This nationalist spirit, which had originated among the students, had now spread to every corner of Chinese society. The main standard-bearer of the nationalist movement was Chiang Kai-shek, leader of the Kuomintang, who had his political headquarters in Canton.

In the light of these developments, the Foreign Office concluded that the process of modernization, economically and politically would take many years and that during the transition China would inevitably remain weak. These factors made China "a country...to which ordinary rules do not apply." Consequently, Great Britain should follow a policy of "patience and non-interference" and allow China "to ...work out her own salvation..." Only when "British property is actively attacked and British

33/ Ibid.

34/ Louis, op. cit., 144, citing a memorandum by Sir Victor Wellesley of Mar. 1, 1925. Wellesley was Deputy Under-Secretary of State for Foreign Affairs, 1925-1936.
lives are in danger" should armed force be used.\(^{35/}\)

To some extent, this policy made a virtue of necessity and disguised an awareness of Britain's diminishing capabilities. Between 1925 and 1927 Chinese nationalists attacked British property and boycotted British goods. Yet the Foreign Office invariably decided not to employ armed forces on any significant scale. Great Britain chose "to endure (these) almost intolerable conditions", the Foreign Office explained, "rather than expose this country to even greater loss and misfortune which...would be entailed by war against Canton.\(^{36/}\) In January 1927, when the Chinese nationalists looted the British concessions at Hankow and Kiukiang and appeared to threaten Shanghai, the Conservative government did send military reinforcements to China. At the same time, however, the Joint Chiefs of Staff warned that the "active defence" of Shanghai may lead to a war, the consequences and magnitude of which cannot be foreseen.\(^{37/}\)

\(^{35/}\) Note 14.

\(^{36/}\) Ibid.

On the other hand, a policy of limited military response reflected a long-term appreciation of the Chinese nationalist movement and its relationship to Russian communism. Quite clearly, the Foreign Office regarded Chinese nationalism as a force to be reckoned with, and believed it to be in Great Britain's interest to reach a peaceful accommodation with the nationalists.\(^{38/}\) The treaties imposed on the Chinese by force and maintained by force could no longer be upheld. If the Great Powers did not work towards their revision, the nationalists would eventually overturn them. "(T)he only wise policy for the Powers to adopt", the Foreign Office argued, "is to carry out if possible, a dignified retreat and save what privileges they can."\(^{39/}\) A more aggressive policy, the Foreign Office maintained, risked the danger of inadvertently promoting Russian interests. The Kuomintang, which would necessarily

---

\(^{38/}\) Note 14. In pursuit of this aim, the British government took the initiative in the question of the Unequal Treaties. (Louis, op. cit., Chapter V)

\(^{39/}\) Note 14.
be Great Britain's main antagonist in China, had extensive connections with the Soviet government. The Russians supplied arms and military advisers to the nationalists.\textsuperscript{40} Moreover, the Kuomintang had, according to the Foreign Office, established in Canton a "semi-Bolshevik Government which is under the influence of the Soviet Government."\textsuperscript{41} Any direct action by Great Britain against the nationalist movement might strengthen these ties. At the very least, the Russians would seize the opportunity to denounce British imperialism.\textsuperscript{42}

Rather than risk these dangers, the Foreign Office preferred the policy of "patience and non-interference". Left to themselves to work out their own political future, the Chinese would, in time, discover the true nature of Russian aid and reject Communism which was alien to their culture.\textsuperscript{43}

In both Europe and Asia, therefore, Great Britain adopted a "waiting" policy. Encouraged by a fundamental belief in the inherent weakness of the Soviet economic system,

\textsuperscript{40} Note 16.


\textsuperscript{42} Louis, \textit{British Strategy}, 129-30.

\textsuperscript{43} \textit{Ibid.}, 123-4, 138-9 and 145.
and convinced that economic need would become more important than world revolution to the Russians, the Foreign Office predicted that a policy of "correct aloofness" would force the Soviet Union eventually to come to terms with Great Britain. However, this policy, to be successful, would require time and patience, since no one could predict how long the "waiting" period might be. Conversely, controversy and turmoil would spell disaster for it. Ironically, from the outset, patience and forebearance were conspicuous by their absence. Between 1924 and 1927 no other aspect of British foreign policy generated as much public furore as the question of relations with Russia. Indeed, the issue of Russian communism became so intimately connected with important issues in domestic British politics, issues such as trade, unemployment, and communist subversion of the social order that the distinction between foreign and domestic policy all but ceased to exist.

-----------------------------

II

J. D. Gregory, after his departure from the Foreign Office in 1928, commented that relations between
Great Britain and Russia "...have suffered...from Russia having from the very first become a party question in this country." Robert Vansittart who served as an adviser on foreign affairs to Baldwin during the latter half of the 1920's, shared this opinion. In his memoirs he complained that during the 1920's, "(t)he elimination of party politics from foreign affairs became impossible." In a very real sense, this is the key to understanding the course of British policy towards Russia between 1924 and 1927. Yet such a judgement must ultimately be modified in certain ways. It is true that attitudes on the issue of relations with Russia tended generally to polarise along party lines, with Conservatives agitating for a breach and the Labour Party opposing one. At the same time, however, many people, from all three major political parties, who were ideologically unsympathetic to Bolshevism advocated closer relations with the Soviet Union than the Baldwin government appeared willing to accept. The simple party alignment broke down most of all on the question of trade


with the Soviet Union.

After 1920 when the post-war economic boom came to an end, successive British governments faced the awesome task of reviving the economy. In general, all three parties agreed that this could best be achieved by restoring the productive capacity of the basic industries upon whose exports pre-war prosperity had been based.\(^{46}\) These industries, coal, textiles, shipping, and iron and steel had suffered most obviously from the decline in world trade,\(^{47}\) which resulted in large-scale unemployment.\(^{48}\) Declining trade and heavy unemployment brought the Baldwin government into conflict with both trade unions and groups established to promote exports. Both types of organisations argued that a hostile policy towards the Soviet Union seriously hampered economic recovery in Great Britain.\(^{49}\)

Just as the Foreign Office regarded China as a market of enormous potential many people in Great Britain


\(^{47}\) Ibid., 21-3.

\(^{48}\) Ibid.

\(^{49}\) See below Chapters III and IV.
held a similar image of the Soviet Union. Trade unionists, generally argued that if trade with Russia were encouraged and supported by the government then a significant improvement would occur in the position of the basic industries.

In March 1925, the General Council of the Trades Union Congress called on the Conservative government to extend the Trade Facilities Acts and Overseas Trade Acts to include trade with Russia. The Council argued that Great Britain could not hope to restore its pre-war trade unless Russia became a major market for British goods. Companies already trading in the Soviet market supported this position.

Inside the House of Commons pressure groups such as the Anglo-Russian Parliamentary Committee advocated the expansion of trade with Russia. Liberal and Conservative M.P.'s representing special industrial interests entered the pro-Russian trade lobby. Among the press, the Manchester Guardian, under the editorship of C.P. Scott and the Observer,

50/ Coates, Anglo-Soviet, 200.
51/ Ibid., 127-8, 213-6.
52/ Ibid., 135-52.
edited by J.L. Garvin, argued consistently for the promotion and expansion of trade with the Russians.\textsuperscript{54/}

The position adopted by many trade unionists did, of course, reflect ideological sympathy with the Soviet Union. The National Minority Movement, for example, whose proclaimed function was to transform the trade union movement into a revolutionary force, had extensive connections with the Soviet government, through the Red International of Labour Unions.\textsuperscript{55/} Well-known British communists occupied most of the leading positions in the N.M.M.\textsuperscript{56/} Similarly, communists dominated the National Unemployed Workers' Movement (N.U.W.M.), which, as its name suggests, agitated fiercely on behalf of the unemployed.\textsuperscript{57/} The oath of membership for this organisation included the promise "to never cease from active strife against this (British) system until capitalism is abolished and our country and all its resources

\begin{flushleft}
\textsuperscript{54/} Coates, \textit{Anglo-Soviet}, \textit{passim}, provides many examples of their attitudes on the Russian question. \\
\textsuperscript{55/} R. Martin, \textit{Communism and the British Trade Unions, 1924-1933.} (Oxford, 1969), Chapter II. \\
\textsuperscript{56/} \textit{Ibid.}, 42-9. These included Harry Pollitt, Tom Mann and J.T. Murphy. \\
\textsuperscript{57/} \textit{Ibid.}, 48-9. The N.M.M. succeeded in becoming affiliated to the T.U.C., whereas the N.U.W.M. failed. (\textit{Ibid.}, 74). The leading personality in the N.U.W.M. was Hal Waddington.
\end{flushleft}
truly belong to the people." In the General Council of the T.U.C. during 1924 and 1925 radical socialists occupied leading positions. On the other hand, many prominent trade union officials, of whom Ernest Bevin is perhaps the best example, deplored the Soviet system and yet, from a pragmatic standpoint, supported expanded trade with Russia.

Opposition to this point of view came from a variety of sources. Many people had suffered financially at the hands of the Soviet government when it had nationalised property and repudiated all public debts. Those with claims of one kind or another against the Soviet government or municipalities formed pressure groups to protect their interests. Working through organisations such as the Association of British Creditors and supported in parliament by Conservative M.P.'s like Commander Oliver Locker-Lampson and Sir Alfred Knox, they opposed resolutely any improvement

58/ C.L. Mowat, Britain Between the Wars 1918-1940. (London, 1955), 126.
59/ Martin, op. cit., 56.
in relations with the Soviet Union without a prior settlement of their claims. 61/

Certain financial groups also exerted considerable influence on the government although generally the stimulus in their case was more ideological than pragmatic. The City expressed great scepticism about the Soviet financial and economic system, and cautioned against extending credit while the Bolsheviks maintained what were regarded as impracticable and unworkable methods. 62/ While recognising the potential value of Russian trade they demanded, in effect, that as a prerequisite the Russians should adopt more orthodox practices. In March 1925, the Financial News deplored the drop in British exports to the Soviet Union but added that before they could be restored, "the Soviet Government should cease to claim the monopoly of foreign

61/ Locker-Lampson had friends in high places, among them Austen Chamberlain. (Sir C. Petrie, The Life and Letters of Sir Austen Chamberlain. (London, 1940), II, 213-6.) His brother Godfrey served as Parliamentary Under-Secretary to Chamberlain. What influence, if any, he exerted as a result of these relationships is not clear.

62/ See Chapter II.
In sum, Soviet Russia was a relatively poor credit risk.

Within the Conservative Party, of course, many of these attitudes existed. No doubt the uncomprising attitude towards the Soviet Union shown by the rank-and-file membership can be explained to some extent by the simple fact that most of those with claims against the Russian government belonged to the Conservative Party. However, a more constant theme of rank-and-file criticism centered on the subversive activity of Soviet agents against British interests and institutions.

Conservatives directed much of their anger against the "extremists" in the Labour Party, the trade unions and, of course, the Communist Party of Great Britain (C.P.G.B.). Especially, they showed vehement displeasure at any evidence of cooperation between these groups and the Soviet government. Such cooperation,

---

63/ Coates, Anglo-Soviet, 205-6. Sir Laming Worthington-Evans, Minister of War in the Baldwin government, had edited this newspaper until 1924.

64/ In November 1924 a group of British trade unionists visited Moscow, for Conservative reaction to this visit see The Times, Dec. 3, 4, 5, 19, 20 & 22, 1924. The Home Secretary, Joynson-Hicks informed the House of Commons that "(t)here is the most complete personal connection between the (C.P.G.B.) and the Communist Party in Russia." (H. of C. Deb., 5th Ser., CLXXXVIII, Cols. 2098-9).
they regarded as clear evidence of unpatriotic behaviour. Moreover, in times of stress, what little discrimination they drew between trade unionists as a whole and communists, disappeared.

Abroad the British community in China protested Russian interference with British interests there and consistently advocated a stronger policy against the Russians and the Nationalists. They argued that a policy of restraint would simply encourage the Chinese to make further demands and result in fresh assaults on British interests. This argument found a sympathetic ear both in the Conservative Party and the Conservative press. In fact, the twin themes of subversion of British interests internationally and domestically, featured prominently in Conservative newspapers throughout these years. The Daily Mail, the Daily Telegraph and, above all, the Morning Post reported luridly on events in China, throughout the Empire and among trade unions at home. The Times, though its

65/ Louis, British Strategy, 151-2.

66/ Thomas Marlowe edited the Daily Mail, H. Gwynne, the Morning Post, and A. Watson, the Daily Telegraph.
language tended to be somewhat more decorous, and ever so occasionally more moderate, in essence pounded home the same messages and invariably supported a strong policy against the Soviet Union.\(^67\) None of these newspapers displayed an overly scrupulous regard for accuracy and dealt very often in little more than rumour and innuendo. The fact that none of them maintained a bureau of any kind within the Soviet Union did not enhance the possibility for accurate information.\(^68\)

An influential faction within the Cabinet shared this desire for a hard policy against the Soviet Union and against the "extremists" in Great Britain. This group came to be known as the 'die-hards' and its most important members were Winston Churchill, Chancellor of the Exchequer, Lord Birkenhead, Secretary of State for India, Leopold Amery, Colonial Secretary, Sir Laming Worthington-Evans, Secretary

\(^{67}\) Geoffrey Dawson, the editor of The Times, became the most influential elite publicist of the interwar period. Under his direction the paper was, in the words of its official history, "positive on the Imperial side and negative on the Continental side." (S. Morison, ed. The History of The Times, IV, (London, 1952), 804.) Dawson's concern for imperial affairs reflected his earlier association with Lord Milner.

\(^{68}\) The Times, for example, received all its information from its correspondent in Riga.
of State for War, and Sir William Joynson-Hicks, Home Secretary. On every occasion, they pursued an extreme anti-Russian course, and advocated a harsher policy than the Foreign Office favoured.

While there can be little doubt that the 'die-hards' were sincere in their opposition to the Socialist menace, both at home and abroad, their rhetoric cannot be accepted entirely at face value. Important political considerations favoured a resolute, and loudly-proclaimed anti-socialist, anti-Bolshevik stance. Since the end of the World War many prominent political figures, from both the Liberal and Conservative Parties, had attempted to establish a non-Socialist party of the centre, a party of 'normality.' This party would capture a permanent majority of the electorate opposed to socialism. Therefore, politicians

69/ Where biographical material exists at all on these personalities it almost invariably suffers from the "sons and lovers" syndrome common to British historical biographies. (Second Earl of Birkenhead, F. E. The Life of F.E. Smith. (London, 1960); H. A. Taylor, Jix: Viscount Brentford (London, 1933). A notable exception to this rule is R.R. James. Churchill: A Study in Failure. (London, 1970).)

70/ For a detailed discussion of this theme see M. Cowling. The Impact of Labour 1920-1924. (London, 1971.)
aspiring to this centrist position tended to emphasise their anti-socialist credentials. The credulity of much of the electorate where lurid tales of communist intrigue would, no doubt, encourage those 'die-hards' in the Baldwin Cabinet who could plausibly aspire to higher political power, to concentrate their efforts in that direction.

Moreover, Baldwin's position within the Conservative Party was far from unassailable, and many of the 'die-hards' had, at one time or another, been willing to see him depart.\footnote{Ibid., 388-9; 400-1. This probably explains why Baldwin usually avoided direct confrontation with other members of the Cabinet, thereby giving the impression of indolence and disinterest. (Petrie, op.cit., II, 246; Sir Ivone Kirkpatrick, The Inner Circle. (London, 1959), 39; K. Feiling, The Life of Neville Chamberlain (London, 1946), 164-5.)}

For Baldwin also, therefore, it was of something more than casual interest to identify himself with that great political centre and proclaim the Conservative Party, with himself as its leader, the embodiment of the Centre Party.\footnote{Following the General Election of October 1924, Baldwin referred to his administration as a "national government". (K. Middlemas & J. Barnes, Baldwin. (London, 1969), 284.) J.C.O. Davidson, a close friend of Baldwin, tended to see every Cabinet dispute in terms of the 'die-hards' attempting to depose Baldwin. (R.R. James, Memoirs of a Conservative. (London, 1969.), 211-6; 231-2.)}
At the same time, what private evidence, in terms of diaries, memoirs and other materials is available, supports the thesis that these men were concerned about the activities of trade-unions, communists and, above all, Soviet agents.\(^{73}\) To a modern reader, these perceptions may sound fantastic but in post-war Britain they were widespread among Conservatives. In any case, no matter how insincere members of the Conservative elite may have been, once they had cried wolf they had to hunt it.

The Cabinet as a whole and the Foreign Office, however, rejected the demands for a more aggressive policy towards the Soviet Union. They did so for a variety of reasons. In the first place between 1920 and 1925 the Russians spent more than £70 million pounds on British and imperial goods.\(^{74}\) Although the balance of trade usually favoured the Russians, this did not diminish the importance of such trade to a country suffering a serious economic

---

\(^{73}\) See particularly, in this regard, Birkenhead, F. E. Chapter XVII, and Taylor, *Jix*, 192-202. Davidson argued that Ramsay MacDonald's "failure to act, and the mounting unemployment figures while the Labour Party had been in office, made for a growing disillusion in the labour movement that was dangerous..." *(R.R. James, *Memoirs of a Conservative*, 227-8)*.

\(^{74}\) Coates, *Anglo-Soviet*, 235.
decline. The Board of Trade supported this view and argued that Britain break off relations with the Soviet Union, "we should injure our own trade very seriously." Moreover, the Foreign Office expressed the fear that, following a breach, both the trade union movement and the Labour Party would denounce the government for driving away trade at a time of widespread unemployment.

Internationally, the effects of a more aggressive policy might rebound to Great Britain's disfavour. In the Soviet Union itself it might strengthen the position of the internationalists. The Foreign Office argued that "(t)he divergent tendencies in the Politburo must be left to work themselves out; any external pressure would almost certainly produce a reconciliation between the two schools of thought, which, even if it were only temporary, might produce a united Communist party determined to have no truck with foreign capital." Furthermore, Great Britain hoped one day to be on good terms with 'historical' Russia.

75/ Chamberlain memorandum, Jan. 24, 1927, DBFP, 1A, II, 422. The Board of Trade's comments are contained in a note to this memorandum.

76/ Ibid.

77/ Note 7.
and "a break would take us away from this goal rather than towards it." 78/ Should the internationalists gain the upper hand, the hostility of the Third International would increase in Central Asia, Persia, India, Afghanistan and China where, in the words of the Foreign Office, "(t)here is... little doubt that... Soviet representatives are... assisting in anti-British propaganda." 79/

In Europe a more aggressive policy might seriously endanger the British attempt to create a western security system including Germany, since, as both Gregory and Hodgson argued, "...a definitely outlawed Russia would be bound to seek increased means of disturbing" the peace. 80/ Russia would strive to lure Germany away from the West. In turn, this would impede and perhaps even destroy the policy of reconciling France and Germany and, "above all, Poland and Germany..." Great Britain and western Europe would then have lost "the best and most effective protection

---

78/ Mr. Hamilton-Gordon memorandum, Dec. 7, 1926, DBFP, IA, II, 332.

79/ Note 16.

against the common Russian danger." Moreover, "the wound in Europe" would not heal, and "peace and settlement on the Continent, which are so vital for the resumption of (British) trade" would still not exist. 81/

British policy makers, therefore, advocated a "waiting policy" and looked ahead to the day when 'historical' Russia would take her rightful place among the Great Powers. All she had to do to enter the European camp was relinquish the propagation of world revolution and utter "the passwords which admit its other inhabitants." 82/ How long this would take no one could predict. More important, how long could Great Britain wait for the re-emergence of 'historical' Russia? How long would domestic pressures allow the policy makers? The passage of time could as easily erode confidence as bolster it. Between 1924 and 1927 these questions received much attention and the hypotheses upon which British policy towards the Soviet Union was based were subjected to a severe test.

81/ Tyrrell memorandum, Jul. 26, 1926, DBFP, 1A, II, 103.
82/ Central Department memorandum (unsigned), Nov. 13, 1925, DBFP, 1A, I, 99.
CHAPTER TWO

On October 8, 1924 the precarious parliamentary existence of Britain's first Labour administration came to an abrupt and controversial end. In the House of Commons, the minority government headed by Ramsay MacDonald failed by 364 votes to 198 to survive a Liberal motion which it had decided to consider a vote of no confidence. The issue over which this motion arose, the so-called "Campbell Affair", reflected in microcosm many of the pressures under which the Labour government had operated during the previous nine months. Ostensibly concerned only with matters of domestic interest, the "Campbell Affair" was, in fact, intimately connected with the most controversial aspect of the government's foreign policy, namely its policy towards the Soviet Union.

In the General Election of December 1923 the Labour Party had pledged itself to establish normal economic and diplomatic relations with Soviet Russia. On February 1, 1924, the new government extended de jure recognition to the Soviet Union. At the same time it invited the Soviet government to send representatives to London for the purpose

2/ Coates, Anglo-Soviet, 129
of negotiating "...a complete treaty to settle all questions outstanding between the two countries." One week later the Russians replied to the British note and accepted the invitation to participate in negotiations. 4/7

The primary aim of these negotiations was the establishment of full commercial relations between the two countries. But before this could be achieved a whole range of economic and political issues had to be resolved. The economic questions involved the claims of various individuals and organizations in Great Britain for compensation for expropriated property and assets; and those of bond-holders which the Bolsheviks refused to recognize as legitimate debts. 5/ The major political issue concerned Bolshevik propaganda and subversion against the British Empire in contravention of the 1921 Trade Agreement. 6/ Public agitation on these issues ensured that, from the moment of its proposal in February until its conclusion in August, the Anglo-Russian


4/ Ibid, 236


Conference existed in an atmosphere of tension and acrimony.

During these months organisations such as the Association of British Creditors and the Council of Foreign Bond-holders, with the assistance of sympathetic Conservative M.P.'s, kept up a constant pressure on the Labour government so as to make certain that their interests would not be ignored. On February 21 the Federation of British Industries entered the fray and issued a statement which declared in part that "...at the coming conference the Soviet Government should recognise without qualifications its liability to discharge in full its debts. The Soviet Government should also make suitable provision for the payment of interest and arrears of interest on these debts." Much more severe than this was a memorandum handed the Prime Minister on the opening day of the Conference, April 14. This memorandum bore the signatures of most leading British bankers and dealt with the issue of Russian debts and the possible grant of a loan to the Russians by the British

7/ Lyman, op.cit., 188; and The Times, Feb. 4, 1924, for a statement from the Association of British Creditors calling for "a fair and just settlement of all British claims for property confiscated or loans repudiated by the Soviet Government,...".

8/ The Times, Feb. 21, 1924
government. According to the "Bankers' Memorandum" the prerequisites for the restoration of Russian credit in the City included: the recognition of both public and private debts; restitution of private property to foreigners; the institution in the Soviet Union, of a "proper civil code", "independent courts of Law", and "the sanctity of private contract"; the re-introduction of private property; the re-introduction of private enterprise; and, finally, the abandonment of Russian propaganda "against the institutions of other countries, and particularly against all those from whom (the Soviet government) propose to request financial assistance." If the Soviet Union did not comply with these conditions, the memorandum concluded, then its economic recovery "which depends upon the resumption of accepted methods of intercourse common throughout the world, will be indefinitely delayed."9/

Not surprisingly, the head of the Russian delegation to the conference, Christian Rakovsky, denounced the "Bankers' Memorandum" as an intrusion into the internal affairs of his country and "an actual attempt to make us renounce the very foundations of the Soviet Socialist

9/ The Times, Apr. 14, 1924
organization. More significantly, a group of Labour M.P.'s attacked the memorandum publicly. They claimed that the bankers were attempting to do by means of their memorandum what had not proved possible to do by military intervention, namely, to dictate "to the Russian people what form of government and what form of economic administration" they should adopt. These M.P.'s, all of whom had visited the Soviet Union in 1920, argued that the counter-claims of the Russian government against Great Britain for damage done during the Civil War were as valid as the claims of British creditors.

