

Journal of Liberal

HISTORY



Liberals in coalition

Vernon Bogdanor

Riding the tiger The Liberal experience of coalition government

Ian Cawood

A 'distinction without a difference'? Liberal Unionists and Conservatives

Kenneth O. Morgan

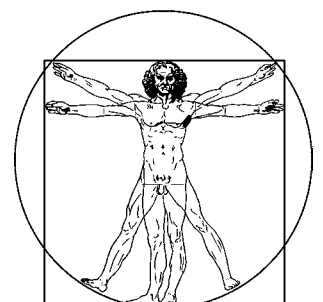
Liberals in coalition, 1916–1922

David Dutton

Liberalism and the National Government, 1931–1940

Matt Cole

'Be careful what you wish for' Lessons of the Lib–Lab Pact

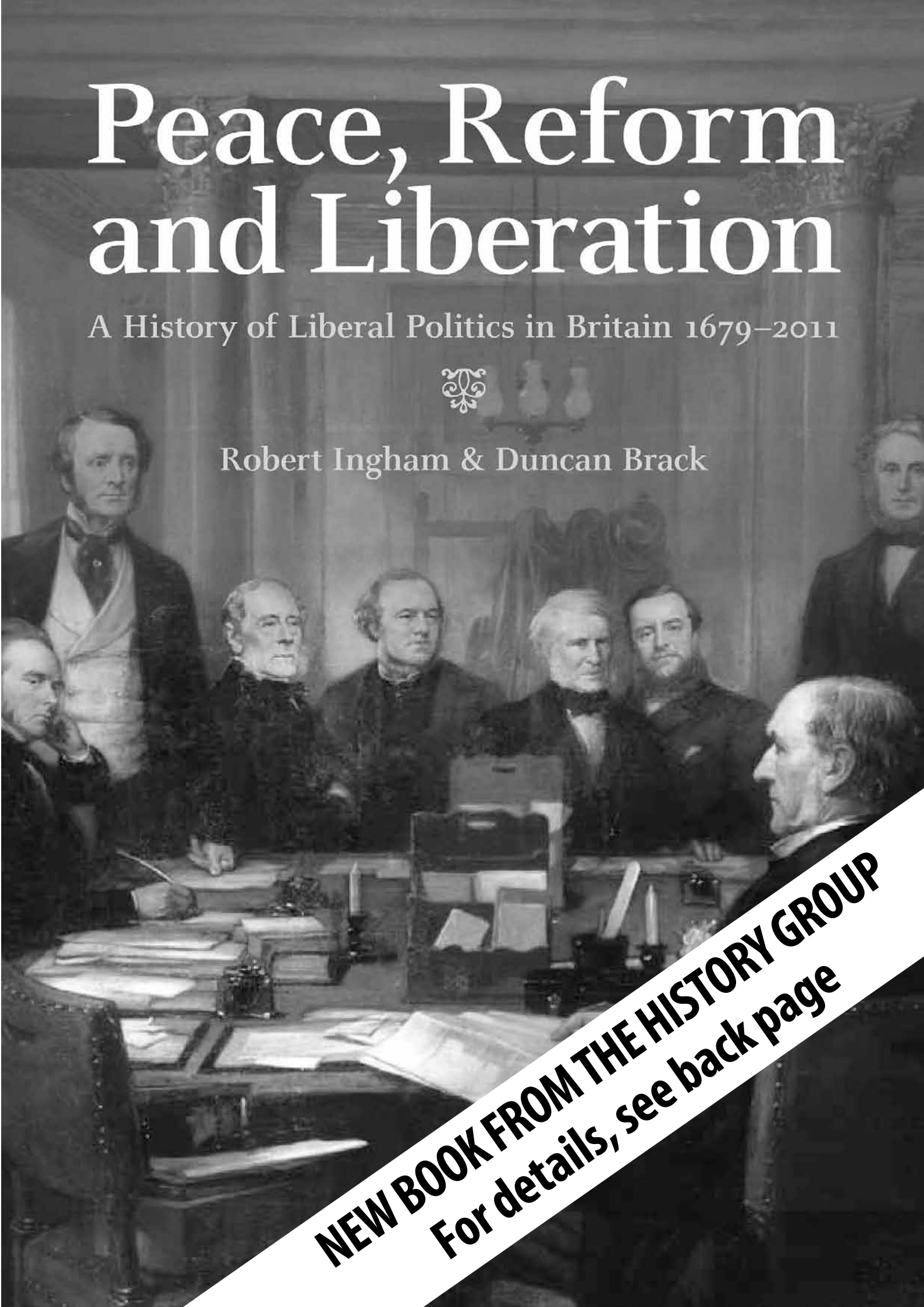


Peace, Reform and Liberation

A History of Liberal Politics in Britain 1679–2011



Robert Ingham & Duncan Brack



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Journal of Liberal History

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Liberal Democrat History Group

The Liberal Democrat History Group promotes the discussion and research of topics relating to the histories of the Liberal Democrats, Liberal Party, and SDP, and of Liberalism. The Group organises discussion meetings and produces the *Journal of Liberal History* and other occasional publications.

For more information, including historical commentaries, details of publications, back issues of the *Journal*, and archive and other research sources, see our website at: www.liberalhistory.org.uk.

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RIDING T

THE LIBERAL EXPERIENCE O

‘There was a young lady
of Riga
Who smiled as she rode
on a tiger;
They returned from the
ride
With the lady inside,
And the smile on the
face of the tiger.’

Coalitions between unequal partners can end up like the relationship between the tiger and the young lady of Riga. In March 2011 the Liberal Democrat History Group and British Liberal Political Studies Group organised two seminars to learn from the Liberal experience of coalition governments. **Vernon Bogdanor** introduces this special issue, containing papers from the seminars.



THE STORY begins with Disraeli’s famous comment in the House of Commons on 16 December 1852, in the midst of a thunderstorm, in which he said this:

The combination may be successful, a coalition has before this been successful, but coalitions, though successful, have always found this – that their triumph has been brief.

‘This, too, I know,’ he concluded, ‘that England [he meant, I suppose,

Britain] does not love coalitions.’ But whether England or Britain does or does not love coalitions, we have had three peacetime coalitions in the last 120 years: the 1895 coalition between the Conservatives and the Liberal Unionists; the Lloyd George coalition between the Conservatives and one wing of the Liberal Party; and the National Government of 1931. All have been coalitions between Conservatives and Liberals, or between Conservatives and one wing of the Liberal Party. In the case of the Lloyd George coalition

THE TIGER

OF COALITION GOVERNMENT

and the National Government, there were also other small parties involved. But there have been no coalitions between the Liberals and the Labour Party, although the Liberals have supported Labour governments from the outside – in what would now be called a confidence and supply agreement – in the 1929 Labour government and, with the Lib–Lab pact of 1977–78, the Callaghan government.

There is, however, a fundamental difference between the three previous peacetime coalitions and the present one. It is that the past three coalitions were formed before general elections and endorsed by the electorate in those general elections – by landslide majorities, in fact. They were not, as the current coalition has been, formed *after* a general election. In 1895, 1918 and 1931, governments went to the country as coalitions and electors knew that they were voting for a coalition. In 2010, the voters did not vote for a coalition and had to guess what coalition might ensue in the event of a hung parliament. Many guessed wrong, including *The Guardian*, which advocated a vote for the Liberal Democrats to create a progressive coalition of the left. This is important since it means that the 2010 coalition lacks the legitimacy of the past three peacetime coalitions.

There is a further interesting difference between this coalition

and the past three: the 2010 coalition is the only one that occurred after a hung parliament. After the 1895, 1918 and 1931 elections, the Conservatives, had they wished to do so, could have governed without the support of any other party. Clearly, after 2010, that could not have been the case. But, after previous hung parliaments, including the next most recent, in February 1974, the outcome was not coalition but minority government. The fact that the 2010 coalition was, as it were, a coalition of necessity, alters its dynamics very considerably. In previous coalitions the non-Conservative elements were expendable. In 1918, Bonar Law, the Conservative leader, told his followers:

by our own action we have made Mr Lloyd George the flag-bearer of the very principles on which we should appeal to the country. It is not his Liberal friends, it is the Unionist Party which has made him prime minister and made it possible for him to do the great work that has been done by this government.¹

But, if the Conservatives could make Mr Lloyd George, they could also break him, as in fact they did in 1922. Similarly, after 1932, the Conservatives could have got rid of Ramsay MacDonald, but decided to keep him as a fig leaf to cover up what might otherwise appear as a nakedly Conservative government.

Left: David Cameron and Nick Clegg at the formation of the coalition government, May 2010

In the current, coalition, if the Liberal Democrats were to decide to leave the government, there does not, admittedly, in consequence of the Fixed-Term Parliaments Act, have to be a general election. But there would be a different sort of government – either a Conservative minority government or, possibly, a coalition of the left. That, of course, makes it easier for the Liberal Democrats to leave the coalition.

If the three previous coalitions did not owe their existence to a hung parliament, to what did they owe their existence? If one had to grossly oversimplify and answer in one word, that word would be ‘fear’. In 1895, the fear was of Irish home rule, which many otherwise intelligent people felt would mean the disintegration of the United Kingdom, and a surrender to terrorism and violence. The 1895 coalition was founded on a negative proposition concerning home rule; as soon as the coalition had to consider a positive policy, tariff reform, it began to disintegrate.

In 1918, there was a positive element as well as a negative – to create a new world after the First World War, with a new alignment of parties in a society in which the old issues – church disestablishment, free trade, home rule, etc. – had disappeared. But there was also a negative element – fear of the trade unions, fear of a general strike, and, above all, fear of

'Bolshevism', sometimes equated, odd though it may seem today, with the Labour Party. But, following the Russian revolution in 1917, and Communist uprisings in many of the countries of central and eastern Europe, there was a feeling, however, misplaced, amongst members of the governing class, few of whom had any close understanding or knowledge of the labour movement, that Britain too might be on the brink of revolution, and that the forces of order should combine together to defeat this threat. In February 1920, the Deputy Cabinet Secretary, Thomas Jones, recorded a meeting of Lloyd George with his advisers at which the Home Secretary 'outlined his proposals to raise a special temporary force of 10,000 soldiers for the national emergency', the existing police force being inadequate. 'There are', the Food Controller insisted, 'large groups preparing for Soviet government'. Walter Long, the First Lord of the Admiralty, was worried that 'The peaceable manpower of the country is without arms. I have not a pistol less than 200 years old'. Bonar Law, the Conservative leader, summed up the discussion saying that 'All weapons ought to be available for distribution to the friends of the Government'. Sir Auckland Geddes, the President of the Board of Trade, 'pointed to the universities as full of trained men who could co-operate with clerks and stockbrokers. (During the discussion Bonar Law so often referred to the stockbrokers as a loyal and fighting class until one felt that potential battalions of stockbrokers were to be found in every town.)'² Perhaps the bankers are an equivalent 'loyal and fighting class' today.

With regard to the coalition of 1931, it is easy to underestimate the element of panic at the possibility of financial collapse amongst those who remembered the German inflation of 1923. When, in the previous Labour Cabinet, Philip Snowden, the Chancellor, was asked what would happen if we were pushed off the gold standard, he threw his arms up in despair and replied, 'The deluge.' During the 1931 election campaign, Ramsay MacDonald held up worthless German marks and said that Britain would face the same fate if the National Government were not returned.

It was this element of fear that helped the Conservatives in 1895, 1918 and 1931, because, of course, when people are frightened, they tend to vote Conservative. Indeed, the Conservatives have benefited more than Liberals from coalitions. The Conservatives might well have won the elections of 1895, 1918 and 1931 even without their coalition partners, but their partners strengthened them, enabling them to win seats in areas that were not naturally Conservative.

As late as 1965, John Nott, who was to become a minister in the governments of Edward Heath and Margaret Thatcher, came to be:

selected as the National Liberal and Conservative candidate for St Ives – not the Conservative candidate. I was told by the local association that St Ives could not be won by a Conservative – but that as the National Liberals had supported the Conservatives and had done so since 1931, I should not fret about the label.

Nott did not drop the National Liberal label until the general election of 1974, even though the party wound itself up in 1968. The accumulated funds of the party, amounting to £50,000 were then given to the Conservatives 'who, of course, blew it in an afternoon on some futile advertising campaign'.³

It was useful for the Conservatives to have the support of Liberals and other groupings because it gave them a national appeal over and above their purely party appeal. And the landslide victories of 1918 and 1931 were assisted by the fact that the coalitions were led by non-Conservatives with the implication that their previous parties – the Liberals in 1918 and Labour in 1931 – were irresponsible and could not be trusted with power. The 1895 coalition was, of course, led by a Conservative, Lord Salisbury, but the dominant figure in it was a non-Conservative – Joseph Chamberlain. Many things have been said about Chamberlain, Lloyd George and MacDonald – some of them not particularly complimentary – but one thing never said about them was that they were Conservatives. They nevertheless helped to provide the Conservatives with landslide majorities.

Chamberlain and Lloyd George were, however, disruptive

It was this element of fear that helped the Conservatives in 1895, 1918 and 1931, because, of course, when people are frightened, they tend to vote Conservative. Indeed, the Conservatives have benefited more than Liberals from coalitions.

personalities, and were in large part responsible for breaking up the coalitions in which they were dominant. In Baldwin's famous words, used at the Carlton Club meeting in 1922, Lloyd George was a 'dynamic force' and a dynamic force was 'a very terrible thing'. There is a striking contrast with Baldwin himself, who, as leader of the National Government in the 1930s proved an emollient figure capable of holding the disparate elements of a coalition together. A coalition does better with an emollient head of government rather than a dynamic one.

The Liberal Democrats hope that the 2010 coalition will institutionalise recognition of a multi-party politics in which they can play a hinge role, as the Free Democrats used to do in Germany. But previous coalitions proved to be a prelude, not to multi-party politics, but to realignment and the restoration of a new two-party system of a different sort, helping primarily the Conservative Party. In 1975, Harold Macmillan declared, perhaps with tongue in cheek:

The last purely Conservative government was formed by Mr Disraeli in 1874. It is the fact that we have attracted moderate people of a liberal disposition and thought into our ranks which makes it possible to maintain a Conservative government today.⁴

Coalitions have been of much less benefit to the Liberals. Indeed, the Liberals entered each of the three peacetime coalitions as a disunited party. The coalition of 1895 was a *product* of Liberal disunion; the coalition of 1918 *caused* Liberal disunion; while the coalition of 1931 *widened* Liberal disunion. And after two of those coalitions, one wing of the Liberal Party came to merge with the Conservatives: the Liberal Unionists in 1912, and the Liberal Nationals in 1968. The Lloyd George Liberals nearly merged with the Conservatives, and the Conservatives wanted them to, but, in the end the Lloyd George Liberals decided against it. The Liberal Nationals, who remained in the National Government throughout the 1930s, were, after the war, called 'Vichy Liberals' – traitors to Liberalism – by Lady Violet Bonham-Carter, Asquith's daughter.⁵ And when Lord Samuel retired as leader of the Liberals in the

House of Lords in 1955, Lady Violet wrote to him the following encomium, Samuel having preserved Liberal independence by leaving the National Government in 1932:

Joe Chamberlain became the mainspring of protection and imperialism. Lloyd George sold the Liberal Party to the Tories in 1918. Such things are possible for so-called radicals; impossible for any Liberal – you, my father, Edward Grey.⁶

The coalitions of 1918 and 1931 helped to ruin the Liberal Party. Kenneth Morgan has argued that the coalition of 1918 destroyed the Liberals as a party of government, while the coalition of 1931 destroyed them as a party of opposition. Will the coalition of 2010 destroy the Liberal Democrats as a third party?