On the wider question of extending the Export Credits and Trade Facilities Acts to the Soviet Union a similar diversity of opinion existed. In general, the most enthusiastic and uncritical advocates of increased trade with the Soviet Union were to be found in, or associated closely with, the Labour Party. In the House of Commons members of the Anglo-Russian Parliamentary Committee agitated constantly for any and every means of expanding trade. Beyond the Commons, the Trades Union Congress


11/ The Times, Apr. 15, 1924

12/ For details of the Anglo-Russian Parliamentary Committee see: Coates, Anglo-Soviet, 135-52.
supported increased trade with Russia as a means of reducing unemployment.\(^{13}\) The appeal Russia held as a possible market for British industries brought many non-Labour people into the pro-Russian trade lobby. Among Liberals the most prominent, and consistent, proponents of expanding trade were Lloyd George, who had negotiated the 1921 agreement, and Commander J. M. Kenworthy, who, in 1926 became a Labour M.P. (and later still, Lord Strabolgi).\(^{14}\) Other M.P.'s, from both opposition parties, who represented special interests in their constituencies, such as fishing or flax, supported the extension of credits in these areas but not on an unlimited scale.\(^{15}\) Similarly, senior executives of companies, mainly in the engineering field, which already traded with the Soviet Union advocated the granting of credits to Russia.\(^{16}\)

\(^{13}\) A. Bullock, *Bevin*, 1, 262-3. During 1924, the composition of the General Council of the W.W.C. underwent a distinct political transformation when three moderate members, J.H. Thomas, Margaret Bondfield, and Harry Gosling resigned to join MacDonald's government. They were replaced by more radical socialists, A.A. Purcell, George Hicks and Alonzo Swales. *Ibid.*, 261. See also: R. Martin, *Communism and the British Trade Unions*, 55-7.

\(^{14}\) Lyman, *op. cit.*, 187

\(^{15}\) *Ibid*.

\(^{16}\) Coates, *Anglo-Soviet*, 127-8; 213-6
Against this background the Anglo-Russian Conference undertook the task of normalising relations. Inevitably, the negotiations proved difficult. Some progress was achieved on minor issues but deadlock ensued on the fundamental question of debts. At the end of May the Conference adjourned without agreement and the Soviet delegation tried to resolve their differences with the bond-holders in private discussions.  

As the various discussions dragged on public criticism of them increased. On May 28 the House of Lords passed a resolution calling for the negotiations to be concluded as quickly as possible. At the beginning of June The Times declared the Conference "impossible", and a month later asked rhetorically, "(w)hat purpose...can this exhausted and discredited Conference now possibly serve?"

By this time the main stumbling-block to an agreement was the contentious issue of a direct loan to the Soviet Union. The Russians insisted that in return

17/ R.I.I.A., Survey 1924, 241
18/ Lyman, op. cit., 192
19/ The Times, June 3, and Jul. 4, 1924.
for their acknowledgement of the Czarist debts and the obligation to compensate those who had suffered expropriation, the Labour government should arrange and guarantee a direct loan to them which would enable them to meet these debts.\textsuperscript{20} Initially the position of the British government had been that "...so far as Government credit is concerned... overseas credit, trade facilities credit, and such things as have already...been approved regarding other countries... would be quite adequate."\textsuperscript{21} As the months went by, however, the government faced tremendous pressure from its backbenchers, from the trade union movement and from the Labour press to sanction a loan.\textsuperscript{22} Probably as a result of this pressure and a desire to salvage something from the Conference, the Cabinet altered its earlier position and by the end of July had decided to guarantee a loan to the Soviet Union.\textsuperscript{23} There appeared to be every chance of success following this move, and the Conference reconvened

\textsuperscript{20} R.I.I.A., Survey 1924, 240

\textsuperscript{21} Ramsay MacDonald speech, Feb.12,1924; H. Of C. Deb., 5th Ser., Vol. CLXIX, Col. 769.

\textsuperscript{22} Lyman, \textit{op. cit.}, 188

\textsuperscript{23} Louis Fischer, \textit{Russia's Road from Peace to War} (New York, 1969), 150. MacDonald, Henderson & Ponsonby supported guaranteeing a loan. Snowden, Thomas, Wedgewood and Olivier opposed a guarantee. Rakovsky allowed Fischer access to the unpublished protocols of the Conference.
in plenary session on August 4. After twenty hours of continuous negotiation, however, the government announced that no agreement had been reached and that no treaty would be signed.\textsuperscript{24/}

The Conservative press received this news with undisguised satisfaction. The \textit{Daily Telegraph} stated that "(t)he abortive outcome...was foreseen from the beginning. Indeed, in view of (the Russians) determination not to admit the failure of their revolutionary Communist theories, any other outcome was impossible."\textsuperscript{25/} The \textit{Times} reached the same conclusion: the negotiations failed "because of the unbridgeable gap that exists between Soviet and British ideas."\textsuperscript{26/}

In fact, these obituaries proved premature. On August 6 Arthur Ponsonby, Under-Secretary of State for Foreign Affairs, and head of the British delegation, announced that agreement on two draft treaties had been achieved.\textsuperscript{27/}

\textsuperscript{24/} \textit{The Times}, Aug. 6., 1924  
\textsuperscript{25/} Coates, \textit{Anglo-Soviet}, 165  
\textsuperscript{26/} \textit{The Times}, Aug. 6, 1924  
\textsuperscript{27/} \textit{H. of C. Deb.}, 5th Ser., Vol.CLXXVI, Cols. 3012–3013.
Those who, only a day earlier had gloated, now spoke darkly of "a sudden and amazing transformation" and declared that "seldom, if ever, has secret diplomacy effected a revolution so astonishing."\(^{28/}\) When the texts of the two treaties were published, *The Times* claimed that the Prime Minister had given way to extremists in his own party.\(^{29/}\) Two weeks later evidence to support the widespread rumours of behind-the-scenes influence at the Conference, appeared when Labour M.P. E. D. Morel published an account of the twenty-four hours between August 5 and 6.\(^{30/}\)

According to Morel the Conference had stalled over the issue of compensation for British claimants. On hearing this, six Labour back-benchers had contacted Ponsonby and persuaded him to authorize their getting in touch with the Russian delegation. Later that evening, the M.P.'s, now joined by a dozen more of their colleagues, called on the Russians and conferred for an hour. Following this meeting four of the M.P.'s, Morel, George Lansbury, A.A. Purcell and R.C. Wallhead, approached Ponsonby with a

\(^{28/}\) *The Times*, Aug. 7, 1924

\(^{29/}\) *The Times*, Aug. 8, 1924

\(^{30/}\) Coates, *Anglo-Soviet*, 166-7; Lyman, *op.cit.*, 193-4
new formula for discussion, which the latter accepted. However, when the negotiations resumed they once more fell into deadlock and the four unofficial negotiators again called on Ponsonby. They devised a new formula and presented it to the Russians who agreed to it just hours before the government was to make an announcement in the House of Commons.

Morel's account provoked a fresh storm of dissent. Critics accused the government of "surrendering" to left-wing pressure. To add to Conservative anger, the Russians began to claim openly that "pressure from workers" had forced the MacDonald government to come to an agreement. However, Conservative calls for an explanation went unanswered by the Labour government, for obvious reasons. Just as its critics charged, the government had, in fact, yielded to pressure from its back-benchers. It had done so however in a manner it clearly considered undangerous. Philip Snowden, Chancellor of the Exchequer, later claimed that the formula proposed by the four back-benchers seemed to him "so innocuous and so meaningless that as a mere face-saving device I had no objection to it if it would save the

31/ The Times, Aug. 27, 1924
Conference from complete collapse. There is force to this argument since the formula, in essence, allowed a treaty to be signed while, at the same time making it little more than an agreement to agree. In other words, the government was able to appease its left-wing without, apparently, justifying severe criticism from the opposition parties over the contents of the treaties.

The government's strategy might have been successful had the critics of the treaties been consistent.

Two treaties in fact had been negotiated at the Conference, a Commercial Treaty and a General Treaty. The first of these granted Great Britain most-favoured-nation status and extended the export credits scheme to the Soviet Union. The treaty also extended diplomatic immunity to members of Russian Trading Mission in London. The number of individuals who would qualify for immunity was to be determined at a later date.

In the General Treaty the Russians recognised in principle the claims of British bond-holders. However,


33/ The Times, Aug. 8, 1924
the terms of settlement of these claims were to be included in a third treaty to be signed once the British government was "satisfied that such terms have been accepted by the holders of not less than one-half of the capital values" of the holdings. In a similar fashion all inter-governmental and individual claims for loss or damage were postponed for decision at a later date. The claims of those who had lost property would also be settled at an unspecified later date. The General Treaty provided that all these settlements would be included in the third treaty. Once this treaty had been signed the British government would guarantee a loan to the Soviet Union, provided Parliamentary authority for such a loan had been obtained.

More than any other single aspect of the treaties, the issue of a loan attracted criticism. Snowden afterwards claimed that "I never got very excited about it, because I knew that the preliminary conditions laid down by the British Government would never be met by the Russians." Yet, even this aspect of the loan agreement was assailed by the government's critics. The Times called the General

34/ Snowden, op. cit., 683
Treaty "a contract to make a contract upon terms to be hereafter agreed." Lloyd George condemned it as "a contract in which the space for every essential figure is left blank." The Daily Telegraph called it "a sham." 

At the same time they criticised the General Treaty for being a sham many of the government's opponents argued, with little regard for consistency, that the treaty was dangerous. They achieved this by representing the loan as imminent, and in fact a prior condition for the settlement of debts and compensation. Lloyd George claimed, erroneously, that the government would be handing over "in hard cash to the Bolshevik government" millions of pounds "to be spent—or squandered—by them."

As far as ratification of the treaties was concerned the attitude of the Liberals, who held the balance

35/ The Times, Aug. 8, 1924
36/ H. of C. Deb., 5th Ser., Vol. CLXXVI, Aug 6, 1924, Col. 3034
37/ Coates, Anglo-Soviet, 173
38/ Lyman, op. cit. 198
39/ Coates, Anglo-Soviet, 172
of power in the House of Commons, was crucial. During the summer months it became increasingly obvious that the government could not depend on support from the various Liberal factions. Lloyd George, of course, had shown opposition to the treaty from the first, and by the end of September had been joined by other leading Liberal figures including Asquith, Grey, Simon and Runciman.\textsuperscript{40/}

On October 1, when the Parliamentary Liberal Party met to discuss the treaties only two people came out in support of them.\textsuperscript{41/} On that day the Party tabled a motion calling for the rejection of the treaties.\textsuperscript{42/} However, no vote on the treaties was ever taken; before one could be, the long-simmering "Campbell Affair" had boiled over.

The "Campbell Affair" began when an article exhorting British soldiers to "let it be known that, neither in the class war nor in a military war, will you turn your guns on your fellow workers", appeared in a communist journal

\textsuperscript{40/} Lyman, op. cit., 200-3. See also The Times, Sept. 19, 1924.


\textsuperscript{42/} Coates, Anglo-Soviet, 177-8.
called 'The Workers' Weekly', on July 25, 1924.\(^{43}\) Some copies of the article found their way into the barracks at Aldershot and, following a protest by the War Office, Sir Patrick Hastings, the Attorney General, handed the case to the Director of Public Prosecutions.\(^{44}\) On August 5, police raided the offices of the Workers' Weekly, and arrested the acting editor, J.R. Campbell. The following day, in response to questions from a Labour back-bencher, John Scurr, Hastings informed the House that the government intended to prosecute Campbell under the Incitement to Mutiny Act.\(^{45}\)

This announcement unleashed a barrage of angry questions from the government's own back-benchers, one of them who argued that if sentiments such as those expressed by Campbell became cause for prosecution, half

---


\(^{44}\) Sir Patrick Hastings statement, H.of C. Deb., 5th Ser., Vol.CLXXVI, Aug. 6, 1924, Col. 2928

\(^{45}\) H. of C. Deb., 5th Ser., Vol.CLXXVI, Aug. 6, 1924, Col. 2928.
the Labour Party would be in the dock. The Attorney-General had not anticipated any reaction like this and invited a prominent Labour M.P., James Maxton, to his room to discuss the case. Maxton argued that the article had been badly misinterpreted by the authorities and, in reality, simply called on soldiers not to allow themselves to be used in industrial disputes. Besides, Maxton informed Hastings, Campbell who was a legless war-veteran, was only the acting-editor of *Workers' Weekly*.

Later that afternoon, Hastings informed the Cabinet of his interview with Maxton and of the fact that Campbell would testify in writing, that he was only acting-editor. Steps could be taken, Hastings stated, to drop the prosecution should the Cabinet so desire. In fact, neither the Prime Minister nor the Cabinet had been made aware of the prosecution before it had been undertaken, and "considerable discussion" of how this had been possible, ensued. In the end, the Cabinet made two decisions: that no "public prosecution of a political character" should be started without the prior

46/ H. of C. Deb., 5th Ser., Vol. CLXXVI, Aug. 6, 1924, Cols. 2928-30

47/ Middlemas, *Clydesiders*, 166-8.
sanction of the Cabinet; and that proceedings against Campbell be withdrawn.\textsuperscript{48}

On August 13, Hastings dropped the case against Campbell.\textsuperscript{49} Two days later a letter issued by the \textit{Workers' Weekly} appeared. This claimed that the charges against Campbell had been dropped as a direct result of pressure from well-known left-wing Labour M.P.'s, including Lansbury, Maxton, Purcell, Scurr and "many others."\textsuperscript{50} The same day, an angry editorial in \textit{The Times} entitled "By Whose Representation", discussed this letter and called on the government to clarify the situation.\textsuperscript{51} Once again, charges that the government was in the control of the extremists, were levelled. Within a week of this Morel published his account of the treaty negotiations and Conservatives drew the obvious connection between the two incidents.\textsuperscript{52}


\textsuperscript{49} \textit{The Times}, Aug. 14, 1924

\textsuperscript{50} \textit{The Times}, Aug. 15, 1924

\textsuperscript{51} Ibid.

\textsuperscript{52} \textit{The Times}, Aug. 27, 1924. In an editorial entitled "The Newest Diplomacy", \textit{The Times} linked Morel's account, Russian claims of "pressure from the workers" and the release of Campbell, and claimed that all three incidents gave clear proof of the power of the extremists in the Labour Party.
On recess, MacDonald had expressed the hope that the summer would prove "...an interval for calm reflection by all Parties..." In fact, the bitter controversies aroused by the Russian treaties and the "Campbell Affair" ensured that the summer months were anything but calm. Instead, by the latter half of September all signs indicated that the government would face a very hostile opposition when parliament reconvened.

The House of Commons was scheduled to reconvene in late October, but met in special session on September 30 to deal with the Irish Boundary dispute. Immediately, the Attorney General met a barrage of questions. He denied that pressure had been brought to bear on him to drop the prosecution. The only representations made were those by Labour M.P.'s in the House on August 6. The case had been stopped when he had learned that Campbell was a war-veteran and merely the acting-editor of Workers' Weekly.

53/ MacDonald to the King; letter dated Aug. 8, 1924. H. Nicolson, George V. (London, 1952), 397.

54/ R.I.I.A., Survey, 1924, 245. Sir John Simon labelled the "Campbell Affair" an example of "class favouritism". (The Times, Sept. 25, 1924.)

55/ Lyman, op. cit., 238
claimed that the Communists wished to make a martyr of Campbell.\textsuperscript{56/} Also on the same day, MacDonald claimed that he had not been "consulted regarding either the institution or the subsequent withdrawal" of the charges against Campbell, and had "advised its withdrawal, but left the whole matter to the discretion of the Law Officers."\textsuperscript{57/} This, in view of the Cabinet discussions on August 6, was obviously untrue.

Dissatisfied with the answers given by the Attorney General, the Leader of the Opposition, Stanley Baldwin, asked for a debate on the issue; it was scheduled for October 8. By October 3 the Conservatives had decided to move a vote of censure; the Liberals would propose an amendment calling for the appointment of a Select Committee of enquiry. Rumour had it that the Conservatives would decide to support this amendment.\textsuperscript{58/} On October 6, the Cabinet met and decided to

\textsuperscript{56/} H. of C. Deb., 5th Ser., Vol. CLXXVII, Sept. 30, 1924, Cols. 8-12.

\textsuperscript{57/} Ibid., Col. 16. In a letter to the King dated Aug. 22, 1924, MacDonald had stated that "...I sent for the Attorney General and the Public Prosecutor and gave them a bit of my mind." (Nicolson, op. cit., 398.) A very select and influential group of people, therefore, knew MacDonald had lied.

\textsuperscript{58/} Middlemas & Barnes, Baldwin, 273.
treat both the Conservative and Liberal motions as votes of confidence, since, to do otherwise would have left the government hanging on "with loss of dignity and prestige (only) to be slain in November" when the vote on the Russian Treaties was due.\footnote{F. Maurice, \textit{Haldane 1915–1928}. (London, 1939), 169-70.}

Following the government's defeat two days later, MacDonald requested the dissolution of Parliament.\footnote{Nicolson, \textit{op. cit.}, 400.}

He called a General Election for October 29.

Baldwin had already established the election's dominant theme; the Labour Party's subservience to extremists within its own ranks. He informed Lord Stamfordham, Private Secretary to King George V., that in his opinion MacDonald "instead of smashing his extremists, has allowed them to smash him."\footnote{Middlemas & Barnes, \textit{Baldwin}, 273.}

Speaking at Newcastle on October 2, Baldwin condemned the Russian Treaties and the influence of the Labour Party's extreme left-wing on their development.\footnote{Ibid.}

\(59/\)

\(60/\)

\(61/\)

\(62/\)
campaign, he declared that "in times of crisis the policy of the Labour Government is not decided by the Government but by those extremist forces which appear to control it." 63/ Others were quick to follow Baldwin's lead. On the day of dissolution Winston Churchill, Leopold Amery and Sir William Joynson-Hicks, all of whom became members of Baldwin's Cabinet, made violent, anti-Bolshevik speeches. They alleged that the Labour government, because it was under the control of left-wing extremists, operated in Russia's interests and not those of Great Britain. 64/ On October 11, the main editorial in The Times was entitled "A British Foreign Policy" and denounced the MacDonald administration's "...subserviency to the Soviet Power." 65/

Two days later, The Times advised its readers that the choice facing them was between a Socialist Republic or "...the continued growth from precedent to precedent of the ancient and ordered monarchy from which has sprung the greatest and freest Empire of the World." 66/ Lord

63/ Ibid., 274
64/ The Times, Oct. 10, 1924
65/ The Times, Oct. 11, 1924
66/ The Times, Oct. 13, 1924
Birkenhead, soon to be Secretary of State for India, declared that Communism had proved itself "master of the law" in the "Campbell Affair." Austen Chamberlain, the next Foreign Secretary, described the Soviet regime as a "cruel and disastrous tyranny." In addition to all this, the Conservative Party organisation produced thousands of posters, cartoons and jingles all pounding home the message: unpatriotic extremists in league with the Soviet Union had captured the Labour Party.

The climax to this violent campaign came just four days before Election Day, with the appearance of the notorious "Zinoviev Letter." The headlines in The Times read: "Soviet Plot. Red Propaganda in Britain. Revolution Urged by Zinoviev. Foreign Office "Bombshell"." An editorial drew the appropriate

67/ The Times, Oct. 16, 1924
68/ The Times, Oct. 21, 1924
69/ Lyman, op. cit., 255-7
70/ For a detailed account of the background to the letter and its passage to Great Britain, see L. Chester et al., The Zinoviev Letter. (London, 1967). The purpose of the letter was to prevent the Russians creaties from being ratified. The Conservative Central Office paid £10,000 for its copy of the letter. According to Middlemas and Barnes, however, this fact, "like other shady manoeuvres" was "kept quiet from the leader of the party." (Middlemas & Barnes, Baldwin, 276.) An interesting defence of the letter's authenticity is presented by N. Grant, "The 'Zinoviev Letter' Case." Soviet Studies, XIX, 2, Oct. 1967, 264-77.
conclusions under the title, "The Truth at Last." The letter, purportedly signed by G. Zinoviev, who was head of the Communist International, and Arthur McManus, a leading member of the C.P.G.B., urged British Communists to work hard for the ratification of the two treaties signed the previous August. "(A) settlement of relations between the two countries", the letter argued, "will assist in the revolutionising of the international and British proletariat (and) will make it possible for us to extend and develop the propaganda of ideas of Leninism in England and the Colonies." To enhance the success "of an armed insurrection" a struggle had to be waged "against the inclinations to compromise which are embedded among the majority of British workmen". Communist cells should, the letter continued, be formed "in all units of the troops" so that in the event of "danger of war" these, "in contact with the transport workers" could "make a start in turning an imperialist war into a class war."

In its own sordid way, the "Zinoviev Letter" was a masterly document. Its contents mirrored to a quaint

71/ The Times, Oct. 25, 1924.
remarkable degree, the major issues in the election. By linking support for the Russian treaties with the propagation of Communist doctrine throughout the British Empire, the letter pandered to the most fundamental fears of anti-Communists in all parties. Similarly, the references to the creation of anti-patriotic cells in the armed forces reactivated the issues in the "Campbell Affair". This was the author's true genius. Even when the Labour leadership recovered from the initial shock of the letter's sudden appearance and began to denounce it as a clumsy forgery, Conservative speakers could and did adopt the position that whether or not this particular letter was genuine was beside the point. The letter simply stated what every "right-thinking", patriotic Englishman already knew to be true as a result of the controversy surrounding the Russian Treaties and the "Campbell Affair."\footnote{This reaction stands out in the literature as well. See G.M. Young, Stanley Baldwin. (London, 1952), 87-8; R.R. James, Memoirs of a Conservative. (London, 1969), 199; R. Vansittart, Mist Procession, 331; L.S. Amery, My Political Life. (London, 1953), 296; Duff Cooper, Old Men Forget. (London, 1953), 136. J.D. Gregory, who signed the protest note reacted in the same manner. (J.D. Gregory, Edge of Diplomacy, 215-31.)} 

What undoubtedly lent credence to the letter was the fact that it appeared together with an official Note of Protest from the Foreign Office. In many ways, the
role played by officials in the Foreign Office during the entire affair is of more lasting interest than the question of the letter's authenticity. A copy of the letter (no original was ever discovered), reached the Foreign Office on October 10. From there it was sent to MacDonald who was on the hustings. The Prime Minister did not actually see the letter until October 16, and after reading it, asked the Foreign Office to establish its authenticity. In the meantime MacDonald had received the draft of a protest note to the Soviet government. This he revised and returned, uninitialled, on October 24 to the Foreign Office. MacDonald later claimed that he had expected to have this draft returned to him together with proof of the letter's authenticity, since he had not initialled his copy. Instead, the Foreign Office published both the letter and the note of protest on October 25.

Although the note of protest went under the signature of J. D. Gregory, head of the Northern Department in the Foreign Office, the person ultimately responsible for its publication and its despatch to the Soviet Chargé d'Affaires, was Sir Eyre Crowe, the Permanent Under-Secretary of State. According to the explanation Crowe gave MacDonald, the Foreign Office learned on October 24
that a copy of the letter had reached the offices of the *Daily Mail* and would be published the next day. Faced with this threat, the Foreign Office published both the letter and the note of protest.\(^{73/}\)

Crowe's explanation is not implausible, yet it leaves very serious questions unanswered. First of all, why did the Foreign Office insist on communicating with MacDonald by mail rather than by telephone?\(^{74/}\) Why did Crowe not consult the Under-Secretary, Ponsonby or the Lord Chancellor, Lord Haldane, who would have been most closely concerned with matters of subversion in the armed forces?\(^{75/}\) Until such questions as these can be answered convincingly the suspicion must always remain that, in this instance, the Foreign Office departed from


\(^{75/}\) Northedge, *op. cit.*, 310
its traditional neutrality in domestic politics.\textsuperscript{76/}

In any event, on October 29 the country went to the polls and the Conservatives received an overwhelming mandate. The distribution of seats in the new Parliament would be Conservatives 415, Labour 152, and Liberals 42. The party which suffered most from the election was the Liberal Party. Before dissolution the Liberals held 158 seats. Now, the party had all but disappeared. The explanation for this result lies, of course, in the strategy underlying the Conservative election campaign.