Both in 1918 and 1931, fears of socialism and Bolshevism drove the Liberals into the arms of the Conservatives. Coalitions between two unequal parties, as David Butler has argued, can turn out to be like the relationship between the tiger and the young lady of Riga.⁷ Both coalitions confirmed the fragmentation of the Liberals and proved to be stages on the way to the development of a two-party system in which the Liberals were to have no place. And on each occasion the Liberals found it impossible to maintain a secure identity, and found themselves the victims of the binary assumptions which lay behind British politics. Left-leaning Liberals thought that the Conservatives were the main enemy; right-leaning Liberals – such as Winston Churchill in the 1920s and the Simonites in the 1930s – regarded Labour as the enemy. Proportional representation would have helped the Liberals, but the Liberals did not support that until 1922. The first time that proportional representation appeared in a Liberal manifesto was in the manifesto of the Asquithian Liberals in 1922. But by then it was too late.

There is, however, one important difference between the Liberal Democrat position in the 2010 coalition and the position of the Liberals in previous coalitions. It is that the 2010 coalition is the only one in peacetime in which a united Liberal party has joined the Conservatives in coalition.

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At the next general election, the Liberal Democrats may face a problem which has also faced previous coalitions. How can they maintain at the hustings the cooperation they had enjoyed in government? Can a coalition in government be replicated at the grass roots? In 1920, Bonar Law told Balfour, his predecessor as Conservative leader, 'We cannot go on as we are, that is with a united party in the House of Commons, but with no such union in the constituencies.'⁸ As is well known, in 1918 a Coupon was arranged which proved to be, as it were, a complimentary ticket to Westminster: of 322 couponed Conservatives, 294 were elected, and of 159 couponed Liberals, 133 were elected; but of the Asquithians, only twenty-eight were elected. In 1931, there was no centrally directed coupon, but great efforts at local and regional level were made to ensure, as far as possible, that there was only one National Government candidate in each constituency. The main consequence was to ensure that Labour did not win seats through a split in the vote of the parties supporting the National Government. In 1931, the Labour vote did not fall by very much from its 1929 level – from roughly 33 per cent in 1929 to 30 per cent in 1931 – but, whereas in 1929, Labour had won 123 of its 288 seats on a minority vote, in 1931 the Conservative national agents declared that there was only one constituency where a split in the National vote had prevented the Conservatives from winning a seat.

This question of local cooperation has always been a fundamental problem for a coalition, and the reason is that under the first-past-the-post system, party headquarters cannot impose an electoral pact, because this requires that one of the candidates of the two coalition parties stands down, and that requires agreement at constituency level. The current Conservative Party constitution requires every Conservative Association to put up a candidate – although the Conservatives are currently trying to alter these arrangements. At the next general election, every constituency will be a new constituency, since the number of seats is being reduced from 650 to 600, and there is to be a boundary review to be completed by 2013. If every constituency is to reselect its

candidate, this creates a problem for coalitionists. If a Conservative constituency association has to choose between two candidates, one of whom believes that the coalition ought to be continued, and another who believes that the party should choose a candidate prepared to support 'real' Conservative policies on Europe, immigration and crime, it is possible that the constituency association will choose the latter candidate. This is roughly what happened in Conservative constituency associations between 1918 and 1922. Liberal Democrat constituency associations may be faced with a similar dilemma, of choosing between a candidate who favours continuation of the coalition and another who declares that coalition with the Conservatives is a betrayal of the Liberal tradition.

Local constituency bodies are autonomous bodies, and the more that the parties have developed as membership-based organisations, the more constituency parties have come to prize their autonomy and to resent interference by their party leaders. Selecting a candidate is the only reward that many constituency activists have for the hours of hard work they put in canvassing, addressing envelopes, and conducting voluntary activity for their party.

An electoral pact involving the reciprocal withdrawal of candidates cannot be imposed by party leaders alone, but must be agreed by local constituency parties. The *cri de coeur*, in the case of the attempt by the Liberals and SDP to form an electoral pact in 1982, of a Liberal candidate who was asked to stand down, was this:

Seven years ago, when I became prospective parliamentary candidate for this constituency, we sold a home that we all dearly loved to move into this constituency. Our youngest left her school and all three children eventually went to school locally. My wife changed her job to teach in the local comprehensive school. And we accepted this upheaval because we both believed that for me the only way to nurse the constituency was to live in it and become part of it.⁹

It is therefore not easy for central headquarters to dictate to a constituency party. When it tries to do so, the constituency party may

simply ignore headquarters. That is what happened in 1918 in Asquith's constituency of East Fife. Although Asquith was not, of course, a supporter of the Lloyd George coalition, Lloyd George and Bonar Law decided, out of respect, not to put up an official Conservative against him. But the Conservative constituency association decided to ignore this edict from the centre and put up a baronet with a distinguished war record, Captain Sir Alexander Sprout, who defeated Asquith in the seat which he had held since 1886. Indeed, in 1918, of forty-five uncoupled Conservatives, twenty-three were returned.

Even if an electoral pact can be agreed and there are no unofficial candidates, it does not follow that the electors will necessarily follow the dictates of party headquarters. Would Liberal Democrats necessarily vote Conservative if their candidate had stood down, or would they vote Labour or Green? Would the Conservatives vote Liberal Democrat if their candidate stood down, or would they vote UKIP or some other party? Lord Hailsham, chairman of the Conservatives from 1957 to 1959, summed up the difficulties of electoral pacts, having been frequently enjoined to seek such a pact with the Liberals:

I can think of no more certain way for a party in office to ensure its own defeat than to be seen to make an arrangement of this kind before holding an election. It must be remembered that on withdrawal of either a Liberal or Conservative candidate the votes he would otherwise have won are not automatically transferred. A number of voters would abstain in disgust; a number of Liberals would almost certainly vote socialist in the absence of a Liberal candidate. Reciprocal withdrawal would be impossible unless there was already a feeling of cordiality sufficient to make the association lined up for sacrifice willing to withdraw its candidate. Such feelings of self-sacrifice cannot normally be imposed from above, and on a level of constituency organisations nothing can be more disheartening or destructive for years afterwards with morale than such a request coming from national headquarters. Finally, and most ludicrous of all, if it went through

up to this point, in a number of cases at least, no sooner would the official candidate be withdrawn, when out of the undergrowth an unkempt figure would emerge calling himself, as the case might be, an Independent Liberal or Conservative, or, in the case of some Welsh or Scottish constituencies, a Nationalist, and carry off all the votes which had been bargained and sold as a result of this arrangement. The supporters of a political party, therefore, are not like members of an army whose votes can be transferred at their party leader's wish. They will only transfer their votes if there is some overriding cause there.¹⁰

That overriding cause was found in 1895 in the desire to defeat Irish home rule; in 1918 in the desire to defeat candidates who had supposedly shown themselves to be unpatriotic during the war; and in 1931 to ensure that the pound was not destroyed by the financial crisis. On each occasion, the nation had to be 'saved'. That is what gave the dynamic to pacts which, if they are to be successful, must go with the grain both of constituency opinion and also of public opinion.

The fundamental point is that coalitions depend, not so much on those at the top but on the grass roots; and coalitions come to an end, not because those at the top necessarily want to break them up, but because of opposition at the grass roots. That grass roots support in turn depends on some overriding purpose which seems to transcend everyday party battles – the defeat of home rule, the defeat of Bolshevism or saving the pound. As soon as that overriding purpose is lost, the coalition comes to be unstable.

What is remarkable about the Lloyd George coalition is how quickly it collapsed after its landslide victory in 1918, when Bonar Law had said of Lloyd George, 'He can be prime minister for life, if he likes.'¹¹ But, after just four years, the coalition collapsed, and Lloyd George was never to hold office again. The National Government won a large landslide in 1931. But the only really independent element in it other than the Conservatives – the Liberals led by Sir Herbert Samuel – left the coalition just one year later. The National Liberals,

who remained in the government, were, for all practical purposes, dependent on the Conservatives for their survival. In both cases the fundamental purpose animating the coalition had disappeared. The Lloyd George coalition, indeed, had always been widely distrusted because of the whiff of corruption surrounding it, and one wag described the government as 'a deal between a flock of sheep led by a crook [the coalition Liberals] and a flock of crooks led by a sheep [the Conservatives].'¹² It seemed to have no purpose except to perpetuate itself. Similarly, once the immediate panic of 1931 was over, the Liberals led by Samuel no longer saw the preservation of the coalition as an overriding purpose.

In 1922, the revolt which destroyed the government came not from the Conservative leadership, which wanted to maintain the coalition, but from the backbenches and from parliamentary candidates. All the great figures of politics – Churchill, Lloyd George, F. E. Smith and Austen Chamberlain – wanted the coalition to continue. Only two obscure members of the Cabinet were opposed to it. The revolt which destroyed the coalition came from the grass roots. Many historians have emphasised the meeting of Conservative MPs at the Carlton Club in 1922, which voted against the coalition, but, long before that, the coalition had been repudiated by Conservative constituency associations, who had been adopting candidates opposed to its continuation. By the time of the general election of 1922, 180 Conservatives opposed to the coalition had been chosen by constituency associations. These candidates were opposed to the policies of their party leadership, but the party leadership could not repudiate them because they had been chosen by perfectly proper methods. If the party leadership ignores its grass roots, the leadership will be repudiated. Austen Chamberlain, the Conservative leader who had replaced Bonar Law in 1921, when the latter retired owing to ill health, thought that he could destroy the rebels by a show of force and he called a meeting at the Carlton Club to try and preempt them. But had the Carlton Club meeting voted to continue the coalition, the Conservatives would

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have split as they had in 1846. The rejection of the coalition was inevitable. One leading Conservative, as he was going up the steps of the Carlton Club, when asked 'What is going to happen?', answered, 'a slice off the top'.¹³ What he meant was that local constituency parties had already decided against the coalition and the only choice left for the leadership was whether to accept that decision or to see the party split. In the event, every major figure in the Tory party organisation voted against continuation of the coalition.

In 1932, also, pressure from the grass roots was important in the decision of the Liberals to leave the National Government and then, in 1933, to move on to the opposition benches. Liberal Party members were suspicious of the 1932 'agreement to differ' on the introduction of a tariff, and the 1932 conference of the National Liberal Federation condemned it. The Liberals, in an odd compromise, continued to sit on the government benches until 1933, saying that they would support the National Government on 'national' matters, but oppose it on 'Conservative' matters – an odd distinction. But they were pressed to end the compromise, again by the National Liberal Federation which declared that the 'appropriate place' for the Liberals 'is on the opposition benches'.¹⁴ Lloyd George said that the undignified position of the Liberals resembled that of a cat that 'has pushed its head into a cream jug and cannot get it out without either breaking the jug or having someone pull it out by the tail. It is the latter process that is going on at the moment and I hope it will succeed'.¹⁵

The longevity of the current coalition will, therefore, depend not primarily on relations between Cameron and Clegg, but on reactions at the grass roots. For this reason, the 2010 coalition may be somewhat less stable than many commentators suggest.

~

The dilemma facing the Liberal Democrats in coalitions is not, I think, contingent, but inherent in the nature of modern Liberalism. In the nineteenth century, when politics was dominated by constitutional issues, Liberalism had a clear and coherent ideological basis. Its

fundamental principles of liberty and equality could be made compatible through the idea of 'one person, one vote'. In the twentieth century, when the political agenda has come to be dominated by social and economic issues, the two principles of liberty and equality come into conflict. Some Liberals, therefore, will be drawn to the left, on the grounds that liberty is best secured through an extension of social welfare. Others, fearful of the growth of the state, will swing to the right. This tension existed at the beginning of the twentieth century, with the growth of the New Liberalism, an attempt to reconcile Liberalism and social democracy. Many of the New Liberal reforms involved compulsion. For example the National Insurance Act of 1911 required compulsory insurance contributions from employers and employees; the Trade Union Act of 1913 required trade unionists specifically to contract out if they did not wish to contribute to the Labour Party. In addition, the Liberal constitutional agenda had come to be broadly accepted by the other parties. What, then, was the purpose of the Liberal Party? The Liberals came to be inherently divided: some of them were becoming, in effect, social democrats. By the late 1970s, social democrats, too, came to be divided: in 1981, one wing, led by Roy Jenkins, David Owen and Shirley Williams, left the Labour Party and helped form the Alliance; the other, led by Denis Healey and Roy Hattersley, remained with the Labour Party. Now some social democrats have moved back into the Labour Party. Social democrats, therefore, are still divided and Liberals are also divided. Liberal Democrats find it difficult to answer whether their main enemy is on the left – perhaps that is what Nick Clegg and David Laws believe – or on the right – which is perhaps what Simon Hughes and Tim Farron believe? That is the Liberal Democrat dilemma in a binary political system.

I have found it salutary to consider the history of coalitions, since the conclusion that I have been forced to draw from this brief historical survey goes somewhat against my political prejudices. My conclusion is that Disraeli may well have been right, that England does not love coalitions, although

Coalitions can be cohesive and enjoy a solid basis in wartime, when there is a single overriding aim, but in peacetime they tend to be uneasy, nervous and insecure after the situation that produced them has been resolved.

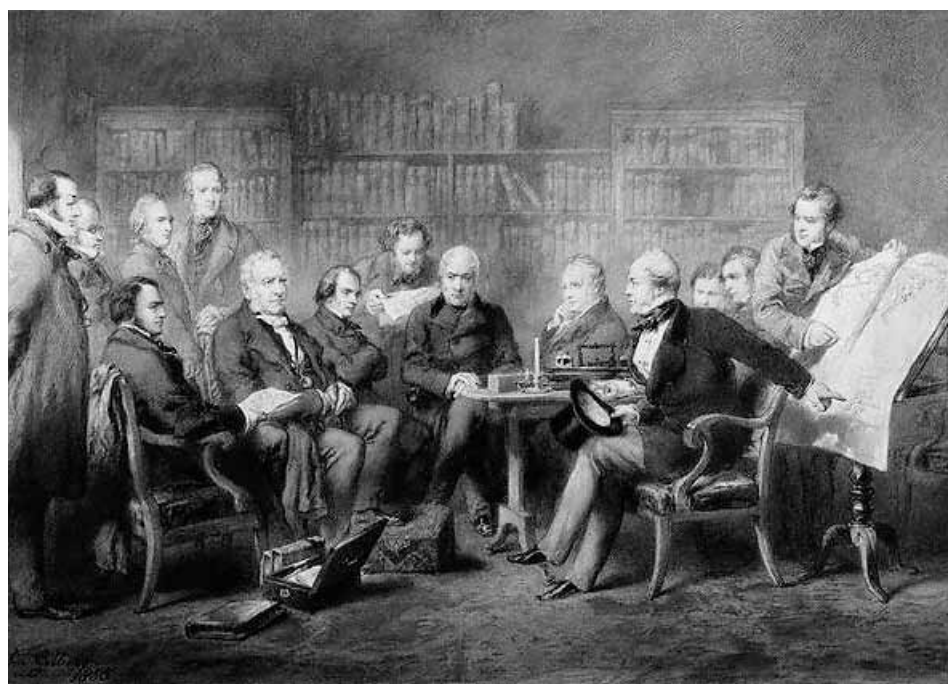
perhaps they are more loved in Scotland and Wales. Coalitions can be cohesive and enjoy a solid basis in wartime, when there is a single overriding aim, but in peacetime they tend to be uneasy, nervous and insecure after the situation that produced them has been resolved. And it is for this reason, as Disraeli predicted, that although coalitions triumph, their triumph has often been brief. Perhaps the binary assumptions of British politics are stronger than many of us had previously believed. That is the conclusion I reached, somewhat unwillingly, when considering the history of coalitions for my book, *The Coalition and the Constitution*.

Vernon Bogdanor is a Research Professor at the Institute of Contemporary British History, King's College, London, and author of *The Coalition and the Constitution*, published by Hart in March 2011.

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- 2 Thomas Jones, *Whitehall Diary: vol. 1, 1916–1925*, ed. Keith Middlemas (Oxford University Press, 1969), pp. 99–101.
- 3 John Nott, *Here Today, Gone Tomorrow: Recollections of an Errant Politician* (Politico's, 2002), pp. 125–6.
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COALITION B WHIGS, PEELITES

Coalition as a political term has decidedly mixed connotations. The word coalition entered English usage in the early seventeenth century in a religious context, denoting the growing together of parts, or coalescence – as in ‘God and Humanity by coalition becoming one nature in Christ’. By the later seventeenth century it was used in scientific discourse, meaning coalescence in one body or mass. It became a political term in the early eighteenth century denoting the combining of distinct parties without incorporation into one body. **Angus Hawkins** examines Liberal coalitions before 1886.



As a political term it also acquired the immediate connotation of a mutual compromise or sacrifice of principles for the object of securing power. These negative implications were affirmed by the unhappy experience of the eight-month Fox–North coalition ministry of 1783.

The inference that coalition involved a mutual sacrifice or

compromise of principles in order to secure power continued into the Victorian age. So, for example, the Conservative leader Lord Derby declared to parliament in 1866:

By a government of coalition one understands a government of men of different parties, in which each, to a greater or less extent, sacrifices his individual opinions for the purpose of obtaining

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united political strength. We all know that it is always exceedingly repugnant to an Englishman to sacrifice his private opinion for expediency.¹

This echoed Benjamin Disraeli's famous dictum of December 1852, pronounced in the Commons against the background of a violent thunderstorm, that 'England does not love coalitions'.²

So coalition was a term more often used in the nineteenth century by hostile opponents to decry ministerial arrangements than a badge of honour. A more positive, patriotic and principled description was that of a 'broad-based' or 'broad-bottomed' government: an eighteenth-century term meaning the coming together of different politicians in support of the 'national interest' and the monarch. The Younger Pitt's ministry after junction with the Portland Whigs in 1794; the 'Ministry of All the Talents' of 1806–7; Liverpool's government after the adherence of the Grenvillites in 1822; and Canning's short-lived Cabinet of 1827 with four Whig members were perceived in these terms. Likewise, Grey's Reform ministry of 1830–4, containing Whigs, Huskissonites, Reformers and one

ultra-Tory minister was not commonly referred to as a coalition, but a government brought together in the 'national interest' in order to secure a necessary reform of parliament. This resonated into the twentieth century when Ramsey MacDonald's coalition ministry of 1931 was described as a 'National Government', bringing Labour, Conservative and Liberal politicians together at a moment of economic crisis. The recent often lurid and sometimes tawdry experience of Lloyd George's coalition of a decade before had done little to displace the negative connotations of coalition government; in 1922 the *Daily Mail* talked of 'the poison of coalition'.

Only one of Queen Victoria's ministries acquired the commonly accepted label of a coalition, and that was Lord Aberdeen's government of 1852–5, in which Whigs, Liberals, some prominent Peelites and a small number of radicals, united by the advocacy of free trade, came to form what was initially perceived as a distillation of executive talent. This perception did not survive the mismanagement of the Crimean War, and the graphic reports of *The Times* correspondent W. H. Russell which brought descriptions of appalling ineptitude to the breakfast tables

of the British public. While coalitions in the twentieth century were often formed to prosecute wars, as in 1915 and 1940, the Aberdeen coalition was brought down by war. Moreover, one prominent minister in Aberdeen's Cabinet, William Gladstone, preferred to describe the ministry as 'a mixed government', rather than a coalition. The formation of a 'mixed government', Gladstone wrote, was only warrantable when ministers had the most thorough confidence in the honour, integrity and fidelity of each other; when they were in agreement upon all the great questions of the day; and when a great and palpable emergency of state called for it.³ Lasting a little over two years, the Aberdeen coalition, with the exception of Gladstone's landmark budget of 1853, did not go down to posterity as a great success. As Gladstone again observed in February 1855, the majority against it 'not only brought us down, but sent us down with such a thwack that one heard one's head thump as it hit the ground'.⁴

Yet the notion of coalition, its relation to government by party before 1886, and how this bears on the genesis of the parliamentary Liberal Party requires further unpicking. Here it is important to

Left: the Aberdeen coalition cabinet in 1854, as painted by Sir John Gilbert

understand the nature and function of parliamentary parties between the Reform Act of 1832 and the Irish home rule crisis of 1886. Parties in Westminster, particularly in the Commons, were seen as essential to the authority and survival of governments. Ministries were sustained or removed by Commons votes, rather than the outcome of general elections as became the norm after 1867. But parties were *not* rigid blocs of homogeneous votes bound by ideological unity, MPs acting as the division fodder of the front bench leadership. This was a notion of party behaviour which became more familiar in the early twentieth century. Rather, Victorian parliamentary parties were more loose-limbed associations of MPs and were of a mutable nature. They safeguarded the sovereignty of Westminster against the dangerous exertion of the royal prerogative, and equally importantly resisted the notion of a direct electoral mandate. MPs were not instructed delegates, sent to vote as their constituencies demanded, but were representatives exercising a discretionary judgement on the 'national interest'. These fluid party connections, moreover, embraced differing shades of opinion. Intra-party differences were as marked as inter-party divisions. The ministries of Grey and Melbourne during the 1830s comprised Whig, Reform, Liberal and certain sections of radical support. Party leadership was a matter of brokering between sections of supporters, rather than dictating a line of policy which MPs were expected compliantly to endorse. Thus the mutable party connections of the early and mid-Victorian Commons were, by their very nature, combinations of political sentiment; fluid alliances of opinion being inherent to the character of parliamentary parties. So, while self-avowed government coalitions were rare, all early and mid-Victorian governments represented shifting alliances of party sentiment. This adds a necessary nuance to an overly simple distinction between single-party government and coalition ministries.

Our understanding of British politics is still dominated to a great extent by a paradigm characteristic of the party politics of post-1945 in which rigidly aligned national parties alternate in power. The rise of

Victorian parliamentary parties were more loose-limbed associations of MPs and were of a mutable nature. They safeguarded the sovereignty of Westminster against the dangerous exertion of the royal prerogative, and equally importantly resisted the notion of a direct electoral mandate.

political science as an academic field in Britain after 1945 reinforced the perception of the binary structure of a national two-party system in Britain as 'natural'. The historical distortion produced by this paradigm is twofold. First, it suggests anachronistically that earlier parliamentary parties were or should be more united and ideological homogeneous than in fact they were. Secondly, it conceals the extent to which governments prior to 1945 were in fact coalitions or minority ministries. During the sixty years between 1885 and 1945, for example, only ten governments commanded a Commons majority, all others were coalition or minority ministries. Clear-cut single-party government was far less the norm prior to 1945 than the post-war paradigm allows. Shedding the distortions of this post-1945 paradigm is particularly relevant to understanding the party politics of pre-1886 and, in particular, the extent to which all parliamentary parties pre-1886 were fluid associations of differing opinion. While the word coalition carried negative connotations, in reality all governments comprised an alliance of varied shades of political feeling.

Self-avowed government coalitions come into being in a variety of circumstances. Often they are formed in the context of a national emergency, such as war; and in such a case they are usually seen as a temporary expedient in dire times. The historical warnings associated with the experience of such coalitions should give a lesson to David Cameron and Nick Clegg. The prospect of the next general election hangs over such coalitions like the sword of Damocles. Exiting gracefully from such coalitions is far harder than entering into them. The dynamics of such coalitions, moreover, operate differently at different political levels, depending on whether one is looking at the Cabinet, parliament or the electorate. The further from the political centre one moves the harder harmonious coalition politics are to maintain; retribution seeps in from the grass roots.

On other occasions coalitions portend a fusion of parties, marking a profound process of party realignment. Here temporary arrangements cast a far longer shadow. The short-lived Aberdeen coalition

should be seen in this context. Here lies its relevance to the formal foundation of the parliamentary Liberal Party in 1859. Ministerial relations within Aberdeen's Cabinet were often strained and difficult. Many Whigs at Brooks's were infuriated at so many Peelites being given Cabinet office. Aberdeen himself was an indifferent speaker who had never sat in the Commons, though his good relations with the Queen bolstered his authority. It is worth noting that in coalition governments the constitutional role of the monarch is brought to the fore: as in 1852 so in 1931. The prima donna of Aberdeen's Cabinet, the Whig leader Lord John Russell, disrupted ministerial relations with his commitment to further parliamentary reform. Palmerston, as Home Secretary, who privately referred to Aberdeen as an example of 'antiquated imbecility',⁵ exploited disagreements over foreign policy to enhance his popular standing, while also refusing to being 'dragged through the dirt by Lord John' over parliamentary reform.⁶ Patriotic denunciations of the coalition's Crimean policy by the Conservative opposition and radical critiques of either the feebleness of Aberdeen's diplomacy by John Roebuck or the misguided nature of national policy by John Bright exacerbated ministerial divisions. In the face of Cabinet differences, the Peelite minister the Duke of Argyll complained in October 1854 that the coalition was prevented from pursuing 'any definite course', leaving it at 'the mercy of the tides; and our motion becomes a mere drift'.⁷ When Disraeli represented the Whigs as the subservient pawns of the Peelites, and the radicals as the unwitting tools of both, it was 'a most skilful and ingenious rubbing up of old sores'.⁸

Yet the Aberdeen coalition was an alignment of executive talent which anticipated that alliance of ministerial experience which came together in Palmerston's second ministry in June 1859, following the Willis's Rooms meeting of earlier that month. In 1859 non-Conservative MPs almost universally adopted the label Liberal as a common description of their party affiliation; older designations such as Whig, Reformer and Peelite rapidly falling into abeyance. Under Palmerston, Whigs and

Liberals shared ministerial office with a small minority of prominent Peelites, notably Gladstone, Herbert, Newcastle and Cardwell, the great majority of Peelite backbenchers having returned to Derby's Conservative Party. What the rich ministerial blend of Palmerston's 1859 government also enjoyed, and what the Aberdeen coalition had lacked, was significant radical support. Palmerston, unsuccessfully, even invited Richard Cobden to join his Cabinet. As Palmerston acknowledged, in 1859 he was forced 'to reconstruct the government upon a different principle and ... out of a larger range of political parties' – what Gladstone referred to as 'our strangely constructed Cabinet'.⁹ The prominent Whig Lord Clarendon described it as 'a great bundle of sticks'.¹⁰ It was a large span of political opinion, however, that assumed the common label of Liberal.

When, in late March 1859, Palmerston drew up a list of possible Cabinet appointments it contained no radicals or advanced Reformers. The Cabinet he was actually required to form in June under the banner of Liberalism was far broader. Thus Palmerston's ministry proved a rich blend of those parliamentary ingredients comprising Victorian Liberalism, Whig legislative reform and disinterested governance, Peelite morality and administrative expertise, and radical notions of economic and efficient government. Political parties are united by shared animosities as much as by common aspirations. Prior to 1859 Whigs displayed an anxious disparagement of radicalism, radicals found common purpose in decrying the oligarchic and pious assumptions of Whiggism, and Peelites assumed a self-adulatory sense of superiority enshrined in the cult of their dead leader. After 1859, as Whigs, former Peelites and radicals shared office, such antipathies were replaced by a common Liberal vision of effective and fair government resting upon liberties protected by the rule of law; of government being in the interest of the nation as a whole, rather than a particular section of society; of free trade, government economy and low taxation encouraging individual liberty, self-improvement and moral responsibility. This powerful Liberal vision affirmed Britain's

standing as a nation of lawful tolerance and moral decency, a bulwark against intolerance and dogmatism. The historic constitution, civil liberty, fiscal accountability, free trade and Christian humanitarianism grounded the Liberal commitment to stable and ordered progress. This was a moral political creed supporting a patriotic belief in Britain's status as a civilised and enlightened polity, superior to corrupt and repressive regimes abroad. During the early 1860s, Palmerston's Liberal government also drew to itself the dynamic popular forces of militant Nonconformity, organised labour and an expanding press.

Not that the path between the end of Aberdeen's coalition in 1855 and the formation of Palmerston's Liberal government of 1859 was straight or smooth. The radicals' relations with Palmerston were ambiguous and often hostile. Deep enmity between them erupted during the general election of 1857. Gladstone's career between 1855 and 1859 was especially fraught and his political trajectory shrouded in uncertainty. In many ways his natural political home seemed to be with Derby's Conservative Party, but in June 1859, to the surprise of many, he agreed to serve in Palmerston's Cabinet as Chancellor of the Exchequer. Russell's ambition to reclaim the Whig/Liberal leadership also stirred up fractious and bitter feelings, his genuine Liberal instincts compromised by a perceived selfish impetuosity and reclusive temperament. In February 1858, Clarendon despaired that Whigs, Liberals and radicals were 'split into factions more bent on cutting each other's throats than disposed to unite against the Tories'.¹¹

Nonetheless, in 1859 the foundation of the Liberal Party as a lasting parliamentary alignment, under Palmerston's leadership rather than that of Russell, was merged with Liberalism as a doctrine, whose origins lay in the political economy of the 1820s, the Whig cry of civil and religious liberty, Nonconformist pressure for humanitarian reform, the radical demand for retrenchment in government expenditure, and the belief in efficient disinterested administration serving the whole of society. This coalescence of Liberal values and a Liberal parliamentary party was briefly foreshadowed by the Aberdeen

In 1859 the foundation of the Liberal Party as a lasting parliamentary alignment, under Palmerston's leadership rather than that of Russell, was merged with Liberalism as a doctrine.

coalition, underlining its significance in Liberal history. After 1859 the Liberal Party won four unambiguous and clear electoral victories (in 1865, in 1868, in 1880, and in 1885), affirming its dominance of Victorian politics as the embodiment of progressive and dynamic social values. Though coalition retained its negative connotation as a description of government arrangements, the Aberdeen coalition is notable for anticipating the crucial political coalescence of those ideas and beliefs which defined the great Liberal Party of Gladstone and his successors.

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A 'DISTINCTION WITH THE LIBERAL UNIONIST –

The Liberal Unionists had their origins in the disastrous split within the Liberal Party over Irish home rule in 1886. They participated in coalition governments with the Conservatives in 1886–92 and 1895–1905, and eventually, in 1912, merged entirely into the Conservative Party. How close was the relationship between the Liberal Unionists and Salisbury's Conservatives between 1886 and 1895? **Ian Cawood** argues that the Liberal Unionists managed to maintain a distinct and separate identity until the formation of the coalition government in July 1895.



FOLLOWING THE home rule election of 1886, and reluctantly at first, a disparate group of Liberal aristocrats, wealthy businessmen and radical professional politicians gradually coalesced into a political party of sorts and attempted to maintain an independent policy whilst remaining part of the Unionist alliance. After 1895 the Liberal Unionists quickly became socially and politically allied with the Tories, and ever since there has been a tendency to forget that they were a separate party. This article intends to examine whether the absorption of the Liberal Unionists into the Conservative and Unionist Party was inevitable, given the historic differences that existed between their political

philosophies. An examination of the troubled relationship between the two branches of the Unionist alliance from 1886 until 1895, while redolent of the political culture of the late nineteenth century, reveals the ideological and operational difficulties of maintaining a sustained period of cross-party collaboration in the British political system. It also challenges the perception that Liberal Unionism was a mere 'resting-place' for Liberals en route to the Conservative party or that the Liberal Unionists disappeared into 'a political wilderness'.¹

The origin of the Unionist alliance has conventionally been seen as the issuing of the 'Hawarden Kite' simultaneously in the *Standard* and the *Leeds Mercury* in December 1885. The shock and surprise caused

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by this event, the 'earthquake and eclipse' as J. L. Garvin has it, goes some way to explaining the nature of the opposition that emerged once Gladstone's commitment to home rule was confirmed.² Gladstone's sudden public conversion to home rule, in December 1885, actually came from his long-term, traditionally Liberal attitude to national self-determination. He had been troubled by his own government's actions in Egypt in 1882 and later in Sudan. By adopting a policy of home rule while in opposition, he felt he was returning to a truer, more moral form of Liberalism, with which to appeal to the newly enlarged electorate. He had not, however, shared his moral struggle with his Cabinet colleagues, many of whom consequently interpreted the Liberal duty towards Ireland (and the wider Empire) in a very different fashion, although he was supported by Earl Spencer who had, as Lord Lieutenant in Ireland, implemented a coercive regime from 1882 to 1885.