From the outset, that campaign had emphasized that a dangerous polarity existed in British politics. The choice facing the voter was that between a revolutionary and alien doctrine or a party representing 'normal' British values. The victim of this kind of campaign was the Liberal Party which lost 116 seats. Presented with a choice that was no choice given its terms, many Liberals, fearing perhaps that a vote for their party might allow another minority Labour

\textsuperscript{76/} At the time, MacDonald publicly and in Cabinet, defended the Foreign Office. (Jones Diary, Oct. 31, 1924. T.Jones, Whitehall Diary, I, 300). The following March, however, he intimated that Gregory, at least, might have acted maliciously. He told C.P. Scott that "(t)here were too many Roman Catholics high up in the Foreign Office. Gregory was one of them, (and) that if there was a villain of the piece it was Gregory." Scott Diary, Mar. 4, 1925. Wilson, C.P. Scott Diaries, 476-9.
government to take power, obviously voted for Conservative candidates.\textsuperscript{77/} Certainly, this was how Conservatives analysed the election result. Leopold Amery, about to become the Colonial Secretary, wrote that the "Zinoviev Letter" "...drove wavering Liberals in shoals to vote for the Party that could best be trusted to oppose the socialist menace."\textsuperscript{78/} J. C.C. Davidson, a close friend of Baldwin, stated many years later about the 1924 Election, that "(i)f you look at the history of the Conservative Party, you will always find that it is when the country is scared of wild-cat schemes and wants safety that it turns to the Conservative Party."\textsuperscript{79/} In October 1924, this knowledge was put to powerful use.

This raises the issue of Conservative rhetoric. How much of what they were saying did the leaders of the Conservative Party believe? How real, to them, was the socialist menace? Or was their campaign, in fact, an

\textsuperscript{77/} Snowden saw this as the letter's main effect. (Snowden, \textit{op. cit.}, 716). For an analysis of the election see Lyman, \textit{op. cit.}, 264-70. The Labour Party polled over a million more votes than it had in the previous election. (Ibid. 264.)

\textsuperscript{78/} Amery, \textit{op. cit.}, 296.

\textsuperscript{79/} James, \textit{Memoirs of a Conservative}, 199.
elaborate charade? Before attempting to answer these questions in any depth certain minor issues must be disposed of. First of all, much of the literature in the campaign aimed at the lowest level of understanding, so, quite obviously, the cartoons, rumours, jingles and other paraphernalia did not reflect elite thinking but elite strategy. The more extreme the differences between the "safe" Conservatives and the "dangerous" Socialists, the more the Conservatives stood to gain.

For this reason, Baldwin's own analysis of the meaning of the election result must be treated with some scepticism. As the leader of the "safe", patriotic party to which all Englishmen should adhere, Baldwin clearly stood to gain a great deal from the polarisation of domestic politics. This was especially so if, in the process, the alternative party were discredited and shown to be not ready for office, because of internal weaknesses. To an ardent partisan like Baldwin this would have tremendous appeal, not least because the denial of legitimacy to the alternative party would ensure unchallenged rule for the Conservatives. Baldwin, therefore, had a vested interest in claiming that the General Election had brought about "the disappearance of the Liberal Party..." 80/

80/ Jones Diary, Nov. 4, 1924. Jones, Whitehall Diary, 1, 301.
Yet, for all this, there were issues raised in the General Election, however much analysis of them may have been impeded by the noise and rhetoric of the Conservative campaign. Leaving aside the "Zinoviev Letter", the two dominant issues in the campaign were obviously the Russian Treaties and the "Campbell Affair". At one level, once again, the rhetoric employed by leading Conservatives can be ignored. Almost certainly, they recognised how remote the possibility of a loan really was, given the prerequisite conditions laid down. Yet other factors cannot be as easily dismissed. First of all, important sections of the Conservative Party membership were involved in the question by virtue of the fact that they had lost part of their wealth following the Russian Revolution. Secondly, the treaties would have provided a degree of respectability to the Soviet Union. Many Conservatives would have found this unacceptable given Russian hostility to British interests throughout the world, in defiance of an already existing agreement. Lastly, and perhaps most important of all, both the treaties and the "Campbell Affair" demonstrated that the extreme left-wing of the Labour Party could exercise a degree of influence on the party leadership. This, the overwhelming majority of
the Conservative Party including its leaders, found
dangerous; this was the "Socialist Menace."

Extremists in the Labour Party and their
associates in the Communist Party and the trade unions were
regarded as a dangerous menace since their values and
allegiances were "alien"; they were, in fact, Soviet. When
he spoke of the disappearance of the Liberals, Baldwin had
added that "(t)he next step must be the elimination of the
Communists by Labour. Then we shall have two Parties, the
Party of the Right and the Party of the Left." In other
words, the extremists, not just registered Communists, had
to be purged from the Labour Party and placed beyond the
political pale. 81/ For Labour to become the legitimate
alternative government a wedge had to be driven between the
"steady...patriotic...conservative trades unionist" and
"the Socialist visionary with a foreign, international
anti-British point of view." 82/

81/ Ibid. Just before the election the Labour Party had
once again banned Communists from membership in the
Party. (The Times, Oct. 8, 1924.) The Times hailed
this decision as "far-reaching".

82/ From a memorandum on policy for the Conservative
Party. (M. Cowling, The Impact of Labour, 426.)
The position adopted by the Conservative leaders, therefore, was clearly an amalgam of ideological conviction, campaign rhetoric, and "high politics." This volatile combination could lead to serious problems between the leaders and their followers. The ideological expression was generally strongest amongst the rank and file of the party. They had been assured repeatedly during the election campaign that their leaders, unlike the leaders of the other two parties, knew how to and would deal with the Socialist menace at home and the problem of Russia abroad. They and their allies in the new Cabinet, the notorious "die-hards", would pay as careful attention to the performance as they had to the promise. Failure to "solve" these two problems might result in a change of leadership with more extreme right-wing solutions to offer. The next three years would show whether the Baldwin government had a "solution" to these problems.
CHAPTER THREE

Once in office, the Baldwin government lost no time in disposing of the controversial issues involving the Soviet Union. On November 21, 1924 the Foreign Secretary, Austen Chamberlain, despatched two notes to the Russian government. In the first of these he informed Moscow of the decision not to recommend the treaties negotiated the previous summer to Parliament. In the second note, Chamberlain dismissed the Russian protest that the "Zinoviev Letter" was a forgery and condemned the activities of the Third International.¹

A week later, the Russians responded to the notes. They accepted reluctantly the decision on the treaties. However, they rejected responsibility for the Third International which, they claimed, had "complete political and administrative independence...from the Government of the Union of Soviet Socialist Republics."²

²/ Ibid.
So, less than one month after the Conservatives had assumed power, the fundamental obstacle to any agreement between them and the Soviet Union had been defined. The British government insisted that before any attempt could be made to solve outstanding financial and economic issues, the Russian government would have to acknowledge responsibility for the Third International and put an end to its propaganda and other hostile acts, in accordance with the terms of the Trade Agreement of 1921. ³/ Until the Soviet government did this, Great Britain would follow a policy "...of keeping a watchful eye on Soviet proceedings, of reserving liberty to take any action that might be deemed necessary when sufficient evidence of their misdeeds was forthcoming; and of keeping formal relations as distant as possible; but in the meantime, not to yield to the demand in some quarters for an early breaking off of relations." ⁴/ Throughout 1925, the Foreign Office followed this policy to the letter. In effect, Anglo-Soviet relations were in suspension at the official level.

³/ Chapter 2, note 6.

⁴/ "Conclusions of a meeting of the Cabinet held on July 8, 1925," FO 371/11016, (N 4037/102/38).
Yet on the wider stage of European politics the British government could hardly ignore the Soviet Union, which it regarded as a serious threat to the stability it wished to establish on the continent. In February 1925, a Foreign Office memorandum which Chamberlain "urgently" recommended as the policy which Great Britain ought to adopt, stated that "...it must...be in spite of Russia, perhaps even because of Russia, that a policy of (European) security must be framed." In a Europe in which "(o)ne half...is dangerously angry (and) the other half is dangerously afraid, (the Soviet Union) hangs as a storm-cloud upon the Eastern horizon...impending, imponderable, but, for the present, detached." 5/ The problem of European security had to be resolved before that cloud burst.

The two halves of Europe referred to were, of course, Germany on the one hand and France and Belgium, on the other. Since 1919 crises between Germany and her neighbours had caused extensive political and economic unrest and had severely retarded progress towards the recovery

5/ "British Policy Considered in Relation to the European Situation." Memorandum prepared by Harold Nicholson under the direction of Austen Chamberlain and the supervision of Sir Eyre Crowe, Feb. 20, 1925; FO 371/10727, (C2201/459/18). (See NOTE at end of chapter)
of the European economy. Now, another crisis loomed.

On January 10, 1925, under Article 429 of the Treaty of Versailles the first of the three zones of occupied German territory, the Cologne zone, would be evacuated if the Germans had complied with the disarmament provisions of the treaty.6/ However, on December 27, 1924, the Conference of Ambassadors announced that the evacuation would not begin on schedule since the German Government had not fulfilled the necessary provisions.7/ In this way the quest for a European security arrangement once again was linked to the fulfillment of the Treaty of Versailles.8/


7/ Ibid., 7-8. Germany received official notification on January 5, 1925.

8/ Theoretically, of course, the two were distinct and the British government refused to acknowledge any connection. On February 13, 1925, for example, Chamberlain informed the Belgian ambassador, that "...le Gouvernement britannique repousse absolument toute corrélation entre la question de la sécurité et celle de l'évacuation de Cologne." (Documents Diplomatiques Belges, (Hereinafter cited as DDB), II, 17. Baron Monchey to M. Hymans, Feb. 13, 1925.) See also: DDB, II, 19.
Unless some way to relieve the tensions in Franco-German relations could be found Europe might well return to the critical conditions of 1923.

In Great Britain, therefore, a protracted and acrimonious debate on European security dominated the first five months of the Baldwin government.\(^9\)

The origins of the debate lay in the government's decision to reject yet another legacy of the previous administration, the Geneva Protocol.\(^10\) Within both the Cabinet and the Foreign Office, the Protocol met with near-unanimous disapproval, for a variety of reasons. The fundamental objection concerned the concept of compulsory arbitration which had been written into the Protocol. British policy makers regarded this as potentially a serious threat to the nation's freedom of action in areas where vital

---


\(^10\) Ramsay MacDonald and some of his ministers altered their position on the Geneva Protocol subsequently. MacDonald, for example, told Chamberlain that "he would never have signed it in its present form." (Crowe, *ubi supra*, 51.) There is good reason to believe that the Protocol would have been rejected even had the Labour Party achieved re-election.
interests might be involved. Compulsory arbitration would place those interests under some degree of control by less committed and lesser powers.\footnote{11}{Memorandum respecting the Locarno Treaties, Jan. 10, 1926, DBPP, IA, I, 1. J. Sterndale-Bennett of the Central Department prepared this memorandum as the basis of a paper to be presented at the Imperial Conference due to be held in London in October, 1926.} The Foreign Office protested that the Protocol would place "extensive liabilities" on maritime powers like Great Britain, and would tend to "sterotype everywhere the conditions created by the various treaties of peace."\footnote{12}{See preceding footnote.}

The governments of the white Dominions viewed the Protocol with equal distaste. They objected to the fact that adherence to the Protocol would involve them in areas remote from their interests.\footnote{13}{Northedge, \textit{Troubled Giant}, 242. The Dominion governments also expressed concern that the coercive articles of the Protocol might be used to force them to alter their immigration policies. The issue of non-white immigration had an important influence on Dominion attitudes towards imperial foreign policy. This racial theme very badly needs its historian. Brief discussions of the theme appear in: P. Lowe, \textit{Great Britain and Japan, 1911-1915}. (London, 1969), Chapter 8, and Louis, \textit{British Strategy}, Introduction and Chapter 1.} The British government made great use of the reluctance of the Dominions to accept open-ended commitments in Europe when it had to inform other governments of the rejection of the Protocol.\footnote{14}{There can}
be little doubt that it served Great Britain well to be able to emphasize the Dominion point of view rather than its own which the member states of the League of Nations would not have regarded highly. But no matter what explanation was offered, the Geneva Protocol had no chance of being accepted by the British government. By January 1925 a sub-committee of the C.I.D. established to study the Protocol had rejected many of its articles. 15/ It became obvious that Great Britain would have to find an alternative solution to the problem of European security.

In the course of the prolonged foreign policy debate in the Cabinet, two broad groups emerged, one headed by Chamberlain, the other tending to coalesce around Winston Churchill, the Chancellor of the Exchequer. 16/ The Foreign Secretary and his advisers at the Foreign Office argued that the root cause of European instability was French and

14/ See, for example, Baron Gaiffier, Belgian ambassador to France, to M. Hyman's March 10, 1925, DDB, II, 32.

15/ Crowe, ubi supra, 53.

16/ Chamberlain himself identified Churchill as the leading advocate of the alternative scheme.
Belgian fear of Germany and that until and unless they felt secure, no alleviation of other problems could come about.¹⁷/ Not only would the Cologne Zone not be evacuated on schedule but French occupation of the Rhineland might become permanent.¹⁸/ Moreover, vital British interests might be challenged as a result of Franco-German hostility which ended in either of them dominating the Channel and the North Sea ports.²⁰/ To prevent this ever happening Chamberlain recommended to his colleagues a policy based upon a "...new entente between the British Empire and France.²⁰/ Until Britain could pacify France "...no concert of Europe (would be) possible, and we can only quieten France if we are in a position to speak to her with the authority of an Ally." Once France became aware that "...her ultimate security is regarded as of direct interest to the British Empire" she would cease

¹⁷/ Note 11.
¹⁸/ Crowe, ubi supra, 63.
¹⁹/ Note 11.
²⁰/ Note 5.
her provocative policy towards Germany and "a nucleus of certainty, of stability and of security will thereby be created." Thereafter, the nucleus could be "enlarged in expanding circles" and "(t)here is nothing to prevent the eventual inclusion of Germany within the guarantees of security thus established." In other words, Great Britain would form a tripartite alliance with France and Belgium securing them against the threat of German aggression. Then, Germany might enter into a wider arrangement at an unspecified later date.\(^{21}\)

Within the Cabinet support for the Foreign Secretary came from the Secretary of State for War, Sir Laming Worthington-Evans, W. C. Bridgeman, First Lord of the Admiralty, Lord Percy, President of the Board of Education, and Lord Robert Cecil, Lord Privy Seal.\(^{22}\)

Chamberlain's proposal for a tripartite (Anglo-Belgo-French) pact met with stiff opposition from an important and influential section of the Cabinet. Included in this group were Churchill, Lord Birkenhead,

---

\(^{21}\) See note 5. The Belgian government endorsed this proposal with enthusiasm. (DDB, II, 49.) For the French point of view see, DDB, II, 40.

\(^{22}\) Crowe, ubi supra, 62-3.
Secretary of State for India, Leopold Amery, Colonial Secretary, and two former Foreign Secretaries Lord Curzon and Balfour. With varying degrees of hostility they stoutly resisted the Foreign Secretary's attempts to have British policy based upon a new Entente. They argued that far from being threatened France stood as the dominant and domineering military power on the continent.\textsuperscript{23/} Balfour, for example, accused the French of spending all their time "poking" Germany, while Churchill at one stage declared that France should be "left to stew in her own juice."\textsuperscript{24/} They disagreed fundamentally with Chamberlain's claim that the French would be more heedful of Great Britain's counsel if the two countries were allied. Instead, they believed that France would become more, not less, assertive in Europe.\textsuperscript{25/

\textsuperscript{23/} Crowe, \textit{ubi supra}, 61. Curzon had held this view since at least 1921. Around the time of the Washington Conference he had compared France with pre-war Germany. During the Conference, British fears of the possible threat posed by French submarines were widely expressed. See, W.R.Louis, \textit{British Strategy}, 100-103.

\textsuperscript{24/} Johnson, \textit{ubi supra}, 75. Churchill's evident distaste for France may have been reinforced by Treasury officials who reported that France was better able to pay her debts to Great Britain than she claimed. (\textit{Ibid.}, 72.)

\textsuperscript{25/} Jacobson, \textit{op. cit.}, 19, Crowe, \textit{ubi supra}, 61.
The vehement anti-French sentiment of many of Chamberlain's opponents obscured a more important difference of opinion with regard to the role Britain should play in Europe. Chamberlain and his supporters believed very clearly that isolation from Europe was incompatible with Great Britain's interests and that she should, therefore, make a definite commitment in Europe. Chamberlain's opponents on the other hand disputed this analysis. They maintained that "(i)t should never be admitted...that England cannot, if the worst comes to the worst, stand alone,"26/ France ought to resolve her difficulties with Germany and then, but only then, "Britain will seal the bond with all her strength." Thus, while Chamberlain's opponents still recognised that Great Britain could not avoid becoming involved in the event of conflict between France and Germany, they were determined to avoid formal commitments.27/ Instead, Great Britain should stand aloof from the continent and intervene only in specific situations to maintain a balance of power.

26/ Crowe, ubi supra, 63.
27/ Jacobson, op. cit., 19.
favourable to British interests. In other words, Britain would temporarily intervene in order to be able to remain aloof.

Perceptions of the desirability of an Anglo-French alliance affected acutely the attitudes each of the two factions held with regard to the possible effects in eastern Europe of any such pact. Neither group endorsed a guarantee by Britain of the eastern borders of Germany, since these borders, created at Versailles, were regarded as unstable and impermanent. According to Austen Chamberlain's celebrated statement the Polish Corridor was not worth the bones of a British grenadier. 28/ Almost to a man, therefore, British policy makers accepted the idea of the eventual revision of Germany's eastern frontier. 29/ For that reason

28/ Petrie, Chamberlain, II, 259.

29/ Chamberlain expressed his conviction that the Polish-German frontiers were unstable and impermanent to M. Hymans, the Belgian Minister of Foreign Affairs, when they met in Geneva in March 1925. (Conversation between Hymans and Chamberlain, March 11, 1925, DDB, II, 34). In February 1925, Mr. Headlam Morley, at Chamberlain's request, produced a memorandum entitled "The History of British Policy and the Geneva Protocol", in which he argued that the main danger to European security lay in eastern, not western, Europe. His superiors did not receive this memorandum well and he received instructions to write another, this time focussing on western Europe. (Crowe, ubi supra, 56.)
any agreement involving a British commitment in this area should be avoided, since it could bring Great Britain into conflict with Germany. At the very least, such an agreement would tend to alienate Germany from Great Britain, and perhaps force her into an alignment with the Soviet Union, which, like Germany, had irredentist aims in eastern Europe.

Ironically, those opposed to Chamberlain’s proposal argued that an Anglo-French entente would have just this result.30/ Nor is it difficult to understand how they would arrive at such a conclusion. France had agreements with both Poland and Czechoslovakia.31/ If, as Chamberlain’s opponents claimed, an Anglo-French pact would tend to make France more rather than less intransigent in Europe, her eastern allies might be expected to demonstrate the same attitude. They believed this would, in turn, drive Germany into a closer relationship with Russia as a counter-measure. Even if this did not happen, the simple fact that an Anglo-French pact must become, because of the French attitude, an

30/ D'Abernon, Ambassador of Peace, III, 155.

31/ The most detailed survey of France's eastern diplomacy in this period is P.S. Wandycz, France and Her Eastern Allies 1919-1925. (Minnesota, 1962.)
anti-German instrument, would make Germany look east.\textsuperscript{32/}

Chamberlain's perceptions of an Anglo-French alliance's effects on the political situation in eastern Europe were naturally quite different. He was as aware as his opponents of the potential Russo-German link over their respective revanchist aims \textit{vis-a-vis} Poland. In fact, on more than one occasion he stressed how important he felt it was to bring Germany into the western orbit and away from Moscow. In February 1925, he told the Belgian ambassador in London, Baron Moncheur, that Russia would one day become a Great Power again and that if the Western powers forced Germany to look eastwards she would form a powerful alliance (un bloc formidable) with the Soviet Union.\textsuperscript{33/} Earlier the same month Sir Eyre Crowe, Permanent Under-Secretary at the Foreign Office, stated to Moncheur that Great Britain would never guarantee Germany's eastern border.\textsuperscript{34/}

\begin{flushright}
\textsuperscript{32/} D'Abernon Diary, May 2, 1925, D'Abernon, \textit{op. cit}, 158-60.  \\
\textsuperscript{33/} Moncheur to Hymans, Feb. 27, 1925, \textit{DDR}, II, 28.  \\
\textsuperscript{34/} Hymans to Baron de Gaiffier, Feb. 9, 1925, \textit{DDR}, II, 13.
\end{flushright}
At the same time, Chamberlain did not want to see Poland disappear. In March 1925 he described Poland as a factor in the European balance of power and a barrier between Germany and Russia (et qui sépare). For that reason, he added, some form of guarantee for Poland's western frontier should be sought.

Chamberlain believed that he could best achieve all these goals by means of a European policy based upon an alliance with France and Belgium. The "authority of an Ally" would allow Great Britain to bring about a lessening of tension between France and Germany in the west. The same authority might persuade France to reduce, though not relinquish, her obligations in eastern Europe, especially with regard to Poland. In this way, both France and Germany might achieve their major, immediate, objectives while Poland would not be abandoned. The "expanding circles" would widen to embrace Germany and a secure western camp would be established. The danger of an anti-western Russo-German bloc would be removed.

35/ Conversation between Hymans and Chamberlain. March 11, 1925, DDB, II, 34.

36/ Johnson, ubi supra, 78-9. In February 1925 the Foreign Office characterised French policy in eastern Europe as one of "desperation". (Note 5.)
II

Chamberlain, however, failed to win the Cabinet to his policy. Instead, he had, with much initial reluctance, to accept as a compromise what amounted to a German proposal.37/

The appearance of this proposal is explained by the darkening political situation facing the German government at the end of 1924. By then Berlin realised that the evacuation of the Cologne Zone would be delayed, that French occupation of the "sanction towns" would continue indefinitely, and that moves were underway in London, Paris and Brussels to arrange a tripartite military alliance.38/

37/ Crowe, ubi supra, 63-73 and Jacobson, op.cit., 19-21, cover in some detail the latter stages of the security debate. The background to the German proposal is discussed in F.G. Stambrook, "'Das Kind' - Lord D'Abernon and the Origins of the Locarno Pact." Central European History, I, (1968), 233-63, and in Jacobson, op. cit., 3-12. Both these writers exaggerate the importance of D'Abernon's contribution to the development of the Locarno agreements, as did D'Abernon himself. Their contributions, however, are important sources of information on this topic. D'Abernon's importance lay in his role as a sympathetic (to the German point of view) intermediary between London and Berlin.

More than any other single factor, fear of an Anglo-French alliance spurred the German government to develop a security proposal of their own.\textsuperscript{39/}

The principal architects of this proposal were the German Foreign Minister, Gustav Stresemann, and Friedrich Gaus, the Wilhelmstrasse's legal expert. The agent through whom they worked to have their proposal accepted by the British government was the British ambassador in Berlin, Viscount D'Abernon.\textsuperscript{40/}

In December 1924 D'Abernon informed the German Secretary of State in the Foreign Ministry, Carl von Schubert, that France was pressing for a military alliance with Great Britain. He suggested that the Germans should counter this threat by reviving a security proposal made two years earlier by the then German Chancellor, Wilhelm Cuno.\textsuperscript{41/}

The German response to D'Abernon's suggestion was probably influenced by the belief, mistaken though it was, that the ambassador would not undertake so

\textsuperscript{39/} Jacobson, op. cit., 10.

\textsuperscript{40/} D'Abernon Diary, Jan. 21, 1925; D'Abernon, op. cit., 125-6.

\textsuperscript{41/} Stambrook, Das Kind, 240.
important a course of action without the approval of his government. In any event, Stresemann reacted positively, since, in view of the international situation, it could not have come at a more opportune moment. However, he did not follow D Abernon's advice with respect to the Cuno formula. The proposal, which he sent, first to London and later to Paris, resembled much more closely a plan devised by Gaus in 1923. Under the Gaus scheme the states interested in the Rhine would guarantee jointly and severally, the inviolability of the territorial status quo on the Rhine and the fulfillment by Germany of the demilitarization of the Rhineland in accordance with the Treaty of Versailles. In addition, the plan provided for an extensive arbitration treaty between France and Germany. In essence, the Gaus scheme became the core of the agreements signed at Locarno.