On the other hand, the support that Parnell had offered to the Conservatives in the general election of 1885, meant, in Angus Hawkins' memorable phrase that 'an extraordinary fluidity prevailed over the political situation.'³ In these circumstances, with Randolph Churchill and Lord Carnarvon wooing Parnell, while Joseph Chamberlain floated his Central Board Scheme, some type of political reorientation seemed inevitable. The only question was the extent and origin of the alteration.

The splits within the party that had been problematic before 1886 became intolerable once the election result of December 1885, which gave the balance of power to the Nationalists, became known. Lord Derby wrote in his diary:

The state of things I imagine to be this – Gladstone has no time to spare and wants to get back to Downing St. The Whigs or moderate section, incline in that direction, but with less eagerness. On the other hand, the Radicals, Chamberlain and co., are not in a hurry. They had rather wait to get rid of Gladstone, Granville and the Whig party in general, thinking themselves strong enough to form a purely Radical cabinet.⁴

Most Liberals felt ambivalent about Gladstone's method of announcing the new policy, even if they supported the principle. However, as the announcement had been quite so unexpected, those who felt inclined to resist the home rule strategy took a long time to organise their forces as they needed to assess the policy itself and the best cause of affecting, adjusting or aborting it. Secondly, Liberals of all hues needed time to assess the attitudes of their allies. Even Chamberlain, who might have been expected to have led the revolt openly, given his role as the alternative figurehead of Liberalism between 1880 and 1885, chose to bide his time and actually to join Gladstone's third Cabinet, while promoting his own alternative approach to the Irish problem.

If the Liberal Unionist movement was to be anything more than a refusal to vote for a particular measure by disgruntled backbenchers, it needed a leader of national reputation and unquestioned political seniority around whom dissenting Liberals could coalesce. Although the Marquess of Hartington's position as this leader may seem to have been inevitable, due to his early denunciation of the policy of home rule at Waterfoot on 29 August 1885, he had, in fact, been more inclined to consider resignation and retirement from politics.⁵ The task of persuading Hartington to take on the task of leadership of a rebellion fell to George Goschen, who was unable to take on the role of leader due to his distance from the Liberals since 1874 and because of his unstinting opposition to any aspect of Chamberlain's radicalism. Queen Victoria herself was united with Goschen in her suspicion of Gladstone, who she regarded as 'a half-mad ... ridiculous old man'⁶ and she now bombarded Goschen with letters demanding that he persuade Hartington to act decisively. She encouraged Goschen to appeal to 'moderate, loyal and patriotic men' and urged him to consider 'an amalgamation or rather juncture of Conservatives and Whigs.'⁷ She never forgave the Nationalists for their refusal to participate in the Prince of Wales' Irish tour of April 1885, when he had been abused and threatened. Salisbury now encouraged her as well, describing home

Left: election poster for a Liberal Unionist candidate, featuring (left-right) Salisbury, Hartington, Chamberlain and Balfour (reproduced with permission of Lord Clifford, Ugbrooke Hall, Devon).

rule to her as 'a concession to the forces of disorder' and 'a betrayal of the Loyalists of Ulster'.⁸ Edward Watkin, maverick Liberal MP for Hythe, now urged Hartington to form an alliance with Salisbury, with the rousing (if rather self-serving) exhortation, 'while you will have saved your country, you will be Prime Minister by the summer.'⁹ Henry Ponsonby, on the queen's behalf, began floating a scheme to keep Gladstone from office, in which Salisbury would resign the premiership, but remain Foreign Secretary, while Hartington took over at No. 10. Derby, described this as 'eccentric' and suggested that Salisbury was behind it, in order to separate Hartington and Chamberlain.¹⁰

There was however a possibility that the campaign against home rule might become associated with the landowning elite in Ireland, or at least fall into the hands of the Conservatives. On 9 January, Colonel Edward Saunderson, a former Liberal MP, and the Duke of Abercorn, a leading Irish landowner, re-founded the Irish Loyal and Patriotic Union, and organised a series of cross-party demonstrations in favour of the Union. The first of these was at Chester on 29 January 1886, when Tories, Whigs and Radicals condemned home rule. He liaised with Duke of Westminster to find 'how far the Whigs will go with us' – the result had been a united platform and the meeting was deemed 'a great success'.¹¹ Once Salisbury's government fell on 25 January 1886, and Gladstone became prime minister again, the initiative passed back to the dissenting Liberals and, in refusing office, Hartington became the de facto leader of the revolt, somewhat against his will.

On 2 February Goschen began to sound out Salisbury on the opportunity for an electoral truce.

I acknowledged the importance of coming to an understanding on the point and said it would not be worth our while unless they would break definitely with Gladstone. He admitted this: and further limited his proposal to those places, where, without a split, our chances were hopeless. Without pledging myself I gave him general hopes of an understanding.¹²

One Conservative demanded, 'let no member of the Tory party assist in returning to Parliament any Liberal', but it appeared that in most constituencies the Liberal Unionists enjoyed considerable Conservative support for their principled stand against home rule.

Salisbury was clearly keen, seeing an opportunity of ending a period of nearly forty years in which there had been only one Conservative majority government, and he dissuaded his party from interfering in the home rule debate at Westminster, so that the opposition to Gladstone's bill would come from within his own party. Salisbury then met Hartington on 2 March, and proposed a full alliance between Conservatives and moderates, but, as Henry James recorded, 'Hartington declined to do more than express the hope that they might act together in defeating any proposition for a separate Irish Parliament'.¹³ When Chamberlain and George Trevelyan resigned from the government in March, Hartington was spurred into action to prevent the radical Unionists taking charge of the revolt. The Earl of Radnor recommended that Hartington should establish a committee of consultation between the Conservatives and the Liberal Unionists to discuss tactics, with a large public meeting in the west end of London and a series of further meetings across the country. As a result, Salisbury wrote to Hartington in early April proposing 'conversations' on future tactics.¹⁴ Derby advised Hartington to support a Conservative Cabinet but to avoid a coalition, on the grounds that they 'were always unpopular and seldom lasted long.' Instead he recommended that Hartington should 'come to an understanding with Chamberlain'.¹⁵ The future Unionist alliance was thus beginning to take shape.

In early May, in an attempt to secure the votes of the wavering Liberals, Goschen's close ally Albert Grey began negotiations with the Conservative whip, Aretas Akers-Douglas, in order to secure a promise that Liberals who voted against the Home Rule Bill would not face a Conservative opponent in the subsequent general election. On 16 May, Salisbury and Hicks Beach unveiled the electoral truce when they told the National Union of Conservative Associations that Conservatives must support Liberal Unionist candidates in constituencies where the Conservatives would have had no chance of defeating a Liberal in normal circumstances. The Conservatives were therefore carefully responding to the

concerns of the Liberals who did not wish to be publicly associated with 'their hateful allies', and were keeping their profile as low as possible.¹⁶

After the Bill was defeated by thirty votes (ninety-three Liberals voted against it), Salisbury wrote to Goschen on 20 June to make arrangements for the forthcoming election. On the following day, Salisbury wrote directly to Lord Hartington asking for his intervention in seats where Conservatives were fighting Gladstonians. Although Hartington was reluctant to endorse Conservatives with whom he disagreed on a myriad of historic issues, against Liberals with whom he disagreed on one, he did respond to Salisbury's pleas and eventually agreed to advise Liberal Unionist voters to support Conservatives in seats where no Liberal Unionist was standing.

Prominent Liberal Unionists, such as Edward Heneage in Grimsby, were supported by the local Conservatives and felt no restrictions on their expression of Liberalism. One Conservative demanded, 'let no member of the Tory party assist in returning to Parliament any Liberal',¹⁷ but it appeared that in most constituencies the Liberal Unionists enjoyed considerable Conservative support for their principled stand against home rule. Under the terms of the informal agreement, a few leading Liberal Unionists were forced to stand aside for Conservatives. The nascent alliance did manage a more cooperative approach in four double constituencies, running Conservatives in harness with Liberal Unionists in Newcastle-upon-Tyne, York, Northampton and Portsmouth. Some Liberal Unionists, and all the radical Unionists, managed to carry their constituency associations with them, but others, such as Hartington were rejected by their caucuses and had to rely almost exclusively on Conservative support in electioneering. In this way some Liberal Unionists emerged from the election with a strong sense of independence and freedom of action in the forthcoming parliament, while others were well aware of their position as political debtors and adjusted their rhetoric accordingly.

Once the 1886 election had produced a hung parliament (albeit

with a Unionist majority), the Liberal Unionists held the position of kingmakers. When Hartington asked Chamberlain his advice on whether or not to join a coalition, Chamberlain was quite adamant in his refusal and was supported by Lord Derby, who distrusted the Conservative leader. When he met Hartington on 24 July, Lord Salisbury found that the Liberal Unionist leader was determined not to enter a government, as it would jeopardise his standing as a Liberal. Hartington had to consider the effect that twenty years of Conservative–Liberal antagonism had had on his own supporters. The Liberal Unionists were determined that they should be an independent Liberal group and resolved at an executive committee meeting on 24 July to maintain a separate headquarters, with subscriptions to local Liberal Associations to be broken off. Chamberlain, Lord Wolmer, James and Derby also advised Hartington that the party should continue to sit with the Gladstonians, now on the opposition benches. [Fig. 1]

The Liberal Unionists' choice masked serious ideological divisions, as Chamberlain and Hartington held diametrically opposed interpretations of Liberalism and they had previously been the bitterest of rivals in the government of 1880–85. As early as May 1886, the *Birmingham Post* described Chamberlain's faction as 'for Mr Gladstone, if he will but modify his plan' and Hartington's as those who 'would refuse, at any time or under any circumstances, to concede autonomy to Ireland'. The article concluded, pessimistically, 'the two sections ... can have no continuous ground of common action.'¹⁸ Hartington himself confided to James that he could 'never ... be sure how far Chamberlain and I will be able to go on together'.¹⁹ Once appointed as Chancellor and Leader of the Commons, Randolph Churchill attempted to appease the Liberal Unionists' conscience over Ireland, promising to implement local government reform in Ireland. When Churchill unexpectedly resigned in December 1886, the pressure for a Hartington-led coalition government grew. However, the Tory chief whip, Aretas Akers-Douglas, played his first hand in his ongoing attempt to

keep Liberal Unionist influence to a minimum, warning that 'he could not whip up the [Conservative] men for Hartington.'²⁰ The perception that the government was tottering was quelled by the appointment of Goschen as Chancellor of the Exchequer in January 1887, encouraged by Queen Victoria, Hartington and Heneage, Goschen was chosen because, although a Liberal, he was barely distinguishable from the Conservatives in his economic outlook.

Of course, this was actually another coup for Salisbury, and another blow for Chamberlain. Now the Birmingham leader had lost his most useful ally in the Conservative Cabinet, one who had expressed sympathy with the idea of a new party comprising the 'advanced' sections of both Unionist parties. He was also now a member of a party which was in an alliance with the previously derided Conservatives, and one that would most likely last for the remainder of the parliament. As he put it, 'we may be face to face with a Tory government whose proposals no consistent Liberal will be able to support'.²¹ The fall of Churchill meant that a Crimes Bill, which Chamberlain had openly denounced, would now be introduced. William Harcourt spotted that Chamberlain's position was uncomfortable, if not untenable, and responded positively to Chamberlain's suggestion of a meeting at the end of 1886, which eventually led to the 'Round Table' conference which has been described in such minute detail by Michael Hurst.²² [Fig. 2]

When the Crimes Bill was introduced in March 1887, Hartington began to write to Salisbury, not to criticise the measure, but to ensure the distribution of honours among Liberal Unionists in exchange for their support. Chamberlain and his followers were the crucial problem, but here Hartington and Salisbury had a rare moment of good fortune. John Bright roused himself to offer his support of the Crimes Bill to Wolmer on the grounds that 'Mr Gladstone ought to have suppressed the Land League five years ago'.²³ As the Liberal Unionists had the choice of whether to support the bill or bring the government down, the Conservatives could safely call their bluff and the bill was passed with sixty-four Liberal Unionists voting

in favour of it. For many Liberals, this was the issue which finally made the breach in the Liberal Party irreversible. Henry James in Bury had managed to weather the storm of criticism that followed his vote against the Home Rule Bill in 1886 and had been re-adopted as the Liberal candidate. However, a meeting to condemn the Crimes Bill in April 1887 produced 'sulphur in the air' and the sight of Liberal Unionists 'hissing at old friends'.²⁴

For some Liberal Unionists who had made pledges against coercion, the alliance had served its purpose in defeating the Home Rule Bill, but it was now being distorted by the Salisbury–Hartington alliance. Arthur Winterbotham spoke out for this group during the debate in March 1887, and led three other radicals back to the Liberals. It looked as if Chamberlain would be left completely isolated, until W. S. Caine, the champion of the temperance movement, came to his rescue and stood firm. Others, such as F. W. Maclean, MP for Woodstock, voted in favour of the Crimes Bill, for the solidly liberal reason that it was 'paving the way for the introduction of remedial measures [including] a very wide measure of self-government'.²⁵ Salisbury realised that he had tested the patience of his allies too far and as a token of his constructive intentions, introduced a hastily devised Land Bill. The bill was only allowed to pass the Lords having been emasculated, however, leaving the land issue largely unresolved until the Wyndham Act of 1903.

The alliance that emerged between the parties after 1887 was then one of electoral and political convenience, not born out of any natural affinity between the parties. In the subsequent eight years of the alliance, before the two parties finally formed a coalition government in 1895, a number of ideological and operational difficulties therefore challenged a relationship that had been forged by party leaders at Westminster.

Division

Firstly, there were clear political divisions between the parties. When the Irish National League was finally proscribed in 1887, the need to offer a constructive alternative to home rule became paramount.

The alliance that emerged between the parties after 1887 was then one of electoral and political convenience, not born out of any natural affinity between the parties.

A 'DISTINCTION WITHOUT A DIFFERENCE'? THE LIBERAL UNIONIST-CONSERVATIVE ALLIANCE



Chamberlain attempted to preempt the damage this would cause to the Radical Unionists by establishing a national association distinct from Hartington's in London and with a speech in which he suggested the formation of a national progressive party to implement land and local government reform in Ireland. Of course, for Lord Salisbury and Arthur Balfour, there was nothing to gain and much to lose from such a reorganisation. This issue was only resolved by Hartington's *ex cathedra* pronouncement at Greenwich on 5 August, when he announced 'that the time is not yet ripe for such closer union'.²⁶ Constantly frustrated, Chamberlain

Fig. 1: 'Cross-Roads'. Salisbury: 'Hullo! Aren't you fellows going further with me?' (*Punch*, 31 July, 1886)

Fig. 2: 'The temptations of Joseph'. No. 2 The Sirens. Harty: 'Come away, Joe, come away, they'll be the ruin of you'. (*St Stephen's Review* presentation cartoon, 26 February 1887)

tried to put pressure on Hartington, on the ground that 'every day brings me letters from Liberal Unionists in all parts of the country asking me what the issue is and where we still differ from our old colleagues ... I am at my wit's end to know ... what to say to prevent the disappearance of our followers in the country'. It was at this juncture, with his allies deserting him and his constituents questioning his stance on coercion, that Salisbury handed Chamberlain a lifeline, or at least a breathing space. The opportunity to represent Britain in the fisheries dispute between Canada and United States would give Chamberlain the chance to prove his skill as a statesman and

avoid association with the implementation of the Crimes Bill.