Chamberlain's reaction to the German proposal was unpromising. He first of all regarded it as a crude attempt to sow distrust between London and Paris by creating the impression that Great Britain was conducting negotiations

42/ Stambrook, Das Kind, 253-4.

43/ Ibid., 254.
behind France's back. 44/ Even when the French
government declared itself willing to consider the
German scheme, Chamberlain remained sceptical and
reluctant. 45/ This shows very clearly that the Rhine-
land Pact was a second choice for the British Foreign
Secretary whatever the degree of his subsequent
enthusiasm. 46/

Yet, ultimately, there were good reasons for
Chamberlain to regard the pact as an excellent rather
than a poor alternative to an Anglo-French entente. In
the first place, during January and February, his
opponents in the Cabinet became more determined than
ever to prevent him committing Great Britain to any
specific security proposal. 47/ He had, in fact, to
threaten the Prime Minister with his resignation before

44/ Petrie, op. cit., II, 256. See also: D'Abernon
Diary, Feb. 1 & 3, 1925; D'Abernon, op. cit., 134
& 136-7.

45/ Jacobson, op. cit., 17.

46/ D'Abernon likened Chamberlain's endorsement of the
German proposal to the conversion of St. Paul,
(D'Abernon, op. cit., 24) See also Amery, My Political
Life, II, 302.

47/ Crowe, ubi supra, 69.
the Cabinet would endorse even the Stresemann initiative. In other words, it was the only form of Anglo-French agreement the Cabinet would support.

But there was a more positive reason for Chamberlain to change his mind and support the German scheme. In his proposal, Stresemann had mentioned the possibility of Germany signing arbitration treaties with all its neighbours, not just those interested in the Rhine.\(^{48/}\)

This was an obvious indirect reference to the Polish issue. As the year went on Chamberlain appreciated more and more that this commitment by Germany to a peaceful revision of the eastern borders could achieve all that he desired in eastern Europe. While allowing for the ultimate satisfaction of German irredentist claims, the scheme need not incur French hostility, and Germany would not need to look to Russia for assistance. Moreover, the proposed arrangement in the east would not involve a British commitment of any kind. All these reasons explain Chamberlain’s increasing commitment to the Locarno agreements.

\(^{48/}\) The German Note to Great Britain appears as Appendix 3 in D’Abernon, \textit{op. cit.}, 276-7.
Chamberlain's attempt to separate Germany from the Soviet Union failed, largely as a result of a basic misperception concerning Germany's Locarno policy. At the Locarno Conference Chamberlain told Aristide Briand, the French Foreign Minister, that they were struggling with the Russians for "the soul of Germany."\(^{49}\) This suggests that he regarded the Locarno Conference as representing, for Germany, the choice of looking east or looking west. In fact, this is what Stresemann sought to avoid at all costs.

Throughout the summer of 1925 he conducted parallel negotiations with the Soviet Union and the western powers.\(^{50}\) In the same month that he signed the Locarno Agreements, a Russo-German Commercial Agreement was

\(^{49}\) Conversation between Chamberlain and Briand, May 18, 1927, DBFP, 1A, III, 201.

\(^{50}\) The fullest account of Russo-German relations before Locarno is: K. Rosenbaum, Community of Fate, (Syracuse, 1965). Other useful studies are H. L. Dyck, Weimar Germany and Soviet Russia 1926-1933. (London, 1966) and Carr, Socialism in One Country 1924-1926, III.
negotiated.\textsuperscript{51} Furthermore, Stresemann resisted every attempt the western leaders made to persuade Germany to accept Article 16 of the Covenant of the League of Nations in its entirety.\textsuperscript{52} Instead, the Locarno powers reformed Article 16 in a manner acceptable to Germany. In so doing, they guaranteed that Germany, as a member of the League, would not be forced to cooperate in economic sanctions or military measures against the Soviet Union. Naturally, the German stand over Article 16 reflected a greater concern for Germany's interests than those of the Soviet Union. Yet the fact still remains that Stresemann did not intend to relinquish the link with Russia. Far from being a radical re-orientation of German foreign policy, as the British leaders believed, Locarno represented another example of Germany's determination not to choose between east and west; she would play one off against the other.


\textsuperscript{52} H. von Riekhoff, \textit{German-Polish Relations, 1918-1933.} (Baltimore, 1971), 109-12; Jacobson, \textit{op. cit.}, 60.
Whatever else it may have signified the Locarno Pact did not demonstrate that Germany "...is detached from Russia and is throwing in its lot with the Western Party."\footnote{53}{This comment is taken from a speech delivered by W. Ormsby-Gore, the Under-Secretary of State at the Colonial Office, on Oct. 24, 1925. (Coates, Anglo-Soviet, 217.)}

Yet this was exactly the way in which the foreign policy elite in Great Britain perceived the Locarno Agreements. On October 17, 1925 Austen Chamberlain declared to D'Abernon that "I am convinced that the agreements ...will mark a turning point in the history of Europe."\footnote{54}{Chamberlain (Locarno) to D'Abernon, Oct. 17, 1925, DBFP, 1A, I, 4. The treaties were formally signed on December 1, 1925 in London.}

From the British embassy in Moscow came reports that the Soviet Union, as a result of Locarno, found itself isolated and would have to choose between coming to an agreement with Great Britain or turning its attention away from Europe towards Asia.\footnote{55}{Peters (Moscow) to Chamberlain, Oct. 23, 1925; DBFP, 1A, I, 20. See also Record of a conversation between Hodgson and Māisky and Rosengolz, in December 1925 in London. This record states that Hodgson believed the advances by the Russians "...showed that the Soviet Government are clearly very anxious to come to terms with us, no doubt as a result of the Locarno arrangements." DBFP, 1A, I, 142.} D'Abernon informed Chamberlain that the
Soviet Foreign Minister, Georgii Chicherin, had adopted a less "bullying" attitude in his contacts with Berlin. British officials quite obviously believe that they had succeeded in bringing Germany into the western orbit and away from Russia.

The evident and abundant confidence British policy makers derived from the results of the Locarno Conference could not help but reinforce their belief in the correctness of the approach they had taken towards the Soviet Union. After all, it had been "in spite of... perhaps even because of Russia, that a policy of security" had been established. On November 1, J. D. Gregory produced a comprehensive review of Anglo-Russian relations in light of the Locarno Pact. In every respect Gregory found

---

56/ D'Abernon to Chamberlain, Dec. 23, 1925; DBFP, 1A, I, 155. See also D'Abernon to Chamberlain, Nov. 8, 1925; DBFP, 1A, I, 74, and D'Abernon Diary, Nov. 16, 1925 & Dec. 23, 1925, D'Abernon, op. cit., 203 & 214-15.

57/ While the Foreign Office greeted these reports as evidence that the Russian policy had begun to pay dividends, in so far as the Soviet Union was showing signs of discomfort at being isolated, they both held possible dangers for Great Britain. No shift of Russian activity from Europe to Asia, as events in China demonstrated, could be regarded as compatible with British interests in the Far East. Similarly a "less bullying" Russia might well become more attractive to Germany.

58/ Memorandum by Gregory respecting Anglo-Soviet relations Nov. 1, 1925, DBFP, 1A, I, 46.
that Locarno had enhanced that policy. He argued that Great Britain had "virtually reassumed the diplomatic leadership of Europe" and that unless the Soviet Union reached an agreement with Great Britain she would remain "an international outlaw", since "a settlement without (Great Britain) in it is not a European settlement."

Before such an agreement could be reached, Gregory continued, the Soviet Union would have to satisfy the claims of its many British creditors, and, above all, put an end to their hostility to British interests throughout the world.

According to Gregory, two factors appeared to be working in Great Britain's favour. The first, of course, was the severe diplomatic defeat the Russians had suffered at Locarno. The second was growing economic pressures on the Russian government arising from the depressed condition of their country. Together, Gregory felt, these influences might induce the Russians to be more conciliatory. However, he did not believe that a settlement would occur in the near future. Therefore, he recommended that the government continue its "waiting policy". This would allow "the inevitable conflict" in the Russian political elite to develop since, he argued, "it is impossible permanently
to reconcile the policy of world revolution carried out by the (Third International) with that of achieving political and economic stability carried out by the Soviet Government."

Gregory's conclusions were supported by diplomatic reports from Moscow. On December 4, W. Peters, deputy to the Chargé, Sir Robert Hodgson, noted the failure of Soviet agricultural policies and the development of the private sector in the Russian economy. He suggested that the western powers might be able to get the Russians to cooperate with them by extending commercial credits to the Russian government. 59/ A few weeks later Peters submitted a report on the 14th Congress of the Russian Communist Party. In it, he stated that "...there is a definite split in the party" and identified Stalin as the "strong, stern, silent man." 60/

Above all else, Chamberlain's "waiting policy" required patience on the part of those responsible for its execution. The Foreign Secretary and his officials recog-

59/ Peters to Chamberlain, Dec. 4, 1925, DBFP, IA, I, 130.
60/ Peters to Chamberlain, Jan. 1, 1926, DBFP, IA, I, 167.
nised this fact and their language both in internal
memoranda and interviews with Soviet diplomats reflected
it. In May, 1925, for example, a memorandum entitled
"The Political Situation in the Soviet Union",
cautions that "(the) divergent tendencies in the
Politburo must be left to work themselves out; any
external pressure would almost certainly produce a re-
conciliation between the two schools of thought..." 61/

In July Chamberlain held an interview with the Russian
Chargé d'Affaires, Christian Rakovsky. The latter
complained that Chamberlain's attitude towards the Soviet
Union had made British companies more hesitant to do
business with that country, and he asked the Foreign
Secretary whether "...we might not take up a new discussion
of our relations?" Chamberlain responded brusquely, stating
he "...could see no advantage in beginning negotiations
for some new arrangement as long as existing arrangements
were not loyally observed, and as long as there were
fundamental differences of principle between (our) two
governments which would make it impossible for an agree-

61/ J. Maxse memorandum, May 13, 1925, FO 371/11047,
(N 2735/114/38).
ment to be reached.\textsuperscript{62/}

A determination not to adopt an aggressive policy against the Soviet Union, and a belief that isolation would make the Soviet Union more amenable, since it would bring the "moderates" or nationalists to the top in Moscow, emerged in another interview between Chamberlain and Rakovsky in November. Chamberlain denied that Great Britain aimed at organising an anti-Bolshevik front in Europe. He told Rakovsky that all the Soviet government had to do to improve relations with Britain was cease its hostile activities and those of the Third International "which was so closely associated with it." The interview ended with Chamberlain telling Rakovsky that "sooner or later the Soviet Government would discover its mistake and become aware that it had more need of us than we had of it."\textsuperscript{63/}

However much Chamberlain and the officials in the Foreign Office may have been convinced of the correctness of their Russian policy, the fact remained

\textsuperscript{62/} Chamberlain to Hodgson, Jul. 13, 1925, FO 371/11016 (N 4021/102/38).

\textsuperscript{63/} Chamberlain to Peters, Nov. 5, 1925, DBFP, 1A, I, 65.
that they did not operate in a political vacuum. Ultimately, they had to shape their policies to conform to the consensus which developed in the Cabinet. While permanent officials in the Foreign Office could not entirely ignore domestic political pressures, as Crowe's explanation of his behaviour with regard to the "Zinoviev Letter" showed, the Cabinet normally paid greater attention to these pressures. The Cabinet very often had to take the short-term approach to political issues, whereas the Foreign Office tended to take the long-term view. Thus, potentially a tension always existed between their two approaches. During 1925, crises arose in China and Great Britain itself which brought this tension to the surface.

The trouble in China originated in Shanghai. On May 30, 1925 Chinese mill-workers rioted in protest against ill-treatment by their Japanese employers and the police. In the course of the riot British police shot and killed twelve workers. In retaliation for these deaths, the Chinese organised a general strike and a boycott of British goods. Within a week more than 70,000 people had joined the strike. At the same time

time, in Canton, similar disturbances occurred and more Chinese workers lost their lives. As a result, the anti-British boycott spread to Hong Kong and southern China.

The British community in China placed a great deal of the blame for the violence and destruction on the subversive influence of Soviet agents. The Naval Commander at Canton reported that the troubles there had been started by Cantonese soldiers trained by Russians.65/ Authorities in Hong Kong identified ten of the leading "agitators" as Bolsheviks, and reported rumours to the effect that the Russians had subsidised the strikers to the tune of 600,000 dollars. According to the Governor of Hong Kong, the strikes were "entirely due to Communist agitators in Canton."66/

The Conservative press in Great Britain reacted to the events with strident headlines, calling on the government to break off relations with Russia. The Daily Mail declared "Why does the British Government

65/ Louis, British Strategy, 127.
66/ Ibid., 128.
not clear the Bolsheviks out neck and crop from this country?".\(^{67/}\) The Times complained that Russian "machinations" were responsible for the unrest in China and for the consequent undermining of the British position there.\(^{68/}\)

More significant was the reaction of certain Cabinet ministers, who also declared themselves in favour of a breach. These were the 'die-hards' who, from the beginning of Baldwin's term of office advocated breaking with the Soviet Union. Most prominent among them were Churchill, Birkenhead, Amery and Sir William Joynson- Hicks, the Home Secretary. Throughout June and July, Birkenhead especially was violent in condemnation of the Russians.\(^{69/}\)

The Cabinet had, of course, decided earlier in the year "not to yield to the demand in some quarters for an early breaking off of relations". Chamberlain consequently found these speeches most embarrassing and,


\(^{68/}\) The Times, May 15, 1925.

\(^{69/}\) Coates, Anglo-Soviet, 207-8.
at one point, had to deny in the House of Commons that the government had any intention of initiating a breach with Russia.\textsuperscript{70}  He also appealed to his colleagues to avoid references to a breach in their speeches. They acceded to his request with obvious reluctance.\textsuperscript{71}

Chamberlain's appeal for a more temperate approach was not based on a belief in Russian innocence in the Chinese disturbances. Even before the May riots the Foreign Office had acknowledged Russian involvement there. In April a memorandum on the attitude of the Soviet government stated that "(t)he hostility to this country displayed by M. Karahan (sic) the Soviet Ambassador in Peking, is active and uncommealed." It went on to say that the government of Sun-Yat-Sen had 

\textsuperscript{72} obtained arms from the Soviet Union in spite of the embargo placed by all other powers on the import of arms to China.\textsuperscript{72}  At the height of the public outcry

\textsuperscript{70}  Ibid., 210.

\textsuperscript{71}  Note 4.

\textsuperscript{72}  J. Maxse memorandum, Apr. 1, 1925, FO 371/11015, (N 2290/102/38).
in the summer of 1926 Chamberlain informed the House of Commons that he regarded Russia as the main disturber of the peace in Asia. 73/ His call for moderation then reflected his belief that open hostility on the part of the British government would only rebound to the benefit of the extremists in the Soviet government.

Chamberlain applied the same logic to the situation in China. He and his advisers believed that China was essentially unfertile soil for Communist doctrine and that, in the end, the Russian attempt at proselytization would fail. 74/ This being the case, they felt that the best policy for Great Britain to adopt was one of restraint. Recognising the growth and influence of Chinese nationalism the British government decided to combat Bolshevism in China by cooperating as far as possible with the nationalists. Great Britain would accede to 'reasonable' demands, from them, and avoid resorting to armed force 'unless British property is actively attacked

73/ H. of C. Deb., 5th Ser., CLXXXV, Cols. 2792-3.
74/ Louis, op. cit., 122-3.
and British lives are in danger. Thus, in the summer of 1925 Chamberlain sought to minimise reaction amongst his colleagues to the events in China.

The Chinese boycott and riots came at a bad time for more reasons than this, however. In July, 1925, a serious industrial dispute occurred in Great Britain, bringing with it the threat of a general strike. The industry affected was the coal industry and the dispute arose when the mine-owners decided to end unilaterally an agreement they had entered into with the unions in 1924. The owners had suffered a severe drop in profits and wanted, among other things, to lower union wage rates and increase the number of hours in a standard work-day. Not surprisingly, the miners refused to accept this arbitrary action and decided to resist the owners. The General Council of the T.U.C. declared their support for the miners. This meant that, should the miners decide to strike there would, in all likelihood, be a general strike.

75/ Memorandum on the Foreign Policy of His Majesty's Government... Apr. 10, 1926, DBFP, IA, I, Appendix. Chamberlain received this memorandum under cover of a minute by Gregory.

The union and the mineowners negotiated throughout July but failed to reach a settlement. On July 30, after the Prime Minister had refused to grant the miners a wage-subsidy, the union executive called a strike for the following day. At the same time, the General Council of the T.U.C. declared an embargo on the movement of coal. Faced with an imminent general strike, the government reversed its earlier decision and announced its willingness to consider a subsidy. On July 31, Baldwin met with the union leadership and agreed to maintain the existing level of wages for the duration of a Commission of Enquiry to be established to examine methods of improving the productive efficiency of the coal industry.

July 31, 1925 has entered the pages of history as "Red Friday". The Conservative press and the Conservative Party at the time perceived the outcome of the coal crisis as a "victory" for the extremists in the trade union movement over the power of legitimate

77/ The Daily Herald suggested the name to contrast July 1925 when the unions "won" with "Black Friday", April 15, 1921 when the Triple Alliance (miners, dockers, and railway men) had "deserted" the miners. (Arnot, The Miners, 314-21 and Bullock, op. cit., Chapter 7.)
government. In other words, "Red Friday" was regarded as much more than simply an industrial dispute involving questions of hours and rates of pay. The vast majority of Conservatives saw it as a constitutional crisis and another chapter in the struggle between parliamentary government and those who would destroy Parliament. Speaking soon after the strike had been averted, Joynson-Hicks declared that "(t)he question had to be faced whether England was to be governed by Parliament and by the Cabinet or by a handful of trade union leaders." On August 6, Churchill characterised the dispute in the same way during a debate in the House of Commons.

The Conservative response to "Red Friday" cannot be fully understood unless it is related to earlier events. In the previous summer, the major charge levelled against the Labour government during the episode of the Russian

78/ Bullock, op. cit., 279-80.

79/ The Times, Aug. 3, 1925.

80/ Arnot, The Miners, 383.
treaties was that it had "surrendered" to pressure from the extremists in its own ranks. "Red Friday" caused many Conservatives to draw a parallel. Moreover, for some time Conservatives generally had been very critical of the influence of Communists in the trade unions. Behind the domestic Communists many people saw the Soviet Union. In December 1924, for example, a group of British trade unionists visited Russia and roused the anger of the Conservative press with many of their statements while in that country. 81/ Between April and July another group, this time of women unionists, went to Russia and received a similar barrage from the Conservative press. 82/ In June, Birkenhead made a speech condemning the ties which existed between the trade unions and the Soviet Union. 83/

"Red Friday" therefore, seemed to most Conservatives to confirm their worst fears. In his speech of August 3, 1925, Joynson-Hicks warned his listeners that "(i)f a

82/ Ibid.
83/ Ibid., 207. Joynson-Hicks expressed the same concern. (Taylor, Jix., 195.)
Soviet were established here...a grave position would arise." The Cabinet decided that "...the activities of Communist agents in this country should be carefully watched in the present industrial situation." These fears were intensified by the fact that the most prominent personality in the coal dispute, on the union side, was A.J. Cook. Though not formally a member of the C.P.G.B., Cook cooperated closely with it because, as he admitted, he agreed with nine-tenths of its policies. He also played a very active role in the National Minority Movement (N.M.M.), an organisation formed to radicalise the British trade unions, and controlled almost exclusively by Communists. Birkenhead, for one, came to regard Cook as a "Moscow disciple."

84/ "Conclusions of a meeting of the Cabinet held...on August 5, 1925." FO 371/11016, (N 4590/102/36).


86/ Martin, Communism and the British Trade Unions, 34.

87/ Martin, op. cit., 1-54. The N.M.M. had close ties with both the C.P.G.B. and the Red International of Trade Unions which was controlled by the Soviet Union, and was financially dependent on both.

88/ Birkenhead, F., E., 278.
Baldwin later maintained that his government had agreed to the wage-subsidy because it was unprepared to deal with a general strike in July 1925. This decision suggests that the government was determined to be in a state of readiness should the Royal Commission, which was expected to report in nine months time, fail to settle the coal dispute. 89/ This interpretation is open to question, however, if it is taken to refer only to administrative preparations. The various post-war governments had developed comprehensive plans to deal with general strikes and had taken pains to review them constantly. 90/ Clearly, these plans could have been put into operation in 1925. However, there are other factors to be considered.

89/ Young, Baldwin, 99.

90/ R.H. Desmarais, "The British Government's Strikebreaking Organization and Black Friday." Journal of Contemporary History, VI, 2, 1971, 112-28. A. Mason, The Government and the General Strike, 1926." International Review of Social History, XIV, 1969, 1-21. takes the view that, in July 1925 "...the Government were as ready as they were likely to be" at any subsequent date, but that Baldwin deliberately drew a "gloomy picture" for the Cabinet because he "was determined to avoid an open conflict with the unions."
First of all, in the summer of 1925, the Locarno negotiations had reached an important stage of development and a critical domestic dispute would have been a most unwelcome diversion. Secondly, and this was very much Baldwin's style, the government may have wanted to avoid another confrontation with the Labour Party and the trade unions so soon after the General Election. Finally, the Royal Commission might, in fact, solve the problem peaceably.

Whatever Baldwin's motives may have been, the fact remains that following his decision in the coal crisis, the government did take at least one very important step to deal with the threat which might materialise after the Royal Commission had reported in the Spring of 1926. In October police raided the offices of the S.P.G.B. in London and arrested all but one of the party's Central Committee. Those arrested were charged under the Incitement to Mutiny Act of 1797, and received jail sentences of either six or twelve months. The five leaders jailed for a year were effectively removed from the scene for the likely duration of a general strike. The others were not due for release until a short time
before the strike was expected to occur.\textsuperscript{91/} Defending
the government's action before the House of Commons,
Joynson-Hicks, claimed that "(t)here is the most
cOMPlete personal connection between the Communist
Party here and the Communist Party in Russia."\textsuperscript{92/}
In effect, he accused British communists of being
traitors. Very clearly, the lines of battle were
being drawn.

A dangerous tension therefore, had, by the
end of 1925, developed between Austen Chamberlain's
"waiting policy" and the fear of communist subversion
throughout the Empire and communist hostility to British
interests everywhere in the world. The events of 1925,
in particular "Red Friday" and the boycott in China,
had strengthened the campaign of those who demanded a
complete break with the Soviet Union. This campaign
stood as the greatest threat to the Foreign Secretary's
policy.

More than anything else, that policy required
time for its success, time for the Soviet Union to

\textsuperscript{91/} Martin, op. cit., 69-70
\textsuperscript{92/} H. of C. Deb., 5th Ser., CLXXXVIII, Cols. 2098-9.
"demolish" the political, as well as the financial barriers set up by "Great Britain,\textsuperscript{93} time for the "inevitable" emergence of a "moderate" Russian government, and time for that government to learn "...the passwords which admit" states into the "European camp."\textsuperscript{94} But time was the very thing of which the anti-Bolshevik forces in Great Britain threatened to deprive Chamberlain and the Foreign Office. As 1925 drew to a close both the anti-Bolshevik campaigners and the C.P.G.B. were preparing for what A.J. Cook declared would be "...the greatest crisis and the greatest struggle we have ever known..."\textsuperscript{95}

\textsuperscript{93} Note 57.

\textsuperscript{94} Central Department memorandum, Nov. 13, 1925. DBFP, 1A, I, 99.

\textsuperscript{95} Bullock, Bevin, 280.

NOTE: In March and May of 1925, two American newspapers, the Chicago Tribune and The World published extracts from this memorandum. Questioned about the authenticity of these reports in the House of Commons, Austen Chamberlain refused to make any statement "affirmative or negative", thereby all but admitting their accuracy. See: Carr, op.cit., 263. and D'Abernon Diary, May 2, 1925: D'Abernon, Ambassador of Peace, III, 158-60.
CHAPTER FOUR

Despite these ominous signs, the Foreign Secretary and his advisers remained convinced of the fundamental correctness of the policy they had developed. Indeed, from their perspective, the policy, as Chamberlain observed, had "if anything...been too successful" since it had apparently convinced the Russians "that the whole policy of Great Britain is directed to the isolation of Russia, and even to the formation of an actively anti-Soviet bloc."