Prior to Chamberlain's return, Hartington took the trouble to redefine the Liberal Unionists' position in a speech at Ipswich on 7 March 1888. He finally stated that he could not see how a reconciliation between the two branches of Unionism could be achieved, and therefore (nearly two years after the formation of the first party organisation) conceded that 'we have no alternative before us except to do all that is in our power to constitute a 3rd party'. He made clear that 'while we adhere to the opinions we have always held on the Irish question we have not renounced one single Liberal opinion or Liberal principle'. Finally, to appease Chamberlain, he stated that 'there is room within the Liberal Unionist party ... for the extremest radical as well as for the most moderate whig' and that the Unionist policy was not 'simply one of obstruction and resistance to reform'.²⁷ The tactic appeared to have worked, for Chamberlain at least, as he wrote to Wolmer on his return to England later that month, 'I shall be glad to be able once more to take my place amongst you'.²⁸ The Liberal Unionist party would remain allied with the Tories, but they would remain Liberals as well. [Fig. 3]

Writing in the party newspaper, Ebenezer Le Riche blamed the party's defeats in the 1892 election on the overly close relationship with the Conservatives. 'At meetings the relative merits of the Conservative and Liberal parties were pointed out, the Conservative big drum was beaten, the party colours and sentiments flaunted wholly regardless of the 10 to 40 per cent of radicals who were thereby alienated and whose votes lost us the seat.'²⁹ Study of the work of the chief ideologues of the party, the professor of Law, A. V. Dicey, the scientist and banker, Sir John Lubbock, and the Irish historian, W. E. H. Lecky confirms that Liberal principles were still championed by the Liberal Unionist party long into the twentieth century. What motivated Liberal Unionists was more than a mere 'fear of socialism' and arose from a contrasting interpretation of Liberalism and nationalism to that of Gladstone. It took until 1895 for the Liberal Unionists to find an opportunity to portray themselves

as more authentically Liberal than Rosebery's shambolic government, and a strong case can be made that it was the Liberal Unionists who made the decisive contribution to the Unionist landslide of that year.³⁰

Antagonism

At a local level in Britain in the late nineteenth century, Liberal-Conservative animosities were enforced by religious, social and working allegiances and these proved remarkably resilient, even when the cause of Union and empire offered a bridge between them. The first of many disputes which was to hamper the Unionist alliance until the 'fusion' of 1912, took place at St Ives in June 1887. Here, as in so many of the later cases, the issue of disagreement was disestablishment. Salisbury correctly commented 'I generally find that it is that question that makes the difficulty'.³¹ Local party leaders, accustomed to a simple divide between Liberal and Conservative, became increasingly restive at having to support a local Conservative candidate. Clearly the problem was becoming more serious, particularly as the position of the Liberal Unionists became more fragile as their membership haemorrhaged back to Gladstone in the aftermath of the Crimes Bill. Some, who found their Liberalism under question, chose to remind their electorate of their principles by criticising their Tory allies. Henry James, still supported by the Liberal caucus in Bury, attended a dinner at the Manchester Reform Club and gave a speech attacking the Primrose League.

Between 1887 and 1892, the Liberal Unionist party lost nineteen out of twenty three by-elections, including ones in their stronghold of western Scotland, and the Liberal Unionist Associations began to demand what they perceived as their side of the electoral bargain from the Conservatives. The growing divisions between Conservatives and Liberal Unionists at constituency level finally found public expression in the dispute over the candidate for John Bright's seat in 1889. Chamberlain regarded Birmingham Central as his to allocate, but the local Conservatives, bitter opponents of Chamberlain long before 1886,

saw an opportunity to make trouble. This reflected a distrust of radicalism that was certainly still felt by many local Conservatives. In the North Buckinghamshire by-election in October 1889, one of Evelyn Hubbard's Conservative supporters 'began his speech in the following style. "Chapter XV, verse 7 of the book of common sense - 'never trust a radical.'"³² The rapidly shrinking radical Unionist section of the party felt that the Birmingham seat was a vital test of the party's credibility as an independent force. A hastily organised party conference was held in Birmingham at the end of April with Hartington, Lord Camperdown and the Duke of St Albans all attending. The Conservative candidate withdrew,

Fig. 3: 'Is marriage a failure?' [Letter from a Liberal Unionist]. 'Dear Sir - I was divorced from a Party called Liberal, and am now united in the bonds of matrimony to a Tory Party. I do not like it quite so much as I expected.' Yours, 'Much-married man' (*Fun*, 29 August 1888)

under pressure from Balfour, and John Bright's son won the subsequent by-election with a majority of nearly 3,000.

To ease relations on a local level, Wolmer now urged Liberal Unionist Associations to regulate their relations with their Conservative allies through the creation of joint committees. In West Derbyshire, for example, a Joint Unionist Committee was organised, comprising two members of the Liberal Unionist Association and three members of the Conservative Association. This committee became the chief organising body in the constituency, meeting in 1892 before the election and in 1893 and 1895. Joint Unionist meetings regularly took place within the constituency, and



at every election until 1900 a joint Unionist manifesto was issued by the committee.

The problematic issue of dis-establishment resurfaced however with the ill-advised attempt to debate the position of the Welsh church in 1891. On 1 January 1892 a correspondent of *The Times* noted that, although 'there is at the present time complete harmony so far as the leaders are concerned', this was not the case in the rank and file of both parties, amongst whom 'there is a certain amount of jealousy and suspicion'.³³ Shortly after becoming party leader in the Commons, this jealousy was expressed in an area doubly close to Chamberlain himself. At East Worcestershire, the unexpected resignation of Hastings, on a charge of fraud, had led Chamberlain to persuade his eldest son, Austen, to stand as a Liberal Unionist for the constituency that included the Chamberlain home at Highbury. Unfortunately, the chairman of the local Conservative Association, Victor Milward, insisted that Austen Chamberlain must pledge not to vote for dis-establishment in order to receive the support of local Conservatives. The Conservatives were eventually faced down when Chamberlain suggested that if pledges against disestablishment were to be asked from Liberal Unionists, pledges in favour of disestablishment might be asked from Conservatives by Liberal Unionists. Following the crisis, Lord Salisbury held the first joint meeting of the Unionist leadership that year, but the issue of dis-establishment continued to hinder the relations between the radical Unionists and the moderates and Conservatives.

At Leamington and Warwick, just outside Chamberlain's duchy, the most serious local crisis between the parties of the Unionist Alliance took place shortly before the fall of Rosebery's ministry in 1895.³⁴ Here the Speaker, Arthur Peel, had represented the seat since 1865, and he had been counted among the Liberal Unionists as he had been opposed by the local Conservatives in 1885 (despite the speakership), but not in 1886 or 1892. On the announcement of his retirement in March 1895, the local Conservatives claimed the right to contest the seat. Chamberlain stuck to the terms of the 1889 'compact' and extracted

from the Conservative leader in the commons, Balfour, a letter of support for his chosen candidate, the speaker's son, George.³⁵ Alfred Austin in the *Standard* and Gerorge Curzon in the *New Review*, with at least the tacit consent of Salisbury, took the opportunity to launch attacks on Chamberlain's behaviour and character.³⁶ When a public meeting was held at Leamington Town Hall to launch Peel's campaign, he was humiliated, and Chamberlain hurriedly dropped him and adopted Alfred Lyttleton, the sporting hero and a friend of Balfour's, as a compromise candidate acceptable to the local Conservatives.³⁷

The crisis of Hythe is less well-known. Sir Edward Watkin, MP for Hythe, was seriously ill in 1894 and looked unlikely to stand again, and the Liberal Unionist chief agent, John Boraston, complained that the local Conservative leader had forced their candidate forward against the wishes of the local Liberal Unionists. When Devonshire approached Salisbury, the Conservative leader was a little taken aback. 'Mr Boraston's information to you is in hopeless disagreement with the information which has been furnished to me by Douglas.'³⁸ As far as Salisbury was concerned Bevan Edwards, the chairman of the Hythe Conservative Association, was now adopted as the Unionist candidate for Hythe. The rival Liberal Unionist was ordered to withdraw his candidature once a Unionist coalition Cabinet had been formed, and Edwards won the seat at the general election.

With the concatenation of the Hythe, Leamington and Birmingham disputes, it seemed a genuine Unionist crisis was underway, and Boraston was keen to encourage Chamberlain's sense of grievance. He sent Chamberlain a letter from the honorary secretary of a northern Association. 'There is an intensely strong feeling as to the questions which have arisen at Hythe and Leamington. If the matter is not settled soon and in our favour you may rest assured that a good many Liberal Unionists will not stir one peg at the next General Election.'³⁹ Boraston continued to worry Chamberlain by telling him of the experiences of Liberal Unionists in Barnstaple and Tavistock where the local Liberal

Unionists were 'sour'd at the mutinous spirit that the Conservatives are showing'.⁴⁰ These quickly receded once the election campaign of 1895 was under way, but the antipathy between certain Unionist Associations continued to trouble the alliance even when the central Associations merged in 1912. The Birmingham Liberal Unionist Association held aloof and refused to amalgamate until January 1918.

The parties' managers and organisers, imbued with far greater authority since the expansion of the franchise in 1884, were charged with enforcing a Westminster electoral pact in the constituencies and they too proved less than enthusiastic in working harmoniously with those who had previously been their bitterest enemies.

Bias

The parties' managers and organisers, imbued with far greater authority since the expansion of the franchise in 1884, were charged with enforcing a Westminster electoral pact in the constituencies and they too proved less than enthusiastic in working harmoniously with those who had previously been their bitterest enemies. After the 1886 election, in which there were remarkably few disagreements over candidatures, disputes over the allocations of seats emerged, and the Conservatives' managers were clearly intent on serving the interests of their own party. In the first dispute at St Ives, Hartington wrote to Salisbury complaining about the behaviour of the Conservative chief agent, Richard Middleton. Middleton thought little of his new allies, observing in mid-1887, 'without the Conservative party ... no Liberal Unionist can secure his seat in any future election'.⁴¹ The actions of the *Birmingham Gazette* in provoking the crises in Birmingham in 1889 look particularly significant when one considers that Middleton was chairman of the syndicate that controlled the *Gazette*, a newspaper which was the rival of the pro-Chamberlain *Birmingham Post*. When Middleton was finally forced to disown Randolph Churchill's attempt to contest the seat and order the Birmingham Conservatives to back down, for the sake of future relations, the dispute was presented as merely the work of the ill informed and malicious.

In the wake of the crisis, however, there was now a need to define exactly what the relationship between the two Unionist parties should be and to turn the verbal 'compact' of 1886 into a more formal document. Hartington was forced to ask Wolmer, the newly appointed party whip, whether

any agreement existed in writing. It clearly did not and Salisbury only reluctantly agreed to extend the agreement to include the crucial issue of candidate vacancies. Three heads were agreed so as to avoid any repetition of the Central Birmingham dispute. It is notable that in the event of dispute over the choice of candidate, the party leaders in the Commons, W. H. Smith and Hartington, would be consulted, not the party managers, who were usually responsible for the selection of candidates. Although not explicit, it is possible to imagine that the Liberal Unionists now distrusted Middleton to act in a disinterested fashion, especially where West Midland seats were concerned.

Despite this document, realpolitik meant that the choice of candidate was largely determined by Salisbury, no doubt advised by Akers-Douglas and Middleton to give as little away as possible. In Cambridge in 1892, where there was a strong Liberal Unionist presence among academics, Hartington tried to have Albert Grey adopted for the university and Montagu Crackenthorpe adopted for the city constituency. Despite the aristocratic lineage of the former and the strongly anti-socialist beliefs of the latter, Salisbury refused to give way. In 1892, when the Liberal Unionists lost 37 per cent of their parliamentary strength overall, while the Conservatives lost only 19 per cent of theirs, Chamberlain complained bitterly to Heneage, 'I am afraid we get put off with all the hopeless seats and in this way we are slowly edged out of existence as a separate party'.⁴²

The impact of the 1892 general election results distinctly altered the relationship between the two parties. From Salisbury's perspective the result was perhaps as good as he might have expected. His party was in need of a rest after the unusual experience of minority administration for seven years. The Conservative dominance of the House of Lords and the small size of the Gladstonian majority (dependent on Irish votes) told Salisbury that a second Home Rule Bill could be successfully resisted and that any Liberal administration was likely to be short-lived. The dramatic decline of the Liberal Unionists now raised the prospect of a

The precise nature of the legislative programme that the alliance wished to see enacted presented the most serious challenge, especially with such contrast in ideological heritage of the parties.

Conservative majority in a future election, rather than a Unionist one and this appeared to cause little concern to the Conservative managers. As this likelihood drew nearer in early 1895, the malicious influence of Akers–Douglas and Middleton on the alliance became apparent in the Hythe and Leamington disputes. At Hythe, adjacent to Akers-Douglas' Kentish fiefdom, the Conservative chief whip was brazenly partisan. Devonshire wrote to Chamberlain complaining that 'A. Douglas seems to have been acting in a very extraordinary manner'.⁴³ Chamberlain was clearly concerned about the behaviour of the Conservative whip, as he now began to keep detailed notes of Akers-Douglas' role in the crisis.

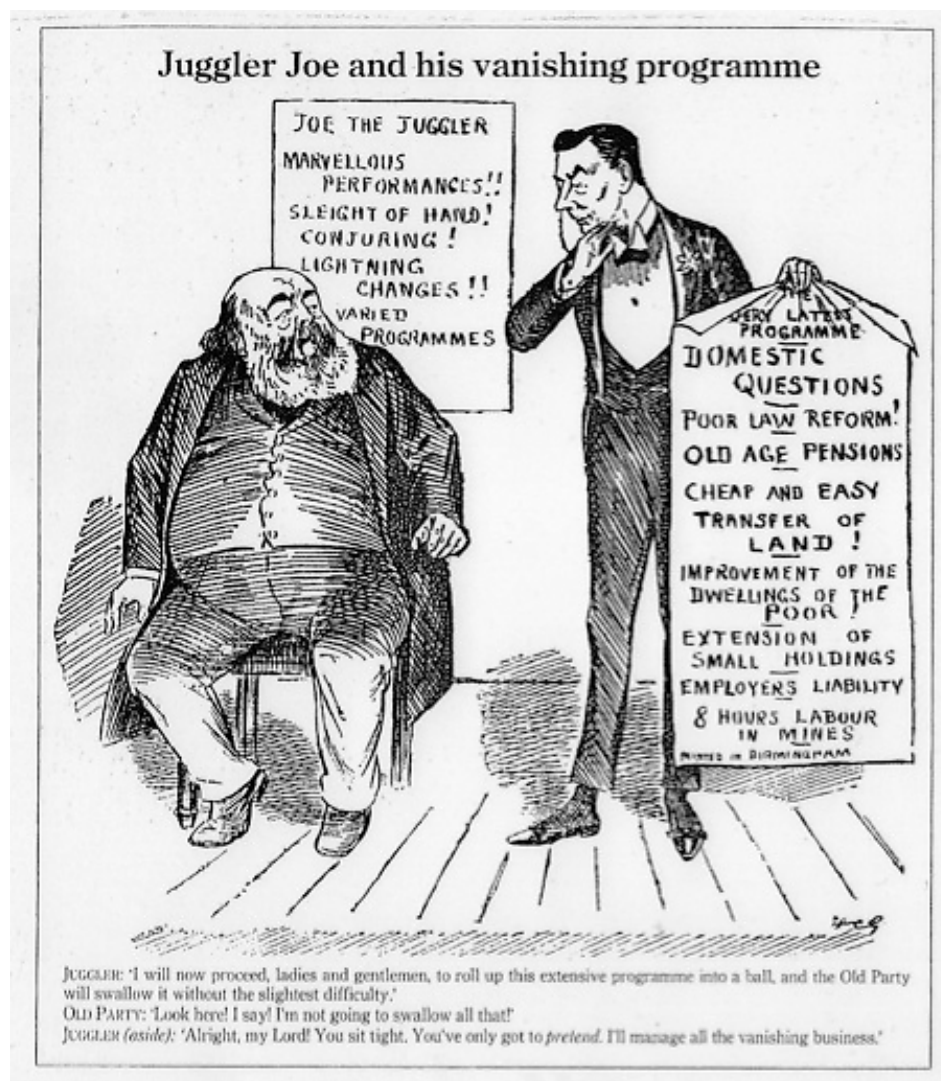
Middleton's role in stirring up the Conservatives in Leamington was revealed in my article on the dispute,⁴⁴ and he also played a role in stiffening Conservative resolve at Hythe. Less well known is that a second dispute arose at his behest in Central Birmingham in July 1895 when Lord Charles Beresford offered himself as a Conservative candidate, once Albert Bright's intention to stand down became public. It was reported to Chamberlain that Middleton took a keen interest in the affairs of Birmingham, and Powell Williams was in no doubt that the crisis was once again of Middleton's doing, but all he could suggest was that Bright should fight the general election and then resign. In the end, a compromise Liberal Unionist candidate was selected, to demonstrate Chamberlain's willingness to meet the Conservatives' concerns about the proposed candidate, Grosvenor Lee. Beresford was forced to withdraw his candidature after he came under pressure from Salisbury, who was, as at Leamington, forced to intervene to undo his principal agent's mischief.

Policy differences

The precise nature of the legislative programme that the alliance wished to see enacted presented the most serious challenge, especially with such contrast in ideological heritage of the parties. Without a document of agreed policy, the struggle for influence continually unsettled the alliance. The Liberal Unionist party could point to two solidly

liberal achievements in the period, with the introduction of free elementary education and the content of the 1888 Local Government Act, both of which Chamberlain had demanded in the 'unauthorised programme' three years earlier, but there was scant achievement in Ireland and friction over the Church. Hartington knew that Chamberlain could only demand so much, as 'he knows too well that the Gladstonians hate him too much ever to take him back again'.⁴⁵ When Hartington succeeded to the Dukedom of Devonshire at the end of 1891 however, the party took a gamble, appointing Chamberlain as leader in the Commons, in the hope of restraining his radical instincts, whilst retaining his undoubted electoral appeal. At a meeting to endorse his leadership at Devonshire House on 8 February 1892, rather than avoiding the difficult issue of disestablishment, Chamberlain made his position clear. 'I stated my intention of continuing to support by vote, and in any other way that seemed fitting, the disestablishment of the State church'.⁴⁶

Chamberlain attempted to exploit his association with radicalism in the few months before the election in 1892, by returning to the issue of social reform that had proved so successful at the Aston by-election the previous year. Bolstered by the increase in the majorities of the six Liberal Unionist seats in Birmingham and the four in neighbouring areas in 1892, he stepped up his attempts to persuade his party and the Tories to accept a programme of social reform, writing to James, 'our Unionist programme of the last 5 years is nearly exhausted ... If we attempt to win on a policy of negation, the fate of the moderates on the LCC will be ours'.⁴⁷ In November 1892 Chamberlain published an article, 'The Labour Question' in the *Nineteenth Century*, advocating an increasingly collectivist approach from the Unionists in order to prevent the emergence of class-based politics, which the election of Kier Hardie seemed to presage. Despite the clear dislike for collectivism that many Liberal Unionist had previously voiced, the party, desperate to avoid political oblivion, fell into line behind their leader in the Commons. Installed as chief organiser by Chamberlain, Joseph Powell Williams had the



party's publicity department print posters, pamphlets and even song-books endorsing social reform. Speakers operating the Union Jack vans took Chamberlain's message throughout the country and the more radical party Associations such as that of the West of Scotland filled the local press with endorsements. Even Devonshire was eventually persuaded to support it (cautiously) as the election of 1895 drew near.

At first the reaction from the Conservatives was lukewarm. Although Balfour expressed his sympathy in a speech at Sheffield in December, he was unwilling to commit to specific policies. After Gladstone's retirement, Rosebery had signalled a new direction for the party with the introduction of an Employers' Liability Bill in 1893, swiftly followed by the Mines Eight Hours Bill. Chamberlain firstly strove to distance his programme from that of the Liberals, accusing them of issuing 'appeals to class

Fig. 4: 'Juggler Joe and his vanishing programme' (*Westminster Gazette*, 9 July 1895)

prejudice'.⁴⁸ This could not disguise the fact that Rosebery was attempting to occupy the same collectivist ground as the Liberal Unionists and that the actions of the Lords in blocking these reforms would undermine Chamberlain's own programme. When Rosebery's Employers' Liability Act was thrown out by the upper house, Powell Williams warned Wolmer of the consequences. 'The effect of the loss of the Bill on the north is very bad indeed ... This is not an opinion. I can give you proof.'⁴⁹ Powell Williams, now the party's chief manager, encouraged local Associations in the north of England, the West of Scotland, Ulster and Cornwall to pledge their support for a sustained campaign of Unionist reform. Although criticised in the Tory press continuously, the campaign was supported by such solidly liberal figures as Millicent Fawcett, a prime mover in the Women's Liberal Unionist Association.

When, after the Second Home Rule Bill, Chamberlain demanded an alternative Unionist reform programme at Bradford on 2 June 1894, Balfour responded more positively, increasingly convinced by Chamberlain's argument that such pledges were necessary for the Unionists to break through in the north and in Wales. By the time Chamberlain spoke to his constituents in West Birmingham in October, as well as an extension to the Artisans' Dwellings Act, a House Purchase Act, employers' liability and alien immigration, there was a call to enact temperance reform and a tribunal of industrial arbitration. In his ongoing attempt to win Salisbury's approval, the restriction of labour hours was explicitly limited to miners and shopkeepers (therefore excluding domestic servants and agricultural labourers as Salisbury and his party wanted). As for old age pensions, Chamberlain now stated that 'I do not propose to give everyone a pension as a matter of right; I propose to help the working classes to help themselves.'⁵⁰ The first response from Hatfield was eventually made public in a speech at Edinburgh at the end of October. Salisbury admitted that he had sympathy for Chamberlain's 'general objectives' but claimed to have no knowledge of the detailed programme that the Liberal Unionists were preparing. [Fig. 4]

By contrast, Balfour appeared ever more eager to endorse Chamberlain's proposals wholeheartedly, claiming in November that the Unionists would have 'a monopoly of [social] legislation'. Buoyed by this, Chamberlain suddenly ceased his caution, perhaps realising that he would never win over Salisbury and began to make a number of wild promises to the electorate. Speaking at Heywood in Lancashire later that month, he made the choice for working class voters clear.

You may as I have said, try to disestablish the Welsh church, or you may, on the other hand, try to become the owners of your own houses. You may attempt to pass an Irish Land Bill, or you may attempt to get old age pensions for yourselves.⁵¹

Balfour continued to encourage Chamberlain's campaign during a speech in January 1895 at



Manchester in which he claimed that social reform came second to the maintenance of the Union in the Alliance's priorities. Emboldened by this, Chamberlain became even more open in his programme, even referring to social issues as 'the primary policy' in his response to the Queen's Speech in the Commons in February.⁵²

The campaign to convince the Conservative leadership to accept Chamberlain's programme was terminated however by the local crises at Hythe, Leamington and Birmingham which broke out in spring 1895 as the prospect of election victory drew close. Having realised that he was in no position to make political demands after the Leamington debacle, Chamberlain was faced with an opportunity to distance himself from his own programme when it received the support of Mrs Fawcett, who spoke at a meeting of the Metropolitan Liberal Unionist Federation in May and who proposed a motion urging the party leadership to press forward measures of social reform. Chamberlain, chastened by his treatment by the Conservative press, failed to respond to Mrs Fawcett's invitation and instead spoke of his priority as 'the expansion of the empire'. On the same day, Salisbury spoke at Bradford, making it clear that 'nothing would induce me to adopt the socialistic [sic] remedies', but he acknowledged, 'there is an evil'.⁵³ When Chamberlain issued his personal

manifesto, although he claimed that 'Unionist leaders are absolutely agreed in their determination ... to devote their principal attention to a policy of constructive social reform', he no longer enunciated specific policies.⁵⁴ [Fig. 5] It cannot be denied, however, that support for elements of the social programme was widespread among Liberal voters and the party's achievement of seventy seats, including nine in the north of England and one in Wales, owed much to popular expectation of substantial reform.

With the election over, Salisbury made it clear that 'the condition of England' would not be eagerly confronted under his premiership. The Queen's Speech of August 1895 contained no mention of domestic reform at all, and he did nothing to prevent an amendment to the speech asking for measures to address unemployment from being defeated by 211 votes to 79. Speaking at Brighton in November, he made his caution clear, 'however much you may desire to benefit your neighbour, you do not benefit him by taking money out of the pockets of another man.' In contrast to Chamberlain, he promised that 'the sufferings under which agriculture is groaning are the first evils to which we must apply ourselves'.⁵⁵ It is difficult to dissent from David Steele's conclusion that unlike Gladstone and Devonshire, Salisbury had successfully tamed Chamberlain.⁵⁶ Chamberlain at the colonial office was no longer the

Fig. 5: 'On the altar of the coalition' (*Westminster Gazette*, 5 July 1895)

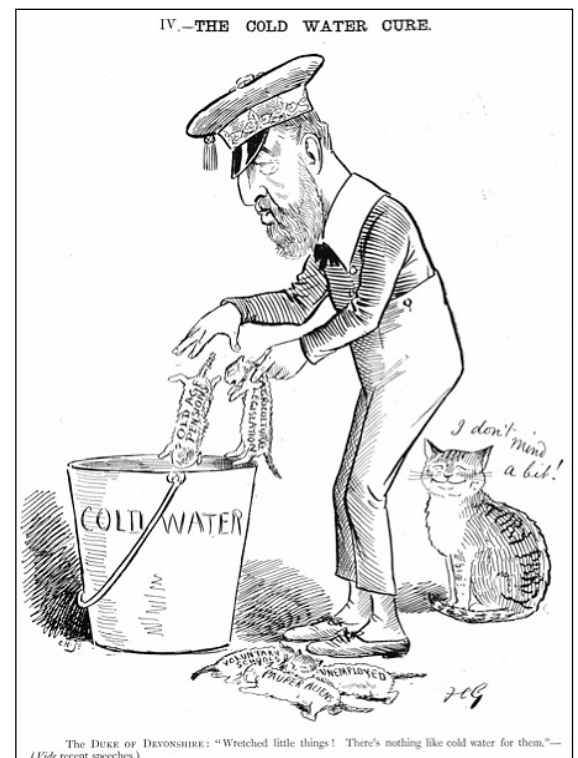
Fig. 6: 'The cold water cure' (*Westminster Gazette*, 21 September 1895)

Liberal Unionist spokesman on this issue and it was left to an equally quiescent Devonshire, as Lord President, to attend a conference on the Poor Law at Derby in September 1895, where he stated that 'a great proportion of even the industrious aged poor must be dependent for their support ... [on] the Poor Law'.⁵⁷ [Fig. 6] Chamberlain's advocacy of social reform for the common good would only be resurrected by the united party in the changed circumstances of the inter-war years, when it proved to be a valuable asset for Baldwin and Neville Chamberlain in offering an alternative to the Labour party's collectivist programme.

Conclusion

The nine years of political manoeuvring, between 1886 and 1895, demonstrated the dangers of collaborating with the Conservatives. In a warning that Nick Clegg might heed, Arthur Pease, who had stayed loyal to Gladstone, gave his view of the compromises that the Liberal Unionists had had to make in these years:

I have often thought of a story I was told as a child of a Russian family flying before a pack of wolves, in their sledge with four horses. To save themselves they tried sacrificing one horse, then



another, each victim relieving them for a short time from a terrible fate, and in their desperation finally sacrificing their children, and all in vain ... [Liberal] principles, their promises ... all had to be thrown away to defeat the policy of conciliation and justice.⁵⁸

In truth, some Liberal Unionists remained as committed to policies such as temperance, non-denominational education, state support for the poor, further franchise reform and disestablishment as they had been in 1885. Of course, these policies posed a particular threat to the party of the church, the farmer and the businessman – the Conservatives – and were, as a result, a significant stumbling block in the Unionist alliance. What emerged instead, was a commitment to the rule of law, a defence of the benefits of the Union and the historic mission of the British empire. The persistence of political sectarianism among party managers and among many local activists that was revealed by the events in Hythe, Leamington and Birmingham, led to the strategic decision to create a coalition immediately prior to the 1895 election. It was also a political decision on Chamberlain's part, to use the imperial mission between 1895 and 1903 to finally try to bring a genuine affinity to the two wings of unionism. The party's survival was thus assured into the twentieth century, but eventual fusion with the Conservatives could only be avoided with the active cultivation of the local party's separate identity by the leadership, even as they entered a Unionist coalition Cabinet. That this support was not forthcoming is clear from the party records after 1895, which show little opposition to Middleton's appropriation of former Liberal Unionist constituencies, at least outside the area controlled by the West of Scotland regional Association. Some radicals and committed Liberals such as T. W. Russell and Leonard Courtney refused to go along with this and grumbled, resigned or returned to the Liberal Party, but Chamberlain no longer needed the Liberal Unionists as much as he needed to prove his acceptability to the Tories.

By 1902 despite being opposed to those clauses that provided ratepayer funding for denominational

'To be used as the ladder up which Joe climbs into a Conservative Government, waving aloft his banner of shoddy reform then to be thrown ignominiously aside. A fit ending for a company of prigs!'

schools in the Education Bill, he defended the Cabinet's decision in a series of ill-tempered meetings in Birmingham.⁵⁹ Chamberlain's great achievement between 1886 and 1902 had been in securing the affection of a substantial body of Nonconformist Liberals though the agency of bodies such as the Nonconformist Unionist Association. Now, as he wrote to Devonshire, 'our best friends are leaving us by scores and hundreds never to return.'⁶⁰ This spread nationally until a major protest meeting was held at Queen's Hall, London on 10 June, where Nonconformist Unionists were described as those 'who gave their votes to the betrayal of their coreligionists'.⁶¹ Paul Readman has suggested that the Education Bill was valuable ammunition in the Liberal party's post-war attempt to regain ownership of liberal, patriotic constitutionalism, in the face of the (alleged) denominational, sectarian and anti-democratic bill.⁶² At the time, Edward Porritt considered that 'much of the disappearance of Liberal Unionism is traceable to the Education Act of 1902.'⁶³

Chamberlain was therefore desperate to reassert his Radical credentials, and the tariff reform campaign, with its initial promises of social reform, certainly allowed him to consolidate his support in Birmingham.⁶⁴ To take a more sympathetic view, the new policy can be seen as consistent with all Chamberlain's actions since 1886. Tariff reform was another attempt to promote the interests of the nation above those of particular classes or national groups, just like the defence of the Union in 1886 and 1893, and the promotion of 'constructive unionism' in his social programme of 1892–1895. The attempt to fuse patriotism with an attack on 'the condition of England' had motivated his negotiations with Lord Randolph Churchill in the mid-1880s and his wooing of Balfour after 1891 and helps to explain his enormous popularity in the Midlands.⁶⁵ It also provided an ideological glue to bind the two Unionist parties together as the Conservative party had a long-standing protectionist instinct that even Salisbury had occasionally indulged. To Liberals like Arthur Elliot, Henry James and Sir John Lubbock (now Lord Avebury) the

abandonment of the principle of free trade, and of the legacy of Cobden and Bright, was one pill they would not swallow under any circumstances. Between 1903 and 1906, eight Liberal Unionist free trade MPs left the party and rejoined the Liberals.⁶⁶ James, in common with the remaining Liberal Unionist free traders, refused to campaign for Balfour and Chamberlain:

We see the Unionist flag held aloft, but beneath it Protectionist forces are gathered. We free traders have a right to say these are not our friends, we will not fight on their side.⁶⁷

The former governor of Ceylon, West Ridgeway, wrote an article on the death of the Liberal Unionist party in which he claimed that the party had been 'strangled by its own parent'.⁶⁸ Beatrice Webb noted the effect her former sweetheart had had upon 'the poor, dear Liberal Unionists – that little company of upright, narrowly enlightened, well bred men.'