These comments appeared in a memorandum accompanying a review of Soviet foreign policy which Chamberlain circulated to the Cabinet on February 16, 1926. Originally, he had requested the review "for my own information" but decided subsequently to distribute it, undoubtedly because what he called "an admirable memorandum" provided a strong endorsement of his "waiting policy."

The paper, written by C.W. Orde of the Northern Department, dealt with the dissensions in the leadership

of the Soviet Union, and Soviet foreign policy in Asia and Europe.

The temptation to exaggerate the significance of the recent political struggle in Moscow, Orde cautioned, should be resisted. Zinoviev's defeat was probably as much a reflection of personal factors as of matters of principle; and hinged more on internal rather than external questions. Thus, "no change of principle in foreign policy" could be expected. Propaganda would continue as before.

What had altered was the area in which Soviet propaganda would operate. "That area is now the East," Orde wrote, "and the watchword is "assistance to the oppressed peoples"." Experience had demonstrated to the Russians that the appeal of nationalism rather than communism found a greater response among the peoples of Asia. But, Orde continued, even this propaganda appeared to have "encountered a natural resistance" in places "where pre-existing conditions of unrest were not present" as was the case with China. This being so, Orde declared, "(i)t may not...be rash to conjecture that propaganda as an effective instrument will tend to wither and Soviet policy became more and more an up-to-date version of Tsarist policy." In other words, "historic Russia" would tend to emerge.
Turning to Soviet policy in Europe, Orde declared that "signs of development are to be detected." As a result of a serious economic crisis "Russia's dependence on the outside world is more keenly realised than ever before." The Soviet government had shown interest in reaching a settlement with France and, apparently, with the United States as well. "This line of development", he stated, could justifiably be regarded as "more stable and promising" than Soviet policy in Asia, "where all is in the melting pot and the future is dark." However, in the West also, only time would tell whether "anything practical" would result from the apparent desire of the Russian government to reach agreement with the Western powers. In the meantime, the policy "of patience, expectation and non-interference...should still be pursued" since it "promises most for the future."

In his covering memorandum Chamberlain made a special point of stressing the need to "avoid denunciations of the Soviet Government" and "anything which gives colour to the idea that we are irreconcilable enemies" of the Soviet Union. Violent criticism, he argued, would tend to reinforce the position of those in Moscow who held that Great Britain intended to establish an "actively anti-
Soviet bloc", and hinder "the wiser members of the
Soviet Government (who) are beginning to see the necessity
for a change of policy."

This appeal to the "die-hards" to moderate their
public statements on Russia reflected also Chamberlain's
concern that their actions strengthened domestic critics
of his policy. That he realized the nature of the threat
posed by the anti-Bolshevik movement cannot be doubted.
In January 1926, in order to avert "a vigorous press and
parliamentary campaign" against the government's policy
towards the Soviet Union, he authorized his Parliamentary
Under-Secretary, Godfrey Locker-Lampson, to receive a
deputation from the London Chamber of Commerce.2/

This deputation, which included among its members
R.R. Tweed, a leading figure in the Association of British
Creditors, met Locker-Lampson on January 14. They dis-
cussed with him the controversial economic and financial
questions outstanding between Great Britain and the Soviet
Union. Locker-Lampson promised them an official reply to
the issues raised during the meeting.

2/ Chamberlain to Hodgson, Apr. 12, 1926; DBFP, 1A, I, 416.
The Foreign Office did not respond for almost three months. On April 6 a letter, under the signature of a minor official, was sent to the Chamber of Commerce. The letter expressed sympathy for those who had had property confiscated by the Soviet regime, but pointed out that the government could do little to achieve redress for them. Experience had shown that the Russians made any settlement contingent on a loan guaranteed by the British government and this was something the government "could not provide." Nor would the government consider abrogating the 1921 Trade Agreement as some members of the deputation had suggested. Instead, the letter stated, the government's policy would remain the same; a willingness to consider any proposals from the Russians "made in good faith", but no intention of taking "any initiative towards fresh negotiations so long as the Soviet Government maintain their present attitude."

Everything about this reply indicates that Chamberlain's purpose in inviting the deputation to the Foreign Office was simply to allow them to let off steam, and not in any sense to let them influence his policy. By giving the impression of official consultation he no doubt hoped that they would be persuaded to reduce their
agitation.

Chamberlain's desire for a reduction in public criticism of his policy was heightened by the fact that early in the new year the Locarno powers began discussions on the second phase of agreements under the Pact of Mutual Guarantee. Problems were likely to occur. In fact, the optimism and enthusiasm so abundantly evident in Foreign Office despatches immediately following the Locarno Conference had, by February 1926, diminished significantly, when it became obvious that the "Locarno Spirit" was not a panacea for the problems separating the Western powers. 3/

In an atmosphere of growing recrimination Germany and the other Locarno powers set about completing the agreements arising from the Pact of Mutual Guarantee.

Under Article 10 of the pact the treaty would come into force once the adherents to it had registered its ratification with Geneva and Germany had become a

3/ This increasing disillusionment in the Foreign Office usually resulted from what Chamberlain and his senior advisers characterised as German "ingratitude" for the "concessions" granted at Locarno. See, for example, Chamberlain to D'Abernon, Feb. 1, 1926; DBFP, LA, I, 231, and, Chamberlain to D'Abernon, Feb. 9, 1926; DBFP, LA, I, 256.
member of the League of Nations. In January 1926, Germany submitted a formal application for membership with a view to entering the League at its March session. Between January and March, however, what started as an uncomplicated administrative measure developed into the first post-Locarno crisis.

The crisis arose when other powers submitted applications for full membership of the League Council. The German government argued that to increase membership of the Council at the time of the admission would detract from Germany's status as a great power. The Germans opposed especially the proposal by France that Poland


5/ The most recent article on the Council Crisis is David Carlton: "Great Britain and the League Council Crisis of 1926". The Historical Journal, XI, 2 (1968), 354-364. It is not, unfortunately, a piece of work in which to place very much confidence. An ardent admirer of Lord Robert Cecil, Carlton makes little attempt to understand Chamberlain's position. Throughout the article he persists in writing about "Chamberlain's obsession with Spain", as though the Foreign Secretary singlehandedly and enthusiastically advocated Spain's candidature. The truth is, that the decision on Spain was made in Cabinet. (Chamberlain to Cecil, Feb. 9, 1926; DBFP, IA, I, 257). Cecil endorsed this decision. (See note 11)

6/ D'Abernon to Chamberlain, Feb. 15, 1926, DBFP, IA, I, 275
should be given a permanent seat on the Council.
Stresemann informed the Secretary-General of the League,
Sir Eric Drummond, that if the French persisted in
championing Poland's claim Germany would be forced to
reconsider and perhaps even withdraw her own application.7/

Chamberlain and the Foreign Office officials,
especially Sir William Tyrrell, favoured the election of
Poland to permanent membership on the Council. In a
memorandum circulated to the Cabinet the Foreign Secretary
expounded arguments in favour of Poland's candidature, which,
he explained, Briand had advanced in a recent meeting in
Paris, and which, Chamberlain felt, had "great force."8/

In the first place, if Poland and Germany were both members
they would be "far more likely to settle their grievances
in an amicable and reasonable way if they met on an
equality at the Council." If only Germany were admitted,
Chamberlain argued, both nations might become less reasonable.
Certainly, Poland would "be less accommodating and would
suffer under a sense of inequality and injustice." Moreover,

7/ D'Abernon to Chamberlain, Feb. 17, 1926, DBFP, 1A, I, 279
8/ "Memorandum by Sir Austen Chamberlain respecting Poland
and the Council of the League" Feb. 1, 1926, DBFP, 1A, I,
233. Chamberlain had been knighted in recognition for
his services in connection with the Locarno Conference.
if Poland enjoyed membership of the Council she should be able to plead her own case, and not have to rely on France as an advocate. France had problems of her own to settle with Germany and their solution would be less complicated if France did not have to act as a spokesman for Polish interests. "My own disposition", Chamberlain concluded, "...is to support the claim of Poland. I think that by so doing we shall best serve the cause of peace..."

To what extent Chamberlain's displeasure with German policy since Locarno coloured his support of Poland is not at all clear, but even if it were a factor, it would have been a minor determinant. For the fact is that his action was entirely consistent with his policy. In the first place, by endorsing the Polish claim, he would establish solidarity with the French. Secondly, he would strengthen the Polish position vis-a-vis both Germany and Russia in a way he had been unwilling to do at the Locarno Conference. At the same time he would not, from

9/ Note 3
his perspective, be weakening Germany's position in any substantive manner, and yet would enhance the possibility of a peaceful revision of the eastern borders. What had been impossible to do without Germany's prior membership in the Western 'camp' became, after Locarno, possible. This is borne out, to some extent, by the fact that early in 1925 Chamberlain had dismissed the idea of Poland's simultaneous entry into the League Council. Now that Germany had decided to throw in "its lot with the Western party", Poland's admission to the League Council would put the finishing touch to Chamberlain's 'grand design' of a secure Western bloc.

As things turned out, Chamberlain never did get an opportunity to press the Polish case at the March meeting in Geneva. Outside the Foreign Office little support existed for his proposal. In the Cabinet Lord Robert Cecil emerged as the leading opponent of the Foreign Secretary. He argued that to persist in seeking a permanent seat for Poland might damage the League as an

10/ Von Riekhoff, German-Polish Relations, 100, n. 29.
effective international organisation. Beyond the Cabinet, the League of Nations Union and most of the elite press mobilised opinion against the admission of Poland. From Berlin, the German position was energetically presented by D'Abernon who declared that "...the final decision of Germany to enter the League of Nations...should be decisive as regards the danger of a German-Russian combination." So effective and widespread was this opposition, that within a week of announcing his support for Poland's claim, Chamberlain began to search about for alternative proposals the Cabinet would accept and which, at the same time, would serve to enhance German-Polish stability. On February 8, he met the Polish Ambassador in London, Konstanty Skirmunt, and discussed the Council problem. He began by expressing his sympathy for the Polish position. Then, in what could only have been a broad hint, Chamberlain added that "(i)f it were merely a question of giving a temporary seat to Poland, there would be, so far as I


12/ The Times, 12 March, 1926; Carlton, ubi supra, 356.

13/ D'Abernon to Chamberlain, Feb. 5, 1926; DBFP, 1A, I, 247
could see, no objection..." from critics in England.\(^{14}\)

In the same manner Chamberlain suggested to the French ambassador, Aime de Fleuriau, that in view of the widespread domestic opposition, the solution might lie in seeking a non-permanent seat on the Council for Poland.\(^{15}\)

On at least two occasions the Poles themselves presented their case to Chamberlain in terms of Poland's value as a barricade against the Soviet Union. In February, the Polish President told Sir Max Muller, the British ambassador in Warsaw, that unless Poland got what she wanted at Geneva, she would have no alternative but to seek "a close rapprochement" with Russia, who "was only too anxious for such a development".\(^{16}\) A month later the Polish Foreign Minister, Alexandre Skrzynski, complained to Chamberlain that "...Great Britain...did not realise how necessary Poland was...or what service it was rendering...as a barrier against Bolshevism." He added that he had done his best but that should Poland fail to win a permanent seat

\(^{14}\) Chamberlain to Sir W. Max Muller, Feb. 8, 1926; DBFP, 1A, I 252

\(^{15}\) Chamberlain to Crewe, Feb. 10, 1926; DBFP, 1A, I, 263

\(^{16}\) Max Muller to Chamberlain, Feb. 19, 1926, DBFP, 1A, I, 285
he "would now be powerless and Poland might easily be thrown into the arms of the Soviet."\(^{17}\)

While these crude pleas probably found favour with Chamberlain, they did not move the Cabinet. The instructions Chamberlain took with him to Geneva stipulated that he could not support any change in the composition of the Council which might delay Germany's entry as a permanent member. Only Great Powers should become permanent members, neither Poland nor Brazil should be admitted at the March session, but that Poland should be given a non-permanent seat as soon as possible.\(^{18}\)

In the end, the Brazilian representative's veto prevented Germany's entry into the League in March 1926.\(^{19}\)
But this fact did nothing to reduce Chamberlain's frustration. The Germans, he told D'Abernon, "...knew they had all the

---

\(^{17}\) Chamberlain (Geneva) to Tyrrell, March 9, 1926, DBFP, 1A, I, 330.

\(^{18}\) The Foreign Secretary disclosed these instructions in the House of Commons. (H. of C. Deb., 5th Sess., CXXXIX, Col. 111, Mar. 23, 1926,Cols. 1079-80)

\(^{19}\) The course of events at Geneva is covered in detail in DBFP, 1A, I, 229-390. On the question of Brazil see Documents, 302, 315, 316 and 357.
cards...and...were perfectly aware...that I was in their pocket..."²⁰/ Even more bitter was Sir William Tyrrell who claimed that Chamberlain had been sent to Geneva "...tied hand and foot to Germany." The League meeting he added, "...has been one of the most ill-formed and mischievous ramps that I have ever seen in the domain of foreign affairs, and I only hope that its repercussions will not be beyond repair, but I am not so sure."²¹/

Policy at Geneva had clearly been formulated in a direction the Foreign Office did not favour and once again, on the Polish-German issue, Chamberlain had failed to sway his colleagues. In doing so, he failed also to stabilize Polish-German relations in the manner he thought most likely to establish Western security. Should France and Poland react to their mutual disappointment at Geneva by forging closer links then the loosening of the ties between them achieved at Locarno would be lost.

Hard on the heels of the March crisis, another aspect of Chamberlain's Locarno policy suffered a set-back.

²⁰/ Carlton, ubi supra, 360
²¹/ Tyrrell to Chamberlain, March 11, 1926, DBFP, I, 1, 335.
Rumours began to circulate of an impending treaty between Germany and the Soviet Union.\textsuperscript{22} This presented a direct challenge to the conviction that Locarno had detached Germany from the Soviet Union. As recently as February 1926, in the Orde memorandum, the Foreign Office stated the view that the Soviet Union "...used to believe that it was easy to play off one Great Power against another" but that if "there was ever any danger of this policy proving effective...that danger has disappeared and... the object of their manoeuvres is now well understood in all the capitals of Europe."\textsuperscript{23} The Treaty of Berlin came as somewhat of a shock to the Foreign Office.

News of the treaty evoked two responses from policy makers in London. On the one hand, they were worried that the treaty would cause "...alarm in various sections of opinion...in France and Poland leading to a hardening of the now somewhat relaxed ties between the two countries."\textsuperscript{24}

\textsuperscript{22} British reactions to the Treaty of Berlin can be found in DBFP, 1A, I, 391-530

\textsuperscript{23} Note 1

\textsuperscript{24} D'Abernon to Chamberlain, Apr. 1, 1926, DBFP, 1A, I, 392 and marginal comments by J. D. Gregory.
On the other, they felt that any "...direct attempt to prevent or sabotage the conclusion of the (treaty) may easily play into the hands of Chicherin..."24/ The consensus in the Foreign Office, therefore, was that the best policy to adopt was "faire bonne mine à mauvais jeu" and accept the treaty as a "fait accompli". At the same time, the Western powers should intensify "...our present policy of encouraging Germany to look West and not East."25/

As details of the treaty began to filter through to London, this policy became less unpalatable to the Foreign Office. In reassuring the other powers, especially France and Poland, that Great Britain did not regard the proposed treaty with alarm, the Foreign Office officials stressed what they considered to be mitigating factors. In the first place, there had been no repetition of the Rapallo tactics. The German government had given clear and definite assurances that nothing in the treaty would contravene the Locarno agreements. The treaty, according to the Germans, would be similar to an earlier proposal the Russians had rejected contemptuously. Most importantly of all, the treaty would

be less threatening than had at first been feared, since it would deal solely with Russo-German questions and not those involving any third power. 26/

Yet, there is no doubt at all that Chamberlain viewed the treaty as far from a minor inconvenience. To D'Abernon he expressed resentment at the lack of sensitivity Germany showed towards others, especially Poland. 27/ "If Germany makes a treaty with Russia", he wrote, "(the German Government) professes astonishment that anyone should suggest a doubt or criticism. If Poland holds a conversation with Russia even though nothing results Poland is 'stirring up animosity and hatred against Germany.' This is mischievous nonsense." When the treaty finally appeared, Chamberlain complained that the language of the treaty "...is, to say the least, singularly ill-chosen to inspire confidence in the minds of the British and other Governments..." 28/ and had been drawn up "with more consideration for the susceptibilities of the Soviet Government than for those of Germany's

26/ D'Abernon to Chamberlain, Apr. 9, 1926; DBFP, IA, I, 408; D'Abernon to Chamberlain, Apr. 24, 1926; DBFP, IA, I, 458; and Chamberlain to Crewe, Apr. 10, 1926; DBFP, IA, I, 412

27/ Chamberlain to D'Abernon, Apr. 24, 1926, DBFP, IA, I, 459.

28/ Chamberlain to D'Abernon, Apr. 28, 1926, DBFP, IA, I, 477.
partners at Locarno..."39/

The 'logic' of Locarno, in fact, compelled Chamberlain and his advisers to respond in the manner they did. At all costs they wanted to avoid driving Germany "further into the other camp." Therefore they could not take any action that "...might imply that in our view loyalty to the covenant is synonomous with hostility to Russia",30/ since this might cause Germany to move closer to the Soviet Union. Instead they set out to thwart the Russian who were "playing (their) usual double game... and ...making a last throw to defeat Locarno."31/ This they proposed to do by adopting the policy of moderate response, which would encourage Germany to "realize that her interests were best served by facing west rather than east."32/ To what extent this decision involved them in conscious deception is

29/ Chamberlain to Crewe, Apr. 28, 1926, DBFP, IA, I, 475
31/ Note 24.
32/ Chamberlain to Crewe, April 10, 1926, DBFP, IA, I, 412
illustrated by an interview between Chamberlain and Skirmunt, the Polish ambassador, which took place in April. Chamberlain told the ambassador that "...as he (Shirmunt) was aware, I had shown no disposition to raise any obstacle to improved relations between Poland and Russia." I did not see upon what grounds I could object to Germany doing what I should not object to if done by Poland." 32A/ Quite clearly, of course the reverse was true. Chamberlain had devoted all his energies to establishing a secure western bloc, including Poland, outside of which, the Soviet Union would remain until she had learned the appropriate 'passwords'. In pursuit of the same goal, he set out in 1926 to defeat "...Russia's last effort to wreck the Western Entente..." 33/ Chamberlain did not, in fact, secure the compliance of the French and the Poles with his policy until the middle of May. 34/ Despite obvious difficulties, however, he succeeded in having the treaty accepted by the governments of Europe with a minimum

32A/ Chamberlain to Muller, April 13, 1926, DBFP, I A, I, 420
33/ Note 32.
of public discontent.

II

In sharp contrast, public discontent among Conservatives in Great Britain continued to run high. Every aspect of the government's policy towards the Soviet Union came under attack. The Association of British Creditors kept the issues of debt-settlement and compensation for confiscated property alive by writing constantly to the newspapers. Inside the House of Commons, Conservative M.P.'s who were also members of the Association, such as Sir Alfred Knox and Locker-Lampson, bombarded the government with questions on the same issues.35/

At the same time, events in China, where the economic boycott lasted until October 1926, received wide coverage in the press. The Times called on the government to display "...vigour in the pursuit of a specific and intelligible British policy in China..."36/ Critics in


36/ The Times, Feb. 13, 1926.
the House of Commons accused the government of failing to protect British interests in China.\textsuperscript{37} Invariably, these critics identified the Russians as the main disturber of the peace and called on the government to protest more forcefully against their anti-British propaganda.\textsuperscript{38} In April, the government had to face a motion in the Commons calling for "...rigorous measures...to suppress the revolutionary propaganda which is being carried in Great Britain and the Empire, both amongst the civil population and the armed forces of the Crown, by organizations which have for their object the overthrow of the British Constitution."\textsuperscript{39} In this charged political atmosphere, the event which completely dominated the entire year, the General Strike, occurred.

The General Strike grew out of the continuing problem of the coal dispute.\textsuperscript{40} Early in March 1926, the

\textsuperscript{37} H.ofC.Deb., 5th Ser., CXCI, 3 Mar., 1926, Col. 1451.
\textsuperscript{38} H.of C.Deb., 5th Ser., CXCI, Feb. 24, 1926, Col. 492.
\textsuperscript{39} H.of C.Deb., 5th Ser., CXCI, 21 Apr., 1926, Cols. 1301-50.
\textsuperscript{40} No definitive study of the General Strike exists.
Royal Commission established after "Red Friday" completed its report.\textsuperscript{41/} Both the owners and the unions found aspects of the report unacceptable. The owners objected to many of the long-term recommendations such as the nationalisation of coal royalties and the closure of inefficient pits. The miners, on the other hand, rejected the proposal that, as an immediate palliative measure, they should accept a reduction in wages. Following the publication of the Royal Commission's report, therefore, negotiations between the two sides fell into uncompromising deadlock.\textsuperscript{42/}

In this situation the attitude of the government assumed great importance, since it alone possessed the power to force the parties to accept the report's recommendations. As the dispute developed it became increasingly apparent that the Conservative government intended to coerce only the miners. In some respects, this could not be avoided since the government wanted to get the mines back in production as soon as possible. It concentrated its efforts,


\textsuperscript{42/} Bullock, \textit{Bevin}. I, 297.
therefore, on resolving the short-term issues preventing the industry from returning to normal. This meant that negotiations between the government and representatives of the T.U.C., who acted on behalf of the miners, dealt mainly with the problems of hours and wages. In effect, the negotiations became an extended effort by the government to persuade the miners to accept an agreement the mine-owners would approve.\footnote{The negotiations and Baldwin's activities as mediator (as he understood that role) can be followed easily in T. Jones, Whitehall Diary, II, 7-37; 48-53; Barnes & Middlemas, Baldwin, 378-410; Bullock, \textit{op. cit.}, 292-315; Lord Citrine, \textit{Men and Work} (London, 1964), 154-72. Viscount Samuel, who headed the Royal Commission, provides a brief account of his role in \textit{Grooves of Change}, (New York, 1946), 221-32.}

Pragmatism only partially explains the government's behaviour, however. The fact is, that despite momentary irritation with the owners, the Cabinet sympathised much more with their position than with that of the unions.\footnote{Birkenhead, in a letter to Lord Irwin, wrote that "(i)t would be possible to say without exaggeration of the miners' leaders that they were the stupidest men in England if we had not frequent occasion to meet the owners." (Birkenhead, \textit{F. E.}, 534.).} Even if
they had not, they would have experienced considerable difficulty in getting their own party to accept any compromise that could be construed as a "surrender" to the unions. For very many Conservatives, the industrial crisis represented a constitutional struggle between parliament and the unions, and a continuation of the confrontation ended temporarily on "Red Friday." From the time the Royal Commission issued its report and a general strike became a real possibility the Conservative press devoted much space to a discussion of communist involvement in the crisis. The Times described the coal dispute as "a great opportunity" for the communists to exploit and denounced the "plans for propaganda" emanating from Moscow.\footnote{The Times, Mar. 25, and Apr. 13, 1926.}

The Home Secretary, according to his biographer, was "(f)rom the end of 1925...convinced that a general strike would come very soon. He attached great importance to the fact that in April 1925, the executive of the Communist International at Moscow resolved that steps should be taken to strengthen the hands of the British Trades Union Congress."\footnote{H.A. Taylor, \textit{Jix. Viscount Brentford}, (London, 1933), 194.}
The violent rhetoric of the miners' leaders heightened the sense of impending confrontation. Since "Red Friday" A. J. Cook had been predicting trouble. In August 1925, he had declared that "(n)ext May we shall be faced with the greatest crisis and the greatest struggle we have ever known, and we are preparing for it...I don't care a hang for any government, or army or navy...We have already beaten, not only the employers, but the strongest government in modern times."\(^47\)} In mid-April 1926, in the midst of the gathering crisis, he stated that "(m)y last word to the Government is Count the cost. The cost of a strike of the miners would mean the end of capitalism... This is a war to the death."\(^48\)

The National Minority Movement (N.M.M.) and the Communist Party of Great Britain (C.P.G.B.) were also highly visible during the months leading to the General Strike. In March 1926, the N.M.M. organized a Special National Conference of Action which was attended by 883 delegates representing 957,000 trade unionists.\(^49\) The Conference

\(^{47}\) C.L.Mowat, Britain between the Wars 1918-1940 (London, 1955), 296.

\(^{48}\) W.H.Crook, Communism and the General Strike (Hamden, Conn., 1960), 88

\(^{49}\) Arnot, General Strike, 111; Roderick Martin, Communism and the British Trade Unions, 68.
rejected the Royal Commission's report and called for the formation of factory and pit committees. In preparation for the Conference, the C.P.G.B. had drawn up an elaborate plan calling for the extension of the Industrial Alliance, the creation of local Councils of Action, and the formation of a Workers' Defence Corps. It mattered little to the overwhelming majority of Conservatives that the leaders of the T.U.C. and British trade unionism in general, did not subscribe to these plans. By May 1926, the time for discrimination had passed. In Conservative minds, the distinction between the proposals of the C.P.G.B. and a general strike had ceased to exist.

This conclusion is supported by the fact that the government broke off negotiations with the miners' representatives when it found out from the Postmaster-General, Sir W. Mitchell-Thomson, that the T.U.C. had sent out telegrams to various unions calling for a stoppage of work on May 3. On hearing this news the Cabinet drew up an ultimatum to the unions demanding "...an unconditional

---

50/ Martin, op. cit., 68-9.
51/ Jones Diary, May 2, 1926; Jones, Whitehall Diary, II, 28-30.
withdrawal of this threat" before they would resume the negotiations.\textsuperscript{52} Any lingering doubts about the wisdom of the course they had adopted were dispelled when workers at the offices of the \textit{Daily Mail} refused to print an inflammatory editorial.\textsuperscript{53}

From the outset, the Conservatives depicted the General Strike as a challenge to constitutional government. The \textit{Times} called it a "menace to the nation" and called on the Prime Minister to "stand fast".\textsuperscript{54} Baldwin, himself, offered the opinion that the strike provided clear evidence that the "hotheads" had won control of the trade union movement.\textsuperscript{55} Duff Cooper, at the time a back-bencher, repeated the now familiar

\footnotesize
\textsuperscript{52} Jones Diary, May 2 & May 3, 1926; Jones, \textit{Whitehall Diary}, II, 30; 33-34. The government had declared a State of Emergency on May 1. The text of this can be found in Arnot, \textit{General Strike}, 156.

\textsuperscript{53} The text of the controversial editorial is printed in: Scott Nearing, \textit{The British General Strike}, (New York, 1926), 141. According to Amery, this incident "tipped the scale" as far as the Cabinet was concerned. Amery, \textit{My Political Life}, II, 483-4. Citrine, \textit{Men and Work}, 172, alleges that Churchill visited the offices of the \textit{Daily Mail} shortly before the incident occurred.

\textsuperscript{54} \textit{The Times}, May 7, 1926

\textsuperscript{55} \textit{H. of C. Deb.}, 5th Ser., CXCV, May 3, 1926, Cols. 57-73.
cry that the outcome of the strike would determine
"...how this country is to be governed...whether...by
Parliament or...by the leaders of the trade unions."^56/

The strike itself lasted a mere nine days, and
its outcome was never in doubt. The unions as a whole,
entered the strike reluctantly and ill-prepared, and their
leaders spent the nine days attempting to interest the
government in re-opening negotiations.^57/ By contrast,
the government had developed comprehensive plans for a
general strike and put them into operation at once.^58/
It conducted a ruthless propaganda campaign against the
strikers, mainly through the medium of the British Gazette,
a newspaper established especially for the strike.^59/

^56/ H. of C. Deb., 5th Ser., CXCV, May 3, 1926, Col. 168.

^57/ Citrine, Men and Work, 184-205; Samuel, Grooves of
Change, 226-32.

^58/ A. Mason, "The Government and the General Strike,
1926." International Review of Social History, XIV,
1969, 1-21. See also: Ralph H. Desmarais, "The
British Government's Strikebreaking Organization
and Black Friday." Journal of Contemporary History,
VI, 2, 1971, 112-128.

^59/ Many extracts from the British Gazette appear in
Arnot, General Strike, 178-205. See also: R.R. James,
Memoirs of a Conservative, 235-39, and by the same
author, Churchill, A Study in Failure, 170-75.
J.C.C. Davidson supervised the paper, while Churchill
was heavily involved as a writer for it.
It also took virtual control of the B.B.C. Moreover, during the strike it arrested more than 1000 members of the C.P.G.B. From a position of formidable superiority, the government ignored all attempts by the unions to resume the negotiations, and insisted that before any talks could begin the unions would have to end the strike. On May 12, 1926, the inevitable occurred, the strike came to a close.

Conservatives greeted the end of the strike with a mixture of triumph and gloating. The British Gazette and the Daily Mail described the unions' decision as a "surrender". According to Baldwin, the Conservative M.P.'s were "...so overwhelmed...that they found it difficult to believe that the surrender of the T.U.C. was unconditional."

60/ The much-vaunted independence of the B.B.C. was seriously compromised during the strike. Both the Labour Party and the Archbishop of Canterbury were denied broadcasting facilities, until the strike had ended. James, Memoirs of a Conservative, 246-9.

61/ Martin, op. cit., 71; Arnot, General Strike, 174.

62/ Nearing, General Strike, 172-4; Jones, Whitehall Diary, II, 48. The Coal strike, however, continued until November 1926.

63/ Mowat, op. cit, 327.

64/ Middlemas & Barnes, Baldwin, 416.
Birkenhead wrote that "he was one of the few Ministers who received the ultimate Trades Unionists' surrender. It was so humiliating that some instinctive breeding made one unwilling even to look at them." He added that the strike had shown that the British people "...tolerate up to a point Russian infiltration, Trades Unionist tyranny, Red Flag demonstrations and Socialist Sunday Schools..." but that beyond that point reject those who challenge "...constitutional government and Parliamentary institutions." 

In the course of the strike the unions received financial assistance from numerous foreign labour organisations including those in the Soviet Union. While the strike was in progress the Russian action attracted little

65/ Birkenhead, F.E., 533.

66/ Money was received from the Miners' Union of Germany, from the Dutch Trade Unions and from American Unions. (Joynson-Hicks statement, H. of C. Deb., 5th Ser., CXCVI, June 17, 1926, Col. 2471.) The Conservative government took particular exception to the Soviet contribution because the Soviet government had, the previous April, passed a law prohibiting the transfer abroad of sums in excess of 100 rubles without the permission of a Special Currency Commission. (R.I.I.A., Survey 1927, 259). Thus, the Soviet government, must have sanctioned the transfer of money to the British unions. By doing so, it had, in Conservative eyes, supported a dangerous, unconstitutional action in Great Britain. (H. of C. Deb., 5th Ser., CXCVI, June 17, 1926, Cols. 2466-8.)
more than a line or two in the British Gazette, especially since the General Council of the T.U.C. announced at once that the offer from the Soviet Union had been declined. 67/ Within two weeks after the strike had ended, however, it had become a major political issue between Great Britain and the Soviet Union.

On May 22 a letter written by R.R. Tweed appeared in The Times. He protested the transfer of money from Russia and claimed that the Russians were using credits obtained in Great Britain to subvert British society. 68/ The Association of British Creditors, in a letter, to the Manchester Guardian, declared that the Russian behaviour "constituted just and reasonable grounds for the cancellation of the trade agreement..." 69/ The Council of the London Chamber of Commerce called on the Baldwin government to demand full satisfaction from the Soviet Union or threaten to terminate the Trade Agreement. 70/

67/ Citrine, Men and Work, 186; Arnot, General Strike, 199.
68/ The Times, May 22, 1926
70/ Ibid.
As the controversy grew the British government was forced to adopt a more hostile position than it had initially seemed prepared to do. In a despatch to Hodgson on June 7, Chamberlain had informed the Charge d'Affaires that "I...propose to confine myself to recording a brief protest against the action of the Commissariat of Finance in granting special permission for the transfer of funds." He instructed Hodgson to deliver a note to the Russians. This note stated that "His Majesty's Government regret that they cannot pass over in silence the action of the Soviet authorities in specially permitting the transfer of funds to Great Britain destined for the support of the general strike (which) was an illegal and unconstitutional act constituting a serious threat to established order, and the special action taken by the Soviet Commissariat of Finance in its favour does not conduce to the friendly settlement which the Soviet Government profess to desire of the questions outstanding between the two countries."\(^{71/}\)

It would appear that the Foreign Secretary intended to let

\(^{71/}\) Tyrrell to Hodgson, June 7, 1926, DBFP, IA, II, 52
Chamberlain approved this despatch on June 3.
the matter rest with this note of protest.

These intentions were soon dashed. Angry back-benchers questioned the Foreign Secretary and the Home Secretary on what further action the government intended to take.\footnote{H. of C. Deb., 5th Ser., CXXVII, Jun. 25, 1926 Cols. 699-758.}{72/} Letters continued to appear in the Conservative press calling for a breach of relations.\footnote{The Times, June 7, June 22 and July 7, 1926.}{73/} In addition, while Chamberlain was in Geneva, Churchill and Birkenhead made violent and well-publicised speeches condemning the Soviet government.\footnote{The Times, June 21, 1926.}{74/}

On June 22, the Home Secretary published the documents seized when the headquarters of the C.P.G.B. had been raided the previous year. The government sponsored a debate in the Commons to discuss the matter, and in the course of this debate the issues arising out of the General Strike were given full treatment.\footnote{Note 72.}{75/} Defending the government against charges of weakness, Chamberlain conceded that Great
Britain had good reason to protest the recent behaviour of the Soviet Government, but insisted that neither "...British interests or the interests of world peace would be served by breaking off relations..." "If we break off diplomatic relations with Russia", he continued, "we not only introduce a new and disturbing issue into our domestic politics, but we introduce a new and disturbing issue into European politics."

The public and parliamentary campaign for a breach continued to gather steam throughout the summer and fall of 1926. On July 16, 7000 people attended a meeting in the Albert Hall to protest the government's policy, and heard speeches by several Conservative M.P.'s including Locker-Lampson, Sir Henry Page Croft, Sir Hamar Greenwood and Colonel John Gretton.76/ At the Conservative Party Conference in October several motions calling on the government to break with the Soviet Union were passed.77/ Most ominous of all, from the point of view of the Foreign

76/ The Times, Jul 16, 1926.

77/ The Times, Oct. 8 & 9, 1926.
Office, divisions within the Cabinet widened. In June Sir John Anderson, Permanent Under-Secretary at the Home Office, informed J.D. Gregory that Joynson-Hicks was circulating to the Cabinet a memorandum which discussed the Russian question and possible courses of action the government might take.\footnote{78}{Memorandum by J.D. Gregory on Russia, Jun. 11, 1926, DBFP, 1A, II, 56.} A month later, during a meeting of the C.I.D., Churchill suggested that the Foreign Office, in collaboration with the Chiefs of Staff, should review the Russian problem and report upon the best manner of meeting "...an ever-threatening menace to civilisation."\footnote{79}{Memorandum by Sir William Tyrrell, "Foreign Policy in relation to Russia and Japan", Jul. 26, 1926, DBFP, 1A, II, 103.}

In response to Churchill's request, Sir William Tyrrell produced a memorandum entitled "Foreign Policy in relation to Russia and Japan."\footnote{80}{Note 79. Emphasis added below.} In this memorandum, which was circulated to the Cabinet, Tyrrell analysed British policy towards Russia in both Asia and Europe. Many of the conclusions reached in the February review by Orde, reappeared.
In Asia, Tyrrell wrote, "(w)e have a Bolshevist Russia, pursuing the same aims as the Czarist Russia, the main difference being that the Bolshevists are far more efficient and unscrupulous in the pursuit of that policy than their predecessors ever were." In the Far East, therefore, Great Britain should base her policy "upon the assumption that Russia is the enemy and not Japan." As for China, Tyrrell argued, the revival of nationalism constituted "the best guarantee we have against Russia", and, therefore, the government should continue its present policy of conciliation.

Turning to Europe, Tyrrell expressed the belief that the policy established at Locarno offered "the best prospects for our most effective protection against the common danger from the East." The aim of the Locarno policy, according to Tyrrell, was "to reconcile Germany and France, and above all, Poland and Germany." By encouraging Germany and Poland to look west rather than east, Locarno could neutralise the Russian threat. Tyrrell dismissed the idea of taking any warlike measures against the Soviet Union on the grounds that not only did Great Britain not possess the means to do so, but also popular opinion both in Great
Britain and on the continent would oppose such measures. For these reasons, he concluded, "(i)t is...to diplomacy that we have to look for the most practical and effective weapon to oppose Bolshevism..."

In effect, Tyrrell recommended a continuation of the "waiting policy". This persistent attachment to existing policy is explained to some extent by the fact that during the summer months reports began to reach the Foreign Office that a political reshuffle had occurred in Russia. In July, Zinoviev was finally expelled from office and Dzerzhinski, head of the Russian secret police, died. Chamberlain asked Hodgson to assess the significance of these events. Hodgson replied that Stalin was now the "only dominating personality in the Politbureau" and "the guidance of the communist party and through it of the Soviet government is in his hands." He concluded by declaring that the "events under consideration mark a quickening in the evolutionary process and should impel (the) Soviet government in the direction of becoming more of a Russian government and less of a international conspiracy organisation."81/

81/ Hodgson to Chamberlain, Jul.29, 1926, DBFP, IA, II, 111
In a later despatch Hodgson reported that the dispute within the Soviet Union "neither threatens the stability of Soviet government nor foretells serious modification of policy internal or external." He added however, that the conflict "marks the end of an epoch in the history of the communist party..." 82/ J.D. Gregory commented in a notation to this despatch that "(i)t is always satisfactory to have our own impressions and conclusions confirmed."

Another reason for the Foreign Office's persistence was the absence of any acceptable alternative. In June Gregory argued that "(i)f there was any reason to believe that the present (Russian) regime would fall as a result of a rupture of relations, there might be some sense in such an action. But we know that this would not happen..." 83/ In a memorandum which the Cabinet received, Orde wrote that "(i)t must not be forgotten that Russia is almost invulnerable economically just as she is invulnerable militarily. She is not to be feared in either aspect and neither is she to be attacked with

82/ Hodgson to Chamberlain, Oct. 12, 1926, DBFP, LA II, 250.

83/ Note 78.
success." In support of present policy he added that "...there has always been the hope that the practical considerations of Russian welfare would tend gradually to assume greater importance with the authorities than the rather unprofitable ambition of seeing revolution... spring up in every foreign country. Since one cannot but believe in the ultimate power of sanity there is still hope of this kind."84/

Yet the Foreign Office found it more and more difficult to ignore the widespread public unrest. A certain hardening of attitude started to appear in interviews with Soviet officials. In July, in what was clearly intended as a threat, Chamberlain told A. Rosengolz, the acting Russian Chargé d'Affaires, that "I desired if possible to avoid a rupture, though we had tolerated from (the Soviet Union) a course of conduct which we had never tolerated from the Tsarist Governments...even at the times

84/ C.W. Orde memorandum, Jun. 16, 1926, DBFP, 1A, II, 62. In using the term "invulnerable", Orde meant that an offensive economic policy e.g. boycott, on the part of Great Britain would not achieve any radical results. In Orde's words, "a rupture of trade relations cannot deal (Russia) a blow which she cannot support..." The fact that this memorandum would be seen by the Cabinet explains its categorical tone.
of most strained relations." Three months later, Gregory warned Leonid Krassin, the official Charge d'Affaires, that the Soviet Government should "...bear strictly in mind the prevailing attitude of British public opinion towards Moscow." As the year drew towards its close, the pressure on the Foreign Office mounted. The Conservative press continued to devote much attention to the disturbances in China and the activities there of Soviet agents. Cabinet Ministers with Churchill, Joynson-Hicks and Birkenhead prominent, continued to speak out against the "Socialist Menace." The controversies created by the General Strike, in particular the question of how much power trade unions should possess, continued to rage.


86/ Record of conversation between Gregory and Krassin, Oct 24, 1926, DBFP, LA, II, 266.


88/ The Times, Nov. 3, 1926 (Joynson-Hicks); Nov. 4, 1926, (Birkenhead); Dec. 15, 1926, (Baldwin)

89/ The Times, Oct. 22, 1926, (Joynson-Hicks); Dec. 3, 1926; (Bridgeman); Dec. 13, 1926, (Churchill).
Finally, at the beginning of December, Godfrey Locker-Lampson informed Gregory that "...the agitation for the expulsion of the Bolshevik Mission...from this country is becoming well-nigh irresistible."  

The effects of this combined public, parliamentary and Ministerial pressure on the Foreign Office became apparent after this. Not only did the volume of memoranda dealing with Russia increase significantly, differences of attitude among the senior officials began to emerge. Whereas previously the policy discussions had examined whether a breach would serve British interests, certain officials, of whom Tyrrell was the most prominent, now turned their attention to the problems of how and when a breach might take place.

Gregory remained an advocate of the "waiting policy". He argued that "...nothing is going to solve (the Russian) problem but itself and that is going to take still a long time...All we can do...is a temporising makeshift policy which will just, if possible, keep (the Russians) within bounds."  

---

91/ Five major memoranda appear in DBFP, 1A, II.
92/ Gregory memorandum, Dec. 3, 1926, DBFP, 1A, II, 317. See also the memorandum by Mr. Hamilton-Gordon, Dec. 7, 1926, DBFP, 1A, II, 332.
maintained, would "...be in the nature of a gamble" and might easily rebound to Great Britain's disadvantage.  

Tyrrell displayed little of Gregory's reluctance. On December 4 he wrote that "I think we should clear our minds on the subject of Russia and face the fact that we are virtually at war with Russia..." "It seems to me" he continued, "...that if we continue our present attitude of watchful vigilance we may soon be able to catch the Soviets in a case of flagrante delicto, which will enable us to clear them out of this country with almost universal consent." The possibility of such an occurrence seemed high, he argued. "As far as it is possible to forecast Russian tactics, it is more than likely that they will increase their interference in our domestic affairs... to a degree which will convince even the most purblind sympathiser with Russia of her hostility." The government, Tyrrell stated, "...should endeavour to force the Labour Party either to associate itself with our policy or frankly come out into the open on the side of people who are determined upon our destruction."  

---

93/ Note 90.

outburst, identifying as traitors anyone who disagreed with Conservative policy, indicates just how tattered Tyrrell's nerves had become.

A few days after Tyrrell's memorandum on December 9, a lengthy review entitled "Bolshevik Hostility" appeared. According to the preamble the review had been prepared "...in accordance with a request for a summary of the acts hostile to Great Britain committed during the last few months by the Soviet Government, the Third International, and their affiliated institutions."

The review covered much familiar ground, including the transfer of money during the General Strike, Soviet propaganda throughout Asia, and the "axiomatic" hostility of the Soviet Union "to capitalism in general and to British institutions in particular." What is striking about this memorandum is the amount of space devoted to describing Soviet interference in Great Britain itself. According to the review, information had been received from a secret source that the Soviet Mission in London had recently relayed telegrams from the Soviet

---

95/ Northern Department memorandum, by Hamilton-Gordon, entitled "Bolshevik Hostility", Dec. 9, 1926, DBFP, IA, II, 344. The Far Eastern Department prepared the section on China.
Commissariat of Foreign Affairs to the Communists in Great Britain. Although the telegrams were in cipher, the review stated that "(i)t is almost but not absolutely certain" that the Soviet government had recently sent "direct instructions of a subversive nature...through the Soviet Mission" to A.J. Cook. Furthermore, documents seized during the raid on the C.P.G.B. headquarters showed that Arcos (the All-Russian Cooperative Society) had issued money and instructions to British communists during the General Strike.

The review contained no policy recommendations and there is no evidence to show whether or not the Cabinet received copies of it. Yet, it is difficult not to believe that it was meant to prepare the way for a breach of relations.

In what might well have been a response to this review, Gregory produced another memorandum on December 10. 96/ "If we could", Gregory wrote, "follow up a rupture by dealing the Russians a damaging blow, it would undoubtedly be worthwhile." A sudden reversal of British policy "...if properly stage-managed, might act as a bombshell throughout China, Persia, Afghanistan and along the Indian border." But, he

96/ Note 90.
still warned that such action might as easily bring
unfavourable results. A rupture would definitely create
some instability in Europe and impair the results of Locarno.
"Peace", he stated, "is the paramount international need,
and a definitely outlawed Russia would be bound to seek
increased means of disturbing it."

Gregory conceded that the arguments for and
against a breach of relations were "to some extent evenly
balanced" and that the policy he advocated suggested a
"certain paralysis". But, he argued, the alternative was
"a leap in the dark (and) might... make things worse."
In an obvious reference to the anti-Bolshevik campaign in
Great Britain, Gregory concluded by stating that to expel
the Russians "would be a thoroughly pleasurable proceeding,
but it would be rather the satisfaction of an emotion than
an act of useful diplomacy."

Whatever the merits of these arguments and
however logically Gregory had developed them, they became
quite simply inappropriate in the last days of 1926. Unlike
Gregory, Conservatives preferred to satisfy their emotions
rather than exercise logic. They wanted, at all costs, to
"clear the Reds" out of Great Britain, and felt less and
less concern for "useful diplomacy." The needs of foreign policy could not, for them, outweigh their profound desire to rid Great Britain of the 'menace' of Bolshevism.
CHAPTER FIVE

Already greatly weakened by the course of events since the General Strike, relations between Great Britain and the Soviet Union suffered a further blow early in the new year when a major crisis involving British interests broke out in China.

The crisis centered around the trade concessions at Hankow and Kiukiang where Chinese nationalists had been waging a vigorous anti-foreign campaign.\(^1\) During the first week of January the nationalists staged a series of demonstrations and made repeated attempts to force their way into the concessions. At first the British authorities on the spot resisted these assaults with the assistance of marines and naval ratings. When the demonstrations continued, however, they decided to withdraw the marines and to evacuate women and children in an effort to avoid bloodshed and possible loss of life.

In Great Britain these events evoked an angry response from the Conservative press which criticised the

government for not taking stronger measures against the nationalists. The Times, for example, argued that the withdrawal from the concessions might be regarded by the nationalists as evidence of weakness and irresolution. This, the newspaper declared, could have serious consequences "...not for British trade merely, but for the authority of the British name throughout the Far East." What had happened at Hankow and Kiukiang might just as easily occur where more substantial British interests existed, especially Shanghai. Therefore, to avoid any further damage to British trade and to maintain British prestige in Asia the government should demonstrate unequivocally its determination to protect British lives and property.2/

According to The Times, the anti-British campaign in China reflected not only the 'legitimate' demands of the Chinese themselves, but also the subversive activities of Russian agents. Writing at the height of the January crisis, its editor, Geoffrey Dawson, argued that,"...it is daily becoming more obvious that the Bolshevists are exploiting

2/ The Times, Jan. 8, 1927.
the incoherence of China in order to pursue their unending war against Great Britain..." Therefore, the British government had to "...distinguish two factors - Bolshevist aggression against Great Britain through China, and whatever may be genuine and original in Chinese nationalism." So far, he complained, British policy had recognised only the problem of nationalism and had "...ignored the Bolshevist factor." 3/

Dawson's anger and frustration were understandable. Yet criticism of this kind tended to be somewhat unfair. British policy makers had not at any time 'ignored' the issue of Russian involvement in China. Instead, they sought to weaken Russian influence over the nationalist movement by seeking an accommodation with the nationalists. Since 1925, the Foreign Office, in its own words, followed a policy of "patience and non-interference" in China. 4/ While reserving the right to defend the lives and property of its citizens Great Britain had avoided any actions which the Russians

3/ Ibid.

4/ See above Chapter 1. Sir Miles Lampson, Minister in Peking, disagreed fundamentally with the policy of conciliation which, he argued, the Chinese "regarded as a sign of weakness". (Louis, British Strategy, 156-8.)
might exploit as evidence of British imperialism. By January 1927 the parameters of this policy had been well-defined. Under the circumstances, unless the government decided on a fundamental revision of policy, its options in the Hankow crisis were limited.