To be used as the ladder up which Joe climbs into a Conservative Government, waving aloft his banner of shoddy reform then to be thrown ignominiously aside. A fit ending for a company of prigs!⁶⁹

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THE COALITION PRELUDE TO LIB

The coalition of 1915–1916 has not had a very good press. Liberals have traditionally disliked it because it signalled the end of the last Liberal government to hold power in the United Kingdom. Conservatives have not been much happier with it, seeing it as still dominated by the Liberal ‘old gang’ headed by Asquith, and insufficiently willing to take drastic action to support the army and organise the economy during the First World War. **Ian Packer** analyses the record of the 1915–16 coalition.

Does it represent a health warning against Liberal coalitions with Conservatives?



ABOVE ALL, the coalition did not deliver military victory and it collapsed in acrimony in December 1916, leaving the field free for Lloyd George

to form a new coalition, which did emerge triumphant in 1918. In these circumstances, not many historians have had a kind word to say for the first wartime coalition of 1915–1916.¹ However, it was not

OF 1915 – 1916

BERAL DISASTER

necessarily a particularly incompetent administration, nor one that demonstrated that Liberals were unable to adapt their ideology to winning a modern war – it was just in power during some of the most desperate times of the First World War. The coalition did, though, prove disastrous for Liberalism by paving the way for the power struggle between Asquith and Lloyd George which destroyed the Edwardian Liberal Party. If the Liberal Party needs a warning that coalitions can be dangerous for your health than the experience of 1915–1916 provides a salutary example.

That the First World War would lead to a coalition government was a possibility that hung over British politics from the very beginning of the war. The political era before 1914 is often seen as the classic time when the ‘swing of the pendulum’ ensured alternating Liberal and Conservative governments, with secure parliamentary majorities. But the existence of other parties ensured that the picture was actually far more complicated. The Conservative government of 1886–1892 relied on the Liberal Unionists for its majority and the government of 1895–1905 was a formal coalition of Conservatives and Liberal Unionists. The Liberals relied on the Irish Nationalists to support them in power in 1892–1895 and again in 1910–1914, with the infant Labour Party also providing help on the latter occasion. In the whole period 1886–1914, only the Liberal government of 1906–1910 was not either a coalition or reliant on another party for its majority. Late Victorian and

Edwardian politicians were, therefore, scarcely averse to cross-party cooperation.

In August 1914, a Liberal–Conservative coalition was, for a moment, a distinct possibility. The leading figures in the Liberal government, particularly the prime minister, Asquith, and the Foreign Secretary, Sir Edward Grey, were determined that Britain must intervene in a continental war on the side of Russia and France.² But a few other Cabinet members were implacably opposed to this continental ‘entanglement’, while the majority wavered in between. Until two tense Cabinet meetings on 2 August decided to support a declaration of war if German troops invaded Belgium or German ships entered the Channel, it was possible that the Liberal government would collapse. In fact, only two Cabinet ministers, Lord Morley and John Burns, resigned in protest at this decision, while a maximum of about twenty MPs harboured serious doubts about entering the war.³ This outcome allowed the Liberal government to survive virtually intact and direct Britain into the war. But if there had been an avalanche of resignations from the Liberal government it was possible that Asquith and the pro-intervention ministers would have tried to survive in power by forming a coalition with the Conservatives. Bonar Law and Lord Lansdowne, the Conservative leaders in the House of Commons and House of Lords respectively, had written to Asquith on 2 August pledging their full support for intervention and

this could be read as implicit support for a coalition, if necessary.⁴

However, Asquith’s skillful handling of his Cabinet banished the spectre that the Conservative leaders’ letter had summoned up. While the Conservatives had twenty-five more MPs than the Liberals in August 1914, the Liberals retained a secure parliamentary majority through the support of the thirty-seven Labour MPs and eighty-five Irish Nationalists. Both Labour and the Irish, under the leadership of John Redmond, supported the decision to declare war, though both parties, like the Liberals, contained opponents of this decision.⁵ But once they had decided to support the Liberals they became bound even more tightly to the government. If the Liberals were replaced by the Conservatives or a coalition government that contained Conservatives, then Labour and the Irish Nationalists feared that objectives they held dear would be threatened. Labour was worried that trade union privileges would be eroded and particularly disliked the possibility of industrial conscription; the Irish hoped above all to protect the Home Rule Act that was put on the statute book in September 1914, though suspended until no later than the end of the war.

The Liberal government seemed safe for the time being. In wartime the Conservative opposition could not even criticise the government, for fear of seeming unpatriotic, especially when Asquith pulled off the political masterstroke of appointing the leading general, Lord Kitchener, as Secretary of

Left:
H. H. Asquith,
Liberal Prime
Minister 1908–16

State for War.⁶ Divisions of course arose about how to conduct the war, but they were not fatal to the Cabinet's unity, which had been built up over nine years of successful peacetime administration. The crucial dispute was about how much of the country's economic and manpower resources should be committed to the war.⁷ A group of Liberal ministers, centred around McKenna, Runciman and Harcourt took a cautious approach, fearing that massively disrupting the economy would lead to Britain's financial collapse. Lloyd George, on the other hand, rapidly associated himself with a policy of 'total war', calling for a massive expansion of munitions production and increasing government intervention in the economy. This was partly a temperamental difference, but it also reflected, to a certain extent, pre-war attitudes. Lloyd George had been an advocate of expanding the state's role in social reform, while McKenna and his allies had been much more dubious. In wartime, Lloyd George merely expanded his enthusiasm for state intervention to include organising the country for victory. This was certainly not a dispute between one approach that was Liberal and one that was not: Liberalism before 1914 had accommodated itself to a great deal of state intervention, especially in the field of social welfare.⁸ But it did lay the basis for some of the most acrimonious quarrels that rocked the 1915–1916 coalition and a lasting enmity between McKenna and Lloyd George (though they had been rivals long before 1914).⁹ However, McKenna's approach, whatever its merits, was gradually being superseded in 1914–1915 because of Kitchener's decision to train a volunteer army of millions. This started to seriously warp the economy as munitions and engineering expanded, while other sectors of the economy shrank, starved of manpower and resources. Prices rose by 40 per cent by May 1915 as shortages appeared, and the Cabinet was increasingly drawn into managing the economy in an attempt to supply both the army and the home front.

However, what undermined the Liberal government and paved the way for the coalition was simply its inability to win the war. That military crisis would probably

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lead to coalition was amply demonstrated in the early days of the war in France. When German troops threatened Paris the outcome was a national coalition under René Viviani on 28 August 1914. Many British politicians of course hoped the war would be 'over by Christmas' – and Liberal politicians believed no doubt that a grateful electorate would reward them for leading the nation to victory. But this prediction proved an illusion. The decisive battle on the western front never came and was replaced by the stalemate of a line of trenches from Switzerland to the North Sea. In early 1915 the Liberal government still remained hopeful of an early victory, but these predictions, too, came to nothing. Instead, a series of military and diplomatic setbacks rattled the Cabinet's optimism. The spring Anglo-French offensive on the Western Front failed to break the German lines. Instead it backfired on the government, when reports, inspired by military figures, appeared in *The Times* on 14 May 1915, suggesting that British troops were being held back by a shortage of ammunition. At the same time, Churchill's brainchild of a landing at the Dardanelles merely provided another military stalemate and neither forced the Ottoman Empire out of the war nor brought the neutral Balkan states into the war on Britain's side. On 15 May Lord Fisher, the head of the Admiralty, resigned in opposition to the whole Dardanelles policy.¹⁰

Under these circumstances, Asquith had to accept that it was very unlikely the war could be won in the near future. His government had to bear the responsibility for this situation. Its reputation was also constantly battered by the Conservative press, which hounded the government as insufficiently patriotic in its attitude towards enemy aliens and even hinted that ministers like Haldane, who was known for his links to Germany before 1914, were secret traitors.¹¹ The combination of the 'shells scandal' and Fisher's resignation threatened to seriously damage the government's already waning credibility. It was certainly unlikely that Bonar Law would be able to restrain his backbenchers from openly criticising the government.

In this worrying situation Asquith took advantage of one

of the 'sudden curves' in politics he liked to think he had a special aptitude for spotting.¹² On 17 May, Bonar Law called on Lloyd George to confirm that Fisher had resigned. In the course of their conversation the idea of an all-party coalition government seems to have arisen (though who initiated the idea and in what context has remained a matter of dispute).¹³ When Lloyd George reported his conversation to Asquith, the latter summoned Bonar Law to 10 Downing Street and, in a conversation that allegedly lasted only fifteen minutes, the termination of the last Liberal government was agreed. Asquith probably felt the need to strike a deal as quickly as possible, before his Cabinet's authority and the Liberal Party's popularity waned any further. A coalition would force the Conservatives to share responsibility (and blame) for wartime decisions. It was, for this very reason, distinctly unpopular with many Conservative leaders, but they felt they could not refuse for fear of seeming to run away at a moment of supreme national crisis.¹⁴ Labour, too, accepted a Cabinet post to protect trade union interests, while the Irish Nationalists declined as they did not wish to be too closely associated with a British government, or face taunts at home that they had accepted paid posts from the British Crown.¹⁵

The government that was formed, though, reflected the reality of the parliamentary situation and the continued majority in parliament of Liberals, Labour and Irish Nationalists. Asquith remained prime minister; in a Cabinet of twenty-two members there were twelve Liberals, plus Arthur Henderson as the representative of Labour, while the Conservatives held only eight posts (the remaining minister was the non-party Kitchener).¹⁶ Bonar Law was relegated to the lowly post of Colonial Secretary and several Conservatives received non-executive jobs, including Curzon as Lord Privy Seal and Lansdowne as Minister without Portfolio. No Conservative had a central role in the direction of the war, other than Balfour, who was given the Admiralty. Asquith could feel he had achieved his aim. The Conservatives were compelled to share responsibility for the conduct of the war and any future

disasters would not just damage the Liberals. But it was still very much Asquith's government. Many other Liberals outside the leadership were dismayed though. The last purely Liberal government had been dismantled without any consultation, and of course most Liberals continued to see the Conservatives as their main political enemies and had no wish to cooperate with them. Asquith had to be at his very best to convince a meeting of Liberal MPs on 19 May to back the new coalition: 'Some of the members were moved even to tears, as was the P.M. himself', as Christopher Addison wrote.¹⁷ But in the end Liberal MPs had no choice but to go along with their leaders, especially as Asquith pleaded that the very survival of the country was at stake.

The real difficulty that Asquith created for himself in May 1915 was one that he may not have foreseen. He was the unchallenged leader of the Liberal Party. No competitor had emerged since his unopposed coronation in 1908. It was certainly very unlikely that Lloyd George could replace him. While the Welshman was very popular with the Liberal rank and file, he had no supporters or friends in the Liberal Cabinet other than Churchill, whose reputation had been temporarily eclipsed by the Dardanelles fiasco anyway.¹⁸ Many of the leading Liberals, like McKenna, openly despised Lloyd George and he had been unable to build up a core of supporters at the highest level – all his acolytes like Rufus Isaacs or Charles Masterman who had reached Cabinet rank had been failures.¹⁹ But once a coalition was formed, it was no longer necessary to be Liberal leader to be prime minister. If Lloyd George could attract at least a modicum of Liberal support he could add this to the Conservative MPs (and possibly Labour as well) and form a new majority government. Cooperation between Lloyd George and the Conservatives would have seemed unthinkable before 1914. But in wartime it might be feasible, as Lloyd George's plans for organising the economy and increasing munitions production were shared by most Conservatives. In May 1915 this must have seemed a very far-fetched possibility. But the creation of the coalition meant it *was* possible. In fact it was about the only way

that Asquith could be displaced as prime minister, as no Conservative could take the job, given the party's minority status in the Commons. In May 1915 this kind of speculation must have seemed very tenuous. But, by December 1916, it had become a reality and the coalition had fallen, and with it the Edwardian Liberal Party.

A number of factors pushed events in this direction. The first was that, as part of the coalition arrangements, Asquith had intended to remove Kitchener from the War Office, where he was widely perceived to be obstructive and unimaginative, and replace him with Lloyd George. When clear evidence of the general's popularity made this impossible, he appointed Lloyd George head of a new Ministry of Munitions, charged with increasing production and avoiding any future 'shells scandals', like that of May 1915.²⁰ Lloyd George would have been happy to remain as Chancellor of the Exchequer, but his new role gave him the opportunity to immensely enhance his reputation as a successful wartime leader. It allowed him to tackle one of the greatest crises confronting Britain's participation in the war and, in the judgment of his contemporaries and most historians, he did so successfully.²¹ Lloyd George's role at Munitions suited his temperament ideally. Rather than being faced by a huge bureaucracy he created his own organisation, exercising his considerable talents for picking the right man for the job. The famous 'men of push and go' undertook the detailed administration (never Lloyd George's strong point), while he inspired his subordinates, fought their battles in Whitehall and planned out grand strategy. The only yardstick by which the ministry's success would be judged was its ability to increase munitions production, and, as Lloyd George boasted in his *War Memoirs*, this meant it was a resounding success. Britain produced 70,000 shells a week in May 1915, but by January 1916 the total was 238,000 a week.²² This huge increase in production kept the British war effort going. But it also made Lloyd George a potential alternative to Asquith as war leader.

Lloyd George's success at Munitions also raised crucial questions that put the coalition and the

Liberal Party under strain. The most significant of these was how the nation's manpower should be directed. The army was demanding more and more recruits and it was increasingly clear that the system of volunteering could not provide these recruits. Moreover, the army was competing for men who were desperately needed in the munitions factories and on the land, as Lloyd George well knew from his experience at the Ministry of Munitions.²³ He had come to the conclusion that only conscription could solve these difficulties and he made his views public in September 1915.²⁴ For the first time in a great public controversy, Lloyd George aligned himself with the Conservatives, who strongly supported conscription, while the views of his own party were much less enthusiastic. The forty or so Liberal MPs organised in the Liberal War Committee enthusiastically supported Lloyd George's views as the only way to secure victory.²⁵ But some Liberal Cabinet ministers, headed by Reginald McKenna, who had been installed as Chancellor of the Exchequer in May 1915, were bitterly opposed. McKenna argued that conscription would be a disaster. The country could not afford an even bigger army and, by taking more men from industry, conscription would ruin the economy and prevent the army, and Britain's allies, from being properly supplied. Outside the Cabinet, most Liberal MPs were reluctant to accept conscription – some on pragmatic grounds, others because they felt it breached fundamental Liberal principles of freedom of conscience. However, perhaps only about thirty Liberal MPs were implacably opposed to conscription in all circumstances.²⁶ If pressed hard, the rest were prepared to accept the policy as the necessary price to win the war. But the conscription issue caused tremendous soul-searching and disquiet in Liberal circles at the same time as it started to seal Lloyd George's growing reputation among Conservatives.