Moreover, in December 1926 the British government had openly reaffirmed its belief in a policy of conciliation. Through its representative in Peking the government had circulated a memorandum to the other Washington Treaty powers. In this memorandum Great Britain pledged itself to grant unconditional tariff autonomy to the Chinese, to free all revenues from foreign control, and to implement the recommendations of a report submitted by an international committee on extraterritoriality. In the words of the memorandum, "His Majesty's Government...desire to go as far as possible towards meeting the legitimate aspirations of the Chinese nation."5/ Having committed itself publicly in this manner, the Baldwin government would have had great difficulty in justifying the use of force against the demonstrators in the January crisis.

Not surprisingly, therefore, when the Cabinet met to consider the situation in China they approved the action taken by the authorities at Hankow and Kiukiang.\(^6\)

In keeping with established policy they instructed the Legation in Peking to seek an agreement with the nationalists in Hankow.\(^7\) At the same time they arranged for the despatch of troops to the settlement at Shanghai where extensive commercial interests were located. This action demonstrated the government's determination to defend vital British interests.\(^8\)

No doubt the government hoped that sending troops to China would silence the domestic critics as well. In this they were disappointed. The Times, it is true, called the government's action "bold", but other, more vociferous critics regarded it as inadequate. Oliver Locker-Lampson wrote that "(m)illions of Englishmen want to know why the

---

\(^6\) Louis, British Strategy, 131-2.


\(^8\) Louis, British Strategy, 132. This action angered the Nationalists of course. Chiang Kai-shek commented that "(t)he attitude adopted by Great Britain up to the present is exactly as if she were dealing with her own Colonies, and proves that she does not understand China."
Government sends thousands of soldiers overseas to compel yellow rioters in the Far East, when by expelling certain Red elements at home England would be mistress of her destinies." Sir Alfred Knox, a prominent right-wing Conservative M.P., called on the government to sever relations with the Soviet Union because of the latter's "intrigues" against Great Britain in China and throughout Asia. In effect, the Hankow crisis simply provided the anti-Bolshevik campaign in Britain with a new issue.

Nor did the campaign lack influence. Even before the January crisis the Cabinet had responded to the pressure of criticism from the back-benches. In mid-December 1926 Baldwin had received a delegation representing "...that section of the (Conservative Party) which has been most forward in pressing for the breaking off of diplomatic relations..." In response to their demands for stronger action by the government, Gregory had received instructions to prepare a memorandum laying out the arguments for and against a break

9/ The Times, Jan. 20, 1927; Coates, Anglo-Soviet, 256.
10/ The Times, Feb. 17, 1927.
11/ Chamberlain memorandum, Jan. 24, 1927, DBFP, 1A, II, 422
with Russia. On January 24, 1927 Chamberlain circulated the memorandum to the Cabinet together with a covering note of his own. In this the Foreign Secretary acknowledged that Anglo-Russian relations "...cannot be treated as purely a question of foreign policy..." since they involved "...issues of equal importance in ...domestic policy."

In the sphere of foreign policy, Chamberlain argued, a breach would be bound to have a "very disturbing effect... throughout eastern Europe." It would provoke an unpredictable response from Poland which "under Marshal Pilsudski is showing great restlessness." It would "gravely embarrass" Stresemann and endanger "his policy of reconciliation with the West." At the same time, a breach would not be a "fatal or...even serious blow" to the Soviet Union and "it cannot be expected that it will lead to a change of policy on their part." Instead, it would merely induce the Russians to intensify their anti-British manoeuvres. "What then is to

---

12/ See Chapter 4, note 90.
13/ Note 11.
be the end?", Chamberlain asked rhetorically. "We have shot our bolt. Short of declaring war, there is nothing more which we can do."

Turning to the domestic scene, the Foreign Secretary pointed out that the aims of the anti-Bolshevik campaign would not be achieved by a breach. Soviet propaganda and money would still enter the country whether or not formal relations existed. Moreover, in the event of a rupture the leaders of the Labour Party would "be forced to combine with those in their own ranks whom they ought to be fighting (since) all their past utterances go to show that on this point they would be in agreement with the extremists within their own party and would be forced to unite with the avowed Communists outside it." The General Strike and the Coal Strike had left the Labour Party "profoundly divided" and had shown the "moderates", MacDonald, Snowden, Thomas and Clynes, "that they must either beat the extremists now or that they themselves are beaten and the control of the party passes into Red Hands." A diplomatic breach with the Soviet Union, Chamberlain declared, would present "the extremists" with a victory "at a moment when it is to be devoutly hoped that they are going to be thoroughly crushed."
The government, according to the Foreign Secretary, would have to contend with a united opposition. Following a breach, "exaggerated estimates of the possibilities of Russian trade would again become current and would be sedulously fostered from the Bolshevik side. It would be represented that we were aggravating unemployment and driving trade away." Nor would this argument appeal only to the Labour Party. "Trade interests (who) have done some business (with Russia and) believe that they could do more...if political conditions were not so uncertain..." would protest. Lloyd George, who had steadfastly maintained "that the only way to break down Bolshevism and to destroy or modify the Soviet system (is) by cultivating relations between Russia and the outside world " would be bound "to denounce our action as impolitic." Furthermore, the government could not count on any support from the "Grey Liberals."14/ By breaking with the Soviet Union, therefore, the government would "present both Oppositions with a cry on which they

14/ The "Grey Liberals" were that faction of the Liberal Party which looked to Earl Grey of Falloden for leadership. Usually, they were counterposed to the faction headed by Lloyd George.
could all unite..."

At first glance, the arguments advanced by Chamberlain appear uncharacteristically alarmist. Yet it must be remembered that the Foreign Secretary had a very particular audience in mind when he composed his note. Why he should make use of such sweeping arguments is explained by the delicate position he found himself in in January 1927.

As Chamberlain pointed out in his note, Anglo-Russian relations had become as much an issue of domestic politics as of foreign policy. Three years of controversy and agitation had taken their toll. Since the General Strike especially, the pressure put on the government to break with Russia had made the Foreign Secretary's position in the Cabinet increasingly an isolated one. The 'diehards', Churchill, Birkenhead, Joynson-Hicks and Amery, had opposed Chamberlain's Russian policy since the General Election. Now, in the political climate of January 1927, it appeared likely that their view would finally prevail.15/

15/ Churchill and Birkenhead had long argued in favour of a breach. (Johnson, Austen Chamberlain, 68 and Birkenhead, F.E., 292-3.)
In a desperate attempt to prevent their success and regain support for his policy Chamberlain set out to convince his colleagues that the domestic consequences of a breach might prove excessive. In effect, he turned their own arguments against his opponents by suggesting that social stability in Britain might well be damaged irreparably and not enhanced as the 'die-hards' maintained. By raising the spectre of social revolution the Foreign Secretary obviously hoped to appeal to the fears and prejudices of the Cabinet, and thereby counter the demands of the 'die-hards', the party rank and file, and the Conservative press.

To add strength to his position, Chamberlain made certain that his Cabinet colleagues were kept informed of the reaction in foreign capitals to the crisis in Anglo-Russian relations. On February 19 he distributed a despatch from Sir Ronald Lindsay, the ambassador in Berlin, describing a conversation between Lindsay and the German Secretary of State, von Schubert. The latter told Lindsay that the crisis caused "the gravest anxiety" in Germany and that a rupture between London and Moscow would place Berlin "in a position of the gravest peril."

16/ Lindsay to Chamberlain, Feb. 16, 1927, DBFP, IA, III, 17. See also Dyck, Weimar Germany, 66-87,
Earlier that same month, the Foreign Office had received from the embassies throughout Europe despatches in reply to Gregory's memorandum of December 10, 1926. Gregory had invited the ambassadors to comment upon the memorandum which dealt with the arguments for and against ending relations with the Soviet Union. Their responses showed that none of them was unreservedly in favour of a breach and that Lindsay definitely opposed the idea. On February 9 Gregory forwarded these despatches to Chamberlain and advised him that "(o)n the whole... the balance of opinion is against an immediate breach." While there is no direct evidence that he did so, it seems reasonable to assume that the Foreign Secretary made use of this information in his discussions with the other members of the Cabinet.

In any event, Chamberlain's resolute defence of his policy convinced the Cabinet not to break off relations with Russia, although his achievement was far from unqualified. The government could not afford to ignore the pressure of

17/ Chapter 4, note 90.

18/ Lindsay to Gregory, Feb. 3, 1927, DBFP, IA, III, 3. The views of the other ambassadors consulted are contained in a footnote to this memorandum.
party and parliamentary opposition and, as the Foreign Secretary himself later admitted, came to the conclusion that continued silence was impossible.\footnote{19} Accordingly, on February 23 the Foreign Office sent a strong note of protest to the Soviet Charge d'Affaires, Rosengelz.\footnote{20}

The Foreign Office had already anticipated this step. On two separate occasions it had sought Sir Robert Hodgson's advice as to the form a note of protest might take. Sir William Tyrrell informed Hodgson that a protest might be laid "...in the light of (Russia's) proceedings with the general strike, the coal strike, and the Chinese crisis (and) in view of the very strong feeling which had been aroused in this country by those proceedings."\footnote{21}

Hodgson recommended that the Foreign Office construct a note which required no reply. In this way, the possibility of prolonged correspondence would be avoided.

\footnote{19} Chamberlain to Lindsay, Mar. 1, 1927, DBFP, 1A, III, 32.

\footnote{20} Chamberlain to Rosengelz, Feb. 23, 1927, DBFP, 1A, III, 21. According to his most recent biographers, Baldwin supported the protest note but opposed a breach, in part at least, because of the effect it might have "on moderate members of the Labour movement." (Middlemas & Barnes, Baldwin, 457.)

\footnote{21} Minute, Feb. 18, 1927, DBFP, 1A, III, 19. This memorandum records a conversation Tyrrell had with Hodgson who was in London on leave.
The note should dwell on Great Britain's desire for world peace and proclaim the government's indifference to the internal situation of the Soviet Union. Ever optimistic, Hodgson argued that in this way Great Britain "...should...furnish a good deal of useful ammunition for the growing discontent in Russia with the Communist policy of promoting world revolution..." 22/ Significantly, perhaps, on February 22 Tyrrell minuted that the French ambassador to Moscow shared Hodgson's belief in the increasing influence of those who advocated consolidation of the regime rather than the pursuit of world revolution. According to the French ambassador this nationalist faction seemed prepared to end Russian hostility to Great Britain and her Empire. Tyrrell himself added that "(a)s regards China, we have increasing information to the effect that the Soviet advice to the Cantonese has been to come to a settlement with us." 23/

The diplomatic note handed to Rosengolz on

22/ Note 21 and Hodgson to Chamberlain, Feb. 4, 1927, DBFP, IA, III, 4. See also Hodgson to Chamberlain, Feb. 11, 1927, DBFP, IA, III, 11.

23/ Printed as note 6 to the minute referred to in note 21.
February 23 followed the approach suggested by Hodgson. It consisted mainly of a lengthy recital of hostile speeches delivered by leading Soviet officials, articles attacking British policy which had appeared in the Soviet press, and even a cartoon lampooning the Foreign Secretary. These, the Note stated, were all serious violations of the 1921 Trade Agreement, and "(s)o long as the present rulers of (Russia), be they technically members of the Government or members of the Politbureau, which is the real dominating authority... or its ambassadors abroad, persist in making public utterances in defamation of Great Britain or in advocacy of a world revolution, no improvement (in relations) is possible."

In registering its disapproval of the "deplorable attitude of the Soviet leaders", the Note continued, the British government had no intention "of embarking on a controversy with them." All the evidence contained in the Note had been compiled from "sources of information already

24/ Hodgson had already complained to Litvinov about this particular cartoon. (Hodgson to Chamberlain, Jan. 1, 1927, DBFP, 1A, II, 379.) The cartoon implied that Chamberlain had been involved heavily in the overthrow of the Lithuanian government on December 17, 1926.
open to the whole world", and "(p)ublicly recorded speeches and articles in official organs are incontrovertible facts, about which no argument is possible." Great Britain had no concern "with the domestic affairs of Russia nor with its form of Government". The British government had "persistently striven for the promotion of world peace" and all that it asked of the Soviet Union was that it "should refrain from interference with purely British concerns and abstain from hostile action or propaganda against British subjects." "(A) continuance of such acts... must sooner or later render inevitable the abrogation of the Trade Agreement...and even the severance of ordinary diplomatic relations."

The significance of this Note lay not in its contents, since it was for the most part a reiteration of complaints and charges made previously, but rather in the fact that it was obviously a final warning to the Soviet government.

This emerged most clearly in the House of Commons during the ensuing debate on Anglo-Russian relations. 25/

25/ H. of C. Deb., 5th Ser., CCIII, Mar. 3, 1927, Cols. 599-672. The Times characterised the debate as "a clear warning" to the Soviet government. (Mar. 4, 1927.)
Chamberlain told the House that the government considered
"...it had the right to call the world to witness the
serious nature of the complaints which we have, and to
give the Soviet Government one more opportunity to conform
their conduct to the ordinary rules of international life
and comity."26/

From the opposite side of the House Lloyd George
expressed surprise that a protest had been sent at that
particular time, especially one which "(i)f (it) had been
addressed to any other Government, ...would have been
regarded as an ultimatum."27/ The note to Russia, he went
on, concluded with a paragraph "which practically threatened
the rupture of diplomatic relations."

In contrast to both these views, Locker-Lampson
criticised the government for not going far enough. He
welcomed the Note because "(i)t proves that at last the
Government realises the depth of feeling produced in the
country by the continuance of Soviet interference in our
midst." However, as it stood, the government's action

26/ H. of C. Deb., 5th Ser., CCIII, Mar. 3, 1927, Col. 634.
27/ Ibid.
"...is...worse than useless, for it revives the problem without resolving it, and in so doing it proclaims to the world that the British Empire is ready to swallow any humiliation lying down." The problem would remain unresolved, he argued, until the government severed relations with Russia.28/

Chamberlain defended the government's action to foreign diplomats in terms similar to those he had employed in the House of Commons. On February 24 he met the French ambassador, de Fleuriau. He told him that he had done his best to avoid a crisis, because of the effect it might have on the situation in Europe, but that the "continued and unconcealed hostility of the Soviet Government had compelled me at last to issue this serious warning." Chamberlain added that no British government "could continue much longer to entertain diplomatic relations with a country which disregarded the elementary principles of the comity of nations."

To the Italian ambassador, Marquis Torretta, he stated that the Note served two purposes; first, to bring to the attention of the Russians "the intolerable situation created

28/ Ibid., Cols. 643-50.
by their policy"; and secondly, "to give warning to the other countries of the uncertain character of (Anglo-Russian) relations and to the possibility that we might not be able to continue them much longer."\(^{29}\) When Lindsay informed him of the continuing "nervousness" in Germany, Chamberlain remarked that "I do not conceal from myself that the presentation of such a note alters the situation and carries us a stage further towards a breach...\(^{30}\)

As for the effect of the Note upon the Soviet Union, Hodgson's deputy in Moscow, Peters, reported on March 11 that the Soviet press had launched a vituperative anti-British campaign. This, he felt, indicated that the Soviet Government held out no hope of a settlement with Great Britain. He conceded, however, that he had "little opportunity of learning at first hand the view of the Soviet Government", and that "in so far...as the Soviet actions are concerned these are beyond the ken of the Moscow observer." On the other hand, he added, he had learned from other members of the diplomatic corps that "great

---


\(^{30}\) Note 19.
nervousness is being displayed in Soviet circles", although "few consider that the Soviet Government will modify its conduct as a result of the British Note." 31/

Early in March Chamberlain travelled to Geneva to attend the League of Nations and found the political atmosphere "delicate". He wrote Tyrrell that "(t)here is plenty of evidence of the unrest which you and I anticipated as the inevitable result of our note." There appeared to be no willingness on the part of other governments to follow Great Britain's example should she decide to break with Russia. Rather, Chamberlain added, there existed a general desire to remain aloof from the controversy. 32/

During his visit to Geneva Chamberlain held long discussions with Stresemann who enquired whether "a breach or war with Russia was within the bounds of possibility." In reply Chamberlain stated that he had always sought to avoid a breach but that unless the Russians altered their present policy "he...could do nothing to prevent a breach."

---

31/ Peters to Chamberlain, Mar. 11, 1927, DBFP, 1A, III, 42.
32/ Chamberlain to Tyrrell, Mar. 9, 1927, DBFP, 1A, III, 39. Lord Robert Cecil also commented on the atmosphere in Geneva. (Cecil to Chamberlain, Mar. 15, 1927, DBFP, 1A, III, 47.)
He had already encountered, he claimed, "the greatest trouble (in getting) his way in Cabinet" and had "only escaped a Vote of Censure in parliament by addressing about 200 members of the Conservative Party personally and confidentially, and explaining the reasons for his (Russian) policy." In view of this opposition, Chamberlain concluded, "he could now give Russia only one more chance to show by acts that a change (of policy) was intended. Otherwise there must be a rupture." 33/

Previously, Chamberlain had gone out of his way in discussions with foreign diplomats to deny the existence of any rift between himself and his colleagues on the Russian question. Now, with Stresemann, he made a point of emphasising their differences and of presenting himself as virtually the only person opposed to a breach. The reason for this change of behaviour can only have been that his words were aimed at the Russians rather than at Stresemann and that he regarded the German Foreign Minister as the best means of communication with Moscow. Perhaps also he entertained the hope that the Russians would

33/ Stresemann Diary, Mar. 6, 1927. Stresemann, Diary, III, 121-2.
accept that he was their only "friend" in London and make some gesture ("show by acts") which he could present to the Cabinet as evidence of their desire for improved relations.

Ironically, support for the argument advanced by Chamberlain appeared while he was in Geneva, but in a manner he could hardly have welcomed. During his absence from London the 'die-hards' resumed their attacks upon the Soviet Union, and, by implication upon his policy. These violent speeches added fuel to the widespread rumours in the European press that the British Note represented the opening move in a campaign by the Baldwin government to forge an anti-Bolshevik alliance. So pervasive were these rumours that Chamberlain found it necessary to issue an official denial on March 8. This action failed to end the speculation however, and The Times correspondent reported that the foreign journalists in Geneva "are convinced that the British Note...was a sort of declaration

---

34/ For speeches by Birkenhead and Joynson-Hicks see The Times, Mar. 8, 1927.

35/ R.I.I.A., Survey, 1927, 266. The Times commented on these rumours and called on the government to dispel them. (Mar. 8, 1927)

36/ The Times, Mar. 9, 1927.
of diplomatic war and that since (February 23) Great Britain has entirely reversed her policy with regard to Poland and Rumania and is busily stirring them up against the Soviets.\textsuperscript{37/}

In every respect the February Note had weakened Chamberlain's position. In the first place, it had virtually removed his scope for manoeuvre in any future crisis with Russia. The Note bore all the signs of an ultimatum and could not be repeated. In any subsequent confrontation with Moscow Chamberlain would have no alternative but to sever relations. The 'die-hards' would see to that. Moreover, the chances of a positive response from Moscow were slim. The British Note had largely been a reiteration of old complaints and had added nothing of substance to the debate between the two governments. The Soviet Union had previously rejected the arguments advanced by the British government and there could be little reason to expect a different response to the February Note.

\textsuperscript{37/} The Times, Mar. 9, 1927. In part these rumours were based on the fact that Italy had recently recognised Bessarabia, and the move was believed to have been inspired by Great Britain. (Ibid.)
In fact, the Russians had some justification for dismissing many of the charges levelled at them. The Foreign Office roundly denounced the Soviet newspapers, yet the conservative press, especially the *Daily Mail*, the *Morning Post*, and the *Daily Telegraph*, more than matched their abusive style.\(^{38}\) Similarly, the 'die-hards', even though some of them were Cabinet ministers, took every opportunity to assail the Soviet Union with language as violent as any used by Russians against Great Britain. Rosengolz had pointed this out to Chamberlain in February.\(^{39}\) On that occasion, the Foreign Secretary had denied that any parallel existed, but, at other times, he had shown himself

---

\(^{38}\) Numerous extracts from these newspapers are contained in Coates, *Anglo-Soviet*, *passim*. During the debate in the Commons on March 3, Lloyd George launched a scathing attack on that day's editorial in the *Morning Post*. This had called on the government "to induce the rest of Europe to combine with them" in a policy "directed to the end of disinfecting the world from Bolshevism..." (Coates, *Anglo-Soviet*, 261; *H. of C. Deb.*., 5th Ser., CClIII, Mar. 3, 1927, Cols. 639-40.)

sensitive to the allegation. 40/

In Europe also, the February Note had undermined Chamberlain's position. Not only had it caused problems for the Germans as he had said it would, it had apparently induced many people to regard the Russian point of view more sympathetically. In the aftermath of the February Note, Chamberlain found it more difficult to persuade other states to accept his explanation of British policy towards Russia.

The Foreign Secretary's comments to Stresemann and Lindsay show how conscious he was of his weakened position and of the fact that Anglo-Russian relations now "hung on a thread". 41/ Yet he refused to accept that

40/ As early as July 1925, Chamberlain had appealed to his colleagues to temper their public references to the Soviet Union. (Cabinet conclusions on Anglo-Soviet relations, Jul. 8, 1925, FO 371/11016, (N 4037/102/38)). In the February note Chamberlain made an obvious attempt to dismiss any response from Moscow on these grounds, by stating that "...from time to time men of authority (in Great Britain) have been compelled to give expression to the indignation inspired by the open hostility of the Soviet Government to the British Empire..."

41/ Chamberlain made this statement in June 1927 to Stresemann, Briand and other Foreign Ministers assembled in Geneva. (Chamberlain to Tyrrell, Jun. 16, 1927, DBFP, IA, III, 240.)
a breach must follow. To the ambassador in Peking, Sir Miles Lampson, he wrote that "there are certain indications that the (Russians) are anxious to come to an understanding with us."\(^{42}\) What these 'certain indications' might be he did not reveal. Most probably, however, he was referring to reports that the Soviet Union faced a severe economic crisis and, as a consequence, was prepared to put forward new proposals for a settlement with Great Britain.\(^{43}\) This conclusion would appear to be borne out by the fact that on April 5 Chamberlain sent the embassies in Berlin and Moscow copies of a "confidential" statement by a "very prominent" City financier predicting the imminent collapse of the Soviet economy. The Foreign Secretary stated that the report "coincides with information received in this Department from other sources."\(^{44}\) The fact that

---

\(^{42}\) Chamberlain to Lampson, Mar. 21, 1927, DBFP, 1A, III, 53.

\(^{43}\) See for example Palairot memorandum, Apr. 26, 1927, DBFP, 1A, III, 164. It describes a conversation Palairot had with the Managing Director of Becos Traders Ltd., a company which dealt actively with the Soviet Union.

\(^{44}\) Chamberlain to Lindsay, Apr. 5, 1927, DBFP, 1A, III, 117. The Foreign Office sent a copy to Peters on the same day.
Chamberlain considered it worth his while to solicit additional information on these reports suggests that he attached some credibility to them. This does not indicate that he expected them to alter radically the course of Anglo-Russian relations. More likely, given the state of those relations, he was simply clutching at straws.

As things turned out, Chamberlain had little time to do even that. In late March, another of the seemingly endless crises broke out in China. Beginning on March 24 and continuing over the next few days, troops of the Kuomintang went on the rampage in the city of Nanking. They attacked foreign residents and looted foreign-owned property, including the consulates of Great Britain, Japan, and the United States.

Soon after this Chiang Kai-shek, leader of the Kuomintang, began to purge Communists from his movement.

---

45/ Both Peters and Lindsay discounted the possibility of an imminent collapse of the Soviet economy, and their observations would certainly have dampened any enthusiasm for the short-term prospects of a settlement. See Lindsay to Chamberlain, Apr. 11, 1927, DBFP, LA, III, 144 and Peters to Chamberlain, Apr. 21, 1927, DBFP, LA, III, 158.


47/ Ibid., 337-43.
This, of course, was a development the Foreign Office had long predicted and which had served as a major justification of a policy of conciliation. Yet the Foreign Secretary received little support from either his party or the Conservative press at the time of the Nanking crisis or, indeed, subsequently. For, on the one hand, it made no difference to either the British community in China or to their supporters in Great Britain, who attacked their property and commercial interests. The fact that they were threatened at all was sufficient reason to protest the government's policy of restraint.

On the other hand, for many Conservatives the fact that the Soviet Union was once more involved in anti-British intrigues, as Chamberlain admitted to the House of Commons, justified their criticism of the Foreign Secretary's Russian

---

48/ See above Chapter 1. Chamberlain made this point in a speech to the House of Commons. (H. of C. Deb., 5th Ser., CCYI, May 9, 1927, Cols. 19-23.

49/ The British community in Shanghai felt very strongly that they had built the city into "the fourth harbour of the world" from little more than a "mud flat". (Louis, British Strategy, 164-6.)
Throughout the first half of 1927 the issue of trade union reform polarised opinion in Great Britain and also helped to keep Anglo-Russian relations in the centre of the political stage. The impetus for reform came from the angry response of many Conservatives to the General Strike. They felt that the trade unions had acted unconstitutionally in calling the strike and they demanded that the government take steps to ensure that, in future, general strikes would be prohibited. At the annual Conservative Party Conference in October 1926 a motion criticising the government's "apparent inability... to appreciate the necessity" of trade union reform was tabled. Faced with the threat of an embarrassing censure from the floor of the Conference Baldwin promised to

50/ Chamberlain told the House of Commons that, "...the anti-foreign feeling in general and the anti-British feeling in particular (in China) has undoubtedly been encouraged and stimulated from Moscow." (H. of C. Deb., 5th Ser., CCIV, Apr. 4, 1927, Col. 1689.)

51/ The fullest account of the history of this Bill can be found in Middlemas & Barnes, Baldwin, 444-53. As usual, the interpretation offered by them is highly sympathetic towards Baldwin himself.
introduce, in the next legislative session, a Bill designed to curb the powers of the trade unions.\textsuperscript{52}/

As a result of this commitment the Trades Disputes and Trade Unions Bill came into being.

When the Bill appeared, it generated tremendous controversy, not only in the House of Commons but in the press and country at large.\textsuperscript{53}/ During the Bill's slow and acrimonious passage into the statute books much of the bitterness of the previous summer reappeared. Conservatives devoted great time and energy to discussing the dangers of communist influence in the trade union movement and the 'urgent need' to eliminate it.\textsuperscript{54}/

\textsuperscript{52}/ Ibid., 446. Sir George Younger informed Baldwin in December 1926 that "...many of our keenest supporters (are) grumbling about (the government's) weakness and...Socialistic tendencies."(1) (Ibid. 447) Emphasis — in original.

\textsuperscript{53}/ To limit debate in the Committee stage the government finally resorted to the guillotine. The Labour Party responded to this by walking out of committee en masse. The Third Reading of the Bill finally took place on June 23, 1927. (Mowat, \textit{op. cit.}, 336)

\textsuperscript{54}/ Joynson-Hicks characterised opposition to the Bill as a "Communist frenzy". (\textit{The Times}, Apr. 27, 1927). Baldwin defended the Bill by claiming that "...in some unions you have had the power gradually getting into the hands of...the Minority Movement." He cited the Miners' Federation as an example. (H. of C. Deb., 5th Ser., CCV, May 4, 1927, Cols. 1656-64). (Cont.)
This, in turn, revived the contentious issue of Russian interference in the General Strike.

All these signs indicated that Anglo-Russian relations faced a very uncertain future. Yet, even in April 1927 there appeared to be no immediate reason why they should end abruptly. After all, relations had limped along for almost three years. And, they would probably have continued to do so, but for the bizarre affair of the "Arcos Raid."

The Raid took place on May 12, 1927. A force of seventy-five police armed with a search warrant entered the building which housed both the Russian Trade Delegation and the offices of Arcos Ltd., a company licensed to carry on trade for the Soviet Union. According to the explanation given in the House of Commons by Joynson-Hicks, the police

54/(Cont.)

Whether Baldwin seriously considered this to be true, is open to question. The government kept itself well-informed of trade union affairs and must have known that the influence of both the M.M. and the C.P.C.B. had diminished significantly following the General Strike. (Martin, Communism and British Trade Unions, Chapter IV). The National Union of General and Municipal Workers, for example, had disfranchised five branches in February 1927, because of their association with the M.M. (The Times, Feb. 28, 1927). In reality, the Bill represented a straightforward act of revenge for the General Strike.
were authorised to search for a state document which had been reported missing from the War Office. The Home Secretary told the House that he had learned of the document's disappearance from the Secretary of State for War, Sir Laming Worthington-Evans, who had informed him that there was strong evidence to suggest that it had been taken to the offices of Arcos Ltd. On hearing this, Joynson-Hicks reported, he went to see the Prime Minister and the Foreign Secretary and after consultation had issued a warrant for a search of the building. 55/

From the outset, the "Arcos Raid" was shrouded in as much confusion and controversy as the "Zinoviev Letter" had been. The alleged missing document was never located in the search, nor did the government offer any proof of its existence. Instead, Ministers invoked the time-honoured

55/ H. of C. Deb., 5th Ser., CCVI, May 16, 1927,Cols. 911-2. According to his biographers both Baldwin and Chamberlain were reluctant about the search but had given way to Joynson-Hicks. They offer no documentary proof to support their claim. Publicly at least, both the Prime Minister and the Foreign Secretary expressed full agreement with the Home Secretary's action. (Middlemas & Barnes, Baldwin, 458). Lord Robert Cecil, in what can only be a case of faulty recollection, claimed that the Cabinet authorized Joynson-Hicks to go ahead with the raid. (Cecil, Great Experiment, 183.)
device of the 'national interest' to explain the government's reluctance to produce concrete evidence to support its allegations. Moreover, the police searched the entire building, including the rooms which housed the Trade Delegation. This raised the question of whether the police action had violated the 1921 Trade Agreement, Article 5 of which stipulated that the official agents of the Soviet Union enjoyed immunity from arrest and search. The Russians protested that the raid did constitute a clear breach of the agreement. The Foreign Office, on the other hand, rejected the Russian charge and maintained that the search had complied, as closely as could reasonably be expected, with the conditions of the Trade Agreement.

56/ Worthington-Evans statement, H. of C. Deb., 5th Ser., CCVI, May 19, 1927, Col. 1387.

57/ Rosengolz presented a formal note of protest to Chamberlain during their meeting on May 13. This note and a more detailed note delivered by Litvinov to Hodgson on May 17 are printed in J. Dgras, Soviet Documents on Foreign Policy, (New York, 1952), II, 202-8.

58/ The arguments advanced by the Foreign Office are in Mr. Warner memorandum, May 13, 1927, DBFP, Ia, III, 194, and memorandum (unsigned), May 25, 1927, DBFP, Ia, III, 212. Warner served as Head of the Treaty Department.
On the morning of May 13, Rosengolz called at the Foreign Office and handed a written protest to the Foreign Secretary.\footnote{59} In the course of the interview which followed, Rosengolz complained about the behaviour of the police during the search. At the same time he informed Chamberlain that two days before an agreement had been reached with the London and Midland Bank for a credit totalling £10 million. He added that "(h)e could only suppose that the raid had been undertaken in order to bring this agreement to nought and to weaken relations between the Soviet Union and Great Britain."

Rosengolz's statement regarding the proposed agreement was subsequently challenged by the bank and by one of its directors who sat in the House of Commons as a Conservative M.P.\footnote{60} Rosengolz had given the impression that the credit would have been granted directly to Arcos. In fact, it would have been extended to British buyers placing orders in the Soviet Union through Arcos. Never-

\footnote{59}{Chamberlain memorandum, May 13, 1927, DBFP, IA, III 193.}

\footnote{60}{Sir E. Turton statement, H. of C. Deb., 5th Ser., CCVI, May 26, 1927, Cols. 2228-9.}
theless, the arrangement would clearly have benefitted the Soviet Union and would have been a step towards a more normal relationship with British financial circles. For that reason alone it would have been most distasteful to the 'die-hards' in Great Britain. But to conclude from this that they instigated the Arcos Raid would be, in the light of what evidence is available, unjustified. Any theory based upon the premise that the raid was an elaborate charade performed by the War Office in collusion with the Home Secretary needs proof of conspiracy and none presently exists. 61/

On the other hand, what evidence is available does not provide any satisfactory explanation. Certainly, without proof that the secret document did exist or, alternatively, that those responsible for its theft were apprehended and charged, the government's story must be taken on faith. Whenever members of the opposition parties questioned the Home Secretary on either of these points,

61/ Ponsonby asked Joynson-Hicks "...whether this raid was timed by him to coincide with the Committee stage of the Trade Unions Bill?" (H. of C. Deb., 5th Ser., CCVI, May 16, 1927, Col. 913).
his answers were couched in very carefully chosen terms.62/
At least for the present, the motives behind the Arcos Raid
must remain a matter of conjecture.63/
The government took some time to make an official
statement on the raid. The official reason for the delay
was that the Cabinet needed time to analyse the wealth of
material taken from the Arcos building by the police.64/
A more feasible explanation would be that following the
raid the government found itself in an embarrassing position.
The War Office document had not come to light during the
raid, nor had the police uncovered anything else of importance.
Yet the government could hardly declare the search a failure.
To have done so would have made it look ridiculous in the

62/ Joynson-Hicks, statement, H. of C. Deb., 5th Ser.,
CCVI, May 16, 1927, Cols. 915-6.
63/ It is interesting to note, however that only a month
before the Arcos Raid, Chinese police had raided the
Russian Legation in Peking. They had seized quantities
of propaganda material and later made them public.
Before proceeding with the raid, the Chinese police
had sought and received permission from the Diplomatic
Body. (Chamberlain statement, H. of C. Deb., 5th Ser.,
CCV, Apr. 11, 1927, Cols. 6-8.) This raid provoked
a great deal of comment from Conservative back-benchers.
64/ Joynson-Hicks statement, H. of C. Deb., 5th Ser.,
CCVI, May 19, 1927, Cols. 1340-4.
eyes of its supporters and critics alike. Nor could the Foreign Office send another note of protest. Such a note would have been bound to reduce the credibility of the British government in Europe and the Soviet Union. In short, the Arcos Raid had left the government with no alternative but to break off relations with the Soviet Union. Nothing less could justify the raid and nothing less could possibly appease the 'die-hards' and their supporters. Why the government issued no statement until twelve days after the raid is, therefore, understandable. In that time, not only was the fate of Anglo-Russian relations decided formally, but also the government prepared, as best it could, a case to present to Parliament. 65/

Baldwin announced the government's decision in the House of Commons on May 24 at the conclusion of a

65/ The published literature provides almost no details of the debates in the Cabinet during this time. Baldwin's biographers merely record that on May 23 the Cabinet was in "general agreement to put an end to the trade agreement and to reject the diplomatic mission because of interference in British affairs." (Middlemas & Barnes, Baldwin, 458.)
lengthy, dramatic statement on the Arcos Raid.66/ According to the Prime Minister, the police, in collaboration with the military authorities, had for some months been investigating a group of secret agents working for the Soviet government to secure British state secrets. Recently, the War Office discovered that a "document of an official and highly confidential nature" had disappeared. Evidence had come to light to suggest that the document had been conveyed to Soviet House and photo-copied. The Arcos Raid had been undertaken to secure this document.

Baldwin went on to explain to the House that the document had not been found during the raid but that the police had obtained abundant evidence which provided that both Arcos and the Trade Delegation were being used as a base for subversive activities and "military espionage ... throughout the British Empire and North and South America..." This, Baldwin declared, constituted a serious violation of

66/ H. of C. Deb., 5th Ser., CCVI, May 24, 1927, Cols. 1842-9. The Foreign Office had advised Peters the previous day. (Chamberlain to Peters, May 23, 1927, DBFP, 1A, III, 209.)
the Trade Agreement of 1921 for which the Soviet government could not escape responsibility. The Soviet actions had, he continued, made it impossible for Great Britain to continue the agreement. Consequently, the government had decided to terminate it and demand the withdrawal of the Soviet Mission and Trade Delegation from London. At the same time, the British Mission in Moscow would be recalled.67/

Significantly, almost half of Baldwin's statement dealt with the question of Russian subversion in China rather than with the Arcos Raid. He relied for evidence of this subversion not on material taken in the raid, but on two telegrams obtained elsewhere. The first had apparently been sent by the Soviet Government to their representative in Peking, while the other was allegedly from the Soviet Chargé d'Affaires in London to the Commisariat of Foreign Affairs in Russia. Nothing could illustrate more vividly the government's obvious embarrassment at the meagre quality of the material seized during the Arcos Raid. The Cabinet must surely have known that the opposition would leap at the opportunity of

67/ Great Britain maintained consulates in Vladivostok (Mr. Paton) and in Leningrad (Mr. Preston). See Chamberlain to Rosengolz, May 26, 1927, DBFP, IA, III, 215.
attacking the government over the first of these telegrams which could only have come into its possession by the very same methods it now sanctimoniously condemned the Russians for employing against Great Britain. 68/

Two days after the Prime Minister's announcement the House of Commons met to discuss the proposed breaking off of relations. 69/ Given the government's comfortable majority in the House, the outcome of the debate was never in doubt, but this did not deprive the occasion of all interest. On the day of the debate the government issued a Parliamentary Paper titled "Documents illustrating the Hostile Activities of the Soviet Government and the Third International against Great Britain." 70/ This consisted of the material taken in the Arcos Raid together with other documents including the telegrams Baldwin had referred to on May 24. Members of the opposition parties passed much of the debate ridiculing this evidence.

68/ See the exchange on this issue between Chamberlain and Kenworthy in H. of C. Deb., 5th Ser., CCVI, May 30, 1927, Cols. 17-8.

69/ Ibid., May 26, 1927, Cols. 2195-310.

70/ Cmd. 2874, (Russia No. 2)
In addition, critics of the government dismissed the argument that espionage justified a diplomatic rupture by pointing out that every government collected information about the armed forces of other nations. Otherwise they would be neglecting the security of their own state.\footnote{Lloyd George statement, May 26, 1927, H. of C. Deb., 5th Ser., CCVI, Cols. 2230-1. Ponsonby statement, \textit{Ibid.}, Cols. 2257-9.}

They argued that under the terms of the 1921 Trade Agreement "the aggrieved party shall give the other party a reasonable opportunity of furnishing an explanation or remedying (any) default", and the government's proposal would not conform with this stipulation.\footnote{Clynes statement, \textit{Ibid.}, Col. 2198.}

Finally, they protested that the economy would suffer following a breach since trade between the two states would inevitably diminish.\footnote{Clynes statement, \textit{Ibid.}, Cols. 2201-2. Lloyd George statement, \textit{Ibid.}, Cols. 2229-30.}

Chamberlain and Joynson-Hicks replied for the government and neither added anything new or startling.\footnote{Chamberlain statement, \textit{Ibid.}, Cols. 2204-18; Joynson-Hicks statement, \textit{Ibid.}, Cols. 2298-310.}

Instead, they concentrated their attention on the development
of Anglo-Russian relations since the signing of the Trade Agreement. In particular, they took great pains to cite the occasions on which the Lloyd George Coalition and the Labour administration of Ramsay MacDonald had complained about violations of the 1921 agreement. Quite clearly they intended to blunt the attacks from the opposite side of the House by demonstrating that the present proposal followed the line of approach adopted by previous governments.

In response to the charge that economic damage would be done, Chamberlain observed that the Prime Minister had stated on May 24 that Arcos would be allowed to continue its 'legitimate' business. The government had no desire to interfere with trade. It aimed only at preventing any further use of the Arcos premises as a centre for intrigue against the British Empire. These activities were so widespread and notorious that the proper question to ask was not, "Why break now?" but "Why not before?". Great Britain

75/ Chamberlain statement, Ibid.,Cols. 2205-6. In fact, the Soviet government had already taken steps which would hinder Anglo-Russian trade. On May 17 the Russians issued a decree stipulating that foreign trade could be conducted only with states which had "normal diplomatic relations" with the Soviet Union. Peters kept the Foreign Office informed of this development. (Peters to Chamberlain, May 21, 1927, DBFP, IA, III, 206) In addition, the Soviet Trade Delegation suspended taking orders on May 24. (Degras, op.cit., II, 209).
sought world peace and this alone had induced the government to tolerate the behaviour of the Soviet Union. But now the Russians had "pushed patience to the point at which further persistence in it would be weakness or acquiescence in dupery."

The next day, following the government's inevitable success in the Commons, Chamberlain sent Rosengolz official notification of the severance of relations. He gave the Russians ten days to arrange their departure from Great Britain.

From every side came predictable reactions. Birkenhead declared himself "personally...delighted" and regretted only that the decision had not been taken three years earlier. In a letter to Lord Irwin he wrote that "...I think we ought to have (broken with Russia) the moment the General Election was over...I have been trying to procure such a decision ever since." He added that by severing relations with the Soviet Union "...we have sustained

immense moral gain. We have got rid of the hypocrisy of pretending to have friendly relations with this gang of murderers, revolutionaries and thieves."77/ The Times congratulated the government for putting "...an end once for all to a sterile and irritating sham."78/

In contrast, Lloyd George called the government's action "madness", and offered the opinion that the government had had no real intention of breaking with Russia but had "glided" and "tumbled" into its decision. He placed the blame for this squarely on the shoulders of Joynson-Hicks.79/ Certain members of the Labour Party went even further to demonstrate their disapproval of government policy. On May 28 a group of Labour M.P.'s held a luncheon at the House of Commons and entertained Rosengolz as guest of honour.80/ Finally, on June 3 Labour M.P.'s, including Arthur Henderson and R.C. Wallhead, featured prominently

77/ Birkenhead, F. E., 292-3.
78/ The Times, May 26, 1927.
79/ Coates, Anglo-Soviet, 284.
80/ The Times, May 28, 1927.
at Victoria Station when a large party assembled to bade Rosengolz farewell. 81/

The strange affair of the Arcos Raid provided an appropriate conclusion to the relations between Great Britain and the Soviet Union which had commenced with the equally bizarre "Zinoviev Letter". Taken together, they demonstrate the influence exerted by domestic political pressures over the conduct of policy towards Russia between 1924 and 1927. During these three years that influence increased to the point at which it became the dominant consideration in the minds of the policy makers. Following the Arcos Raid, the government had no other choice but to break with the Soviet Union.

Essentially, this represented a further stage in what passed for the democratization of foreign policy which had developed after the First World War. What made it so striking a phenomenon between 1924 and 1927 was the range of public feeling in Great Britain with regard to the Soviet Union and to Socialism generally. The issues of trade, unemployment, Russian debts and, from a Conservative
perspective, above all, subversion of the social order and imperial security, created a form of polarity in British politics. As this thesis has shown, this polarity did not necessarily indicate ideological homogeneity in the two groups. Members of the C.P.G.B. and captains of industry could and did support the retention of relations with the Soviet Union. Similarly, communist and non-communist trade unionists could take the same approach. On the other hand, for many Conservatives, especially after the General Strike, the perceived threat to the social order outweighed any benefits to be gained from relations with the Russians.

In view of the controversial impact of Soviet policies on British affairs and the determined attempts significant numbers of Conservatives made to force the government to break off relations, the kind of policy the Foreign Office developed towards Russia was, in many ways, unsuitable. No one could foretell how long the re-emergence of 'historical' Russia might take. Consequently, the longer the process took, the more urgent, from the perspective of the Foreign Office, the domestic pressure became. The Foreign Office no longer enjoyed immunity from pressure groups such as the London Chamber of Commerce or Conservative back-
benchers. Whitehall had to pay attention to external complaints. The most significant pressure, still came through the Cabinet, of course, and the 'die-hards' there, favoured a breach every bit as ardently as Oliver Locker-Lampson. Therefore, as time passed the Cabinet became an important filter for the domestic criticism to reach the permanent officials.

Moreover, Chamberlain's Russian policy contained important contradictions which hindered any prospect for a resolution of Anglo-Russian differences, and hence, enhanced the chances for success of the anti-Bolshevik campaign. While maintaining that they would deal with any serious advances from the Soviet government, the Foreign Office argued that no matter what kind of agreement Great Britain reached with the Soviet Union, the Russians would fail to honour it. 82/ Furthermore, belief that the Soviet Union had more need of Great Britain than the revealed to a situation where any suggestions for a settlement from Soviet representatives became evidence that the evolutionary process in the Soviet elite had quickened. This, in turn,

82/ Gregory memorandum, Nov. 1, 1925, DBFP, 1A, I, 46.
prompted the Foreign Office to conclude that even more was to be gained by remaining aloof. 83/

Ironically, the fact that the Conservative elite was divided helped to determine the outcome of policy towards the Soviet Union. Even so, the result might have been different had the outstanding issues between Russia and Great Britain been restricted solely to questions of finance. As it was, the issue of subversion at home and throughout the Empire, became the critical factor. To the broad mass of Conservatives this could not be left at the mercy of a possible improvement in Anglo-Russian relations. They demanded immediate action from the government and, in the end, the government responded. The important point is, therefore, not whether Foreign Office perceptions of the Soviet Union were accurate, but whether they were appropriate in the critical political atmosphere which existed in Great Britain between 1924 and 1927. This study has shown that over the three years more and more Conservatives wanted "the satisfaction of an emotion rather than an act of useful diplomacy." 84/ They refused to wait.

83/ Ibid.

BIBLIOGRAPHY

Bibliographical Aids.


Index to the Correspondence of the Foreign Office for the Year 1924. Nedeln, Liechtenstein, Kraus-Thomson, 1969.

Index to the Correspondence of the Foreign Office for the Year 1925. Nedeln, Liechtenstein, Kraus-Thomson, 1969.

Index to the Correspondence of the Foreign Office for the Year 1926. Nedeln, Liechtenstein, Kraus-Thomson, 1969.

Index to the Correspondence of the Foreign Office for the Year 1927. Nedeln, Liechtenstein, Kraus-Thomson, 1969.


A. Primary Materials - Unpublished

I. Official Documents


FO 371/11015 (N 2888/102/38). "Relations between Great Britain and Soviet Union." 18th May, 1925.


FO 371/11016 (N 4021/102/38). "Mr. Austen Chamberlain to Mr. Hodgson (Moscow)." 13th July, 1925.


FO 371/11016 (N 6239/102/38). "Memorandum by Mr. Gregory respecting Anglo-Soviet Relations." 1st November, 1925.


FO 371/11787 (N 5452/387/38). "Anglo-Soviet Relations: Memorandum setting forth the arguments against breaking off relations." 7th December, 1926.
B. Primary Materials - Published

I. Official Documents.


... Cmd. 2874, Russia No. 2, *Documents illustrating the Hostile Activities of the Soviet Government and the Third International against Great Britain.*

... Cmd. 2895, Russia No. 3, *Selection of Papers dealing with relations between His Majesty's Government and the Soviet Government, 1921-1927.*

II. Unofficial Documents


C. Press.

The Times.
D. Memoirs and Diaries


Memoirs and Diaries (cont.)


Secondary Sources.

A. I. Biographies


Biographies (cont.)


Hamilton, M.A. **J. Ramsay MacDonald.** London, Cape, 1929.


Mallett, C. Sir. **Lord Cave.** London, Murray, 1931.


Nicolson, H. **King George the Fifth.** London, Constable, 1952.

Biographies (cont.)


Sacks, B.J. Ramsay MacDonald in Thought and Action. Albuquerque, N.M., University of New Mexico, 1952.


II. Biographical Sketches.


III. Biographical Collections


B. I. Contemporary Articles.


"Should We Guarantee a European Settlement?" The Round Table, XIV, 1923-1924, 495-523.

"The British Commonwealth, the Protocol and the League." The Round Table, XV, 57, December 1924, 1-23.


"Europe, the Covenant and the Protocol." The Round Table, XV, 58, March 1925, 219-241.

"Cologne, the Security Pact and the League." The Round Table, XV, 59, June 1925, 431-456.


"The Budget and the Trade Unions Bill." The Round Table, XVII, 67, June 1927, 562-578.

"Great Britain: The Ministry and Public Opinion". The Round Table, XVII, 68, September 1927, 768-781.

"Locarno and the British Commonwealth." The Round Table, XVII, 67, June 1927, 562-578.
II. Contemporary Surveys - Royal Institute of International Affairs.

Toynbee, A.J. Survey of International Affairs, 1924.


Toynbee, A.J. Survey of International Affairs, 1926.

C. **Historical Articles.**


Historical Articles (cont.)


D. Monographs.


Monographs (cont.)


Monographs (cont.)


E. General Studies.


F. Theses.