The policy of conscription was eased through in stages in 1916, with united backing from the Conservatives and increasingly soft opposition from within Liberalism. Legislation to conscript single men aged 19–41 was passed in January 1916, and extended to married men

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THE COALITION OF 1915–1916: PRELUDE TO LIBERAL DISASTER

in May 1916.²⁷ With a huge offensive planned for the summer of 1916, conscription had become crucial to replace British losses in the field. In a sense, passing conscription was one of Asquith's last great parliamentary triumphs. He sensed the inevitability of the measure and used his cautious approach to bring most Liberals with him. Only Sir John Simon resigned from the Cabinet over the issue, with McKenna and his allies refusing to go with him. But, ironically, Asquith's triumph also weakened him. Lloyd George was willing to admit Asquith was 'the only man who can get Compulsion through the *House of Commons* at present', but once he had piloted conscription through parliament he was no longer so useful to the Conservatives as war leader.²⁸ Moreover, his cautious, conciliatory approach alienated both many Tories and Lloyd George, who complained '[I]f he were in the pay of the Germans he could not be of more complete use to them'.²⁹ The idea that he might need to be replaced started to circulate more freely.

Events later in 1916 pushed this idea further forward. The crucial context, as at the creation of the coalition in May 1915, was military and diplomatic.³⁰ The great Somme offensive of July 1916 came to nothing; Britain suffered a major reverse when its invasion of central Iraq was defeated by the Ottoman Empire; and Rumania collapsed on the eastern front. Food production remained perilously close to the minimum needed to feed the population while conscription had not solved the basic shortage of manpower needed for the army, industry, agriculture and transport. Meanwhile, the whole economy was increasingly dependent on loans from the United States and thus the goodwill of the American government and financial sector. Some senior politicians came to believe victory was impossible and Lord Lansdowne circulated a memorandum, calling for a compromise peace, which the Cabinet discussed on 22 November 1916.³¹ The Cabinet rejected the idea as impractical and an admission of defeat. But it made Asquith increasingly vulnerable to the accusation that he was not providing the leadership needed to inspire the nation and

crush the need for such discussions. The Conservative backbenches and press were awash with this sort of criticism by the autumn of 1916, and plans began to circulate about the need for a small War Cabinet to take over the direction of the war. But the Conservative leaders could not act on this kind of criticism. If they threatened resignation it would look like desertion in wartime, and, as the minority party, they could not hope to replace Asquith with a Conservative. If he was to be toppled it had to be by a member of his own party, and the only person who was both prominent enough to attempt this and acceptable to the Conservatives was Lloyd George.

In late 1916 Lloyd George was increasingly amenable to some sort of reconstruction of the government, in particular one that might exclude his enemies like McKenna from the centre of power. He may also have been worried that his move from the Ministry of Munitions to Secretary of State for War in July 1916 had not been a success. Lloyd George had to take some responsibility for the failure of the Somme offensive, and he had been unable to politically outmanoeuvre the generals, such as Sir William Robertson and Sir Douglas Haig.³² Lloyd George may have felt the need to reassert his role in the conduct of the war and his standing in the Cabinet. In November 1916 he started to turn increasingly to the idea of a War Cabinet that would direct strategy. In Lloyd George's version, Asquith would be excluded from this body (as would McKenna), but would remain as prime minister and leader of the Liberal Party. Lloyd George's key ally was Bonar Law, who was equally keen to reconstruct the government, if only to show his backbenchers and the Conservative press that something was being done to try and turn around the dire strategic situation.³³

The fatal step in ending the coalition of 1915–1916 was taken on 1 December 1916, when Lloyd George met Asquith, put the War Cabinet plan to him, and suggested he would resign if the proposal was not accepted.³⁴ Initially, Asquith was cautious and seemed to be willing to negotiate around the proposal. But then he backtracked.³⁵ Possibly he came to believe that Lloyd George did not have the support of the

Conservative leaders and that he could ride out Lloyd George's resignation, as he had withstood so many political storms. This was a fatal mistake, as Lloyd George's resignation was swiftly followed by indications that he, not Asquith, had the support of the Conservative leaders. As a last throw of the dice, Asquith dissolved his own government by resigning himself on 5 December, challenging his critics to see if they could put together an administration. This too was a miscalculation. George V asked Bonar Law to see if he could form a government as leader of the next biggest party in the Commons. He swiftly concluded this was impossible and the baton passed to Lloyd George. In a few days he put together a new coalition of the Conservatives, Labour and some Liberal supporters (though none from the previous Cabinet). The coalition of 1915–1916 was dead.

This outcome was not inevitable even after the December crisis began – after all Lloyd George had not planned to replace Asquith as prime minister. But it was a reformulation of politics that was determined by the peculiar political circumstances of 1915–1916, which had brought the Liberals and Conservatives together in coalition. Its impact on the Liberal Party was catastrophic. The party was cut in two from top to bottom and one section of it was in alliance with the Conservatives – a disaster it had sedulously avoided since the split with the Liberal Unionists in 1886. In 1918 the Liberals would suffer an electoral catastrophe even greater than that of 1886, when Asquith's followers were annihilated, while Lloyd George's emerged as prisoners of the Conservatives. The end of the 1915–1916 coalition also put a full stop to the 'progressive alliance' with the infant Labour Party. Henderson had functioned more or less as part of the Liberal group in the 1915–1916 Cabinet, but in December 1916 he refused to act with Asquith and his ministers and Labour took on an enhanced role in Lloyd George's new coalition government.³⁶ This development helped ensure that there would be an independent successor waiting in the wings once the Liberal Party suffered electoral disaster in 1918, rather than a friendly ally.

The fatal step in ending the coalition of 1915–1916 was taken on 1 December 1916, when Lloyd George met Asquith, put the War Cabinet plan to him, and suggested he would resign if the proposal was not accepted.

But if the 1915–1916 coalition paved the way for a set of disasters for the Liberal Party, it also slaughtered a number of Liberal sacred cows. In addition to enacting conscription the famous ‘McKenna duties’ were included in the September 1915 budget, imposing exceptionally high duties on various luxury imports, including motor cars.³⁷ Their intention was obviously protectionist and no pretence could be maintained that free trade had survived in wartime. The coalition also failed to enact some crucial Liberal policies, especially Irish home rule. After the Easter Rising of April 1916 the Liberals within the government insisted there should be a concerted attempt to keep Irish Nationalist opinion behind the war effort by trying to reach an agreed settlement on home rule. Lloyd George took on a central role in the negotiations and suggested that the Home Rule Bill, enacted but suspended in September 1914, might be implemented immediately, but not in the six counties of Northern Ireland. Necessarily, there was some ambiguity about whether this exclusion would be temporary or permanent. But this eminently Liberal policy was undermined by the Conservatives in the Cabinet who disliked any notion of home rule. By insisting on clarification of the future status of Northern Ireland they killed the scheme and the last chance of implementing Gladstone’s home rule policy.³⁸

So – one verdict on the coalition might be that not only did it lead to disaster for the Liberals, it was not even very successful in protecting Liberalism. But from a wider perspective, does it deserve its reputation of lack of competence in pursuing the war effort? Here, the coalition’s reputation has started to rise, if only because it has become increasingly clear that the distinction between the coalition and its successor of 1916–1918 has been overdrawn. The new War Cabinet of five that Lloyd George set up to conduct the war gradually grew larger as more and more ministers and soldiers attended and it soon found itself just as clogged with details as Asquith’s old Cabinet.³⁹ On crucial issues like food distribution Lloyd George’s new Cabinet stumbled gradually towards price

Ingenious as it was, it could only produce political stability if the government could actually start to produce military success. Without this crucial factor, the call for new men and new measures would not go away, and in December 1916 it destroyed the coalition and ultimately the Edwardian Liberal Party.

controls and rationing in 1918, desperately engaging in crisis management, only gradually accepting radical new forms of state intervention and constrained all the time by party bickering and sectional interests.⁴⁰ In other words, it behaved much as Asquith’s government had done. Behind the rhetoric there was a great deal of continuity and, if Lloyd George’s regime took a more active role in organising the economy, it was in the winter of 1917–1918, under the impact of a series of crises, rather than as a result of any new vision.

With a great deal of hindsight it is possible to take a more balanced view of the 1915–1916 coalition. Its birth had been inauspicious. Neither Conservative nor Liberal MPs or activists had wanted it and its real author, Asquith, hoped to use the Conservatives as a sort of human shield for the Liberals, or at least make them share the blame for the government’s inability to win the war. This was a scheme of some ingenuity, probably conceived on the spur of the moment. But, ingenious as it was, it could only produce political stability if the government could actually start to produce military success. Without this crucial factor, the call for new men and new measures would not go away, and in December 1916 it destroyed the coalition and ultimately the Edwardian Liberal Party.

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- 2 These matters are dealt with succinctly in K. M. Wilson, ‘Great Britain’ in K. M. Wilson (ed.), *Decisions for War, 1914* (Routledge, 2003), pp. 175–208.
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- 14 Austen Chamberlain to Bonar Law, 17 May 1915, in Sir Charles Petrie, *The Life and Times of the Rt Hon Sir Austen Chamberlain*, 2 vols. (Cassell, 1939–40), vol. ii, pp. 50–1.
- 15 C. Wrigley, *Arthur Henderson* (GPC Books, 1990), pp. 89–90; Jackson, *Home Rule*, pp. 148–50.
- 16 From a Liberal point of view Haldane, Samuel, Montagu, Pease, Emmott, Lucas, Hobhouse and Beauchamp all lost their places in the Cabinet to make room for the new arrivals, though the Conservatives had only specifically insisted that Haldane be sacked.
- 17 Addison’s Diary, 19 May 1915 in C. Addison, *Four and a Half Years*, 2 vols. (Hutchinson, 1934), vol. i, p. 80.
- 18 Churchill was demoted to Chancellor of the Duchy of Lancaster in the coalition government and resigned altogether in November 1915.
- 19 Rufus Isaacs had resigned from the Cabinet in 1913 and Masterman in February 1915.
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- 22 Lloyd George, *War Memoirs*, 2 vols. (Odhams, 1938), vol. i, p. 388.
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LIBERALS IN COALITION

The decline of the old Liberal Party was fundamentally affected by three crucial coalitions with the Conservatives, in 1895, 1916 and 1931. All three were thought to be unsuccessful: that of 1895 plunged Britain into the South African War; that of 1916 presided over economic recession; that of 1931 made the social impact of the recession on working-class communities even worse. All three were damaging for the Liberal Party; those of 1916 and 1931 catastrophically so. Of these coalitions, it is the 1916 one, led by the wartime premier, David Lloyd George, that is the most important.

Kenneth O. Morgan analyses the history of the last Liberal–Conservative coalition.



IT WAS a prolonged partnership which lasted, in peace and in war, for almost six years and which, from the outset involved a substantial part of the Liberal Party. It thus enables one to analyse in most depth the problems and pitfalls confronting Liberals when in coalition with the Conservative enemy.'

Lloyd George's coalition was coloured throughout its six years by two basic facts. First, it was always tarnished by its origins as a secret deal, more secret even than the post-election discussions of May

2010. It came into being from the backstairs manoeuvres of December 1916 which saw the replacement of Asquith by Lloyd George as wartime premier. It was reinforced by the equally clandestine negotiations between the Unionist and Liberal whips in July 1918 which led to the notorious 'coupon', the pact to distribute support variously to coalition Unionists and coalition Liberals at the next general election, assumed then to be a wartime election. Its dubious, even sinister, origins deeply coloured views of the coalition from the very start, and

ITION, 1916–1922

gave it a reputation of being undemocratic and even illegitimate. It led to divisions within the Liberal Party becoming all the more deep-rooted.

Secondly, the coalition was created artificially at the centre, in smoke-filled rooms in Westminster and London's clubland. There was no grass-roots or popular involvement, especially on the Liberal side. The government emerged during a wartime political crisis, when there was no clear alignment of parties. A decisive event in early December 1916, when negotiations between Asquith and Lloyd George were at their most fraught, was the preparation of a list, apparently on their own initiative, by three of Lloyd George's supporters, Dr Christopher Addison, David Davies and F. G. Kellaway, of about a hundred backbench Liberals who, in a supreme crisis, would support Lloyd George rather than the Liberal leader, Asquith.² It followed a similar initiative undertaken by Addison eight or so months earlier during the parliamentary struggles over a military conscription bill.³ In the tense manoeuvres of 1–7 December, after which Lloyd George supplanted Asquith in Downing Street, it was decisive because it gave the new premier the backing of all major parties, or significant parts of them, to go alongside the endorsement of the Unionists and (by one vote) the Labour Party. But there was no nationwide attempt to organise Lloyd George's Liberal supporters in 1917–18 and the party organisation remained solidly in Asquithian hands.

Some clarity emerged after the famous 'Maurice debate' of 9 May 1918, when Lloyd George repelled an attack, led by Asquith, censuring the government for holding back reinforcements on the western front

in 1918 and giving false information about their numbers. In a very rough and ready way, this began a process of greater clarification, of determining which Liberals were supportive of the government coalition and which opposed.⁴ There was also a pro-government whips' office set up with Captain Freddie Guest as chief whip. He it was who negotiated the fateful 'coupon' with Sir George Younger, the Unionist party chairman, to give the seal of approval to recognised pro-coalition candidates at the next election. The coalition Liberals did remarkably well out of this arrangement, getting 150 'coupons', distributed on a very imprecise basis, as against over 300 couponed Unionists. Guest wrote to Lloyd George, in suitably Napoleonic terms, of the 150 couponed Liberals, '100 of whom are our Old Guard'.⁵ In what turned out to be a post-armistice election in December 1918, of the coalition Liberals' 150 candidates, 129 were elected. But it was a purely artificial creation with no popular foundations in the country. It had only one clear purpose: the retention of Lloyd George as prime minister. It was argued that, just as 'unity of command' under Marshal Foch had brought victory during the war, so that transcendent principle should apply also in confronting the perils of peace, with Lloyd George as the unifying commander in chief, 'the man who won the war'.

There was, however, one clear difference between the coalition of December 1918 and that of May 2010. Its existence was clearly known to the electorate before they voted, since Lloyd George and Bonar Law had publicly proclaimed the existence of a post-war coalition. In an unsavoury election, with much popular chauvinism, they had a clear mandate, the coalition Liberals winning around 1,400,000

(a precise total is impossible since there was so much uncertainty as to which Liberals were government supporters, and those who were, in the popular term, 'Wee Frees'). They had a mandate, and also a manifesto. That document, written in suitably classical prose by the historian, H. A. L. Fisher, Minister for Education, had an impressively Liberal ring to it, including support for free trade, home rule for Ireland, disestablishment of the Church in Wales, progress towards self-government in India, and enlightened sentiment in foreign policy including support for a League of Nations. The general tenor of the manifesto was that of reconstruction, of a land fit for heroes. It could be argued that these coalition Liberals were far from prisoners of the Tories, let alone the Diehards. Their manifesto was an open and not ignoble document, publicly known and popularly approved.

In the Cabinet, the coalition Liberals were clearly the weaker partner. They had seven Cabinet ministries under the dominant leadership of the great Liberal in 10 Downing Street. Of these seven, several were manifestly weak ministers and at least one (Hamar Greenwood, a disastrous Secretary for Ireland), catastrophic. The most important Liberal minister was clearly Winston Churchill, a Liberal still, with a strong commitment to the grand old cause of free trade. This was the rationale for his original defection to the Liberal Party back in 1904 and he fought hard against the extension of the Safeguarding of Industry Act. He also sought (in vain) a more enlightened financial policy from Unionist Chancellors. They should 'budget for hope and not for despair'.⁶ But the advent of the Russian revolution drew him into what Lloyd George

Left: David Lloyd George, Liberal Prime Minister 1916–1922

called an ‘obsession’ with the menace of Bolshevism.⁷ It unhinged his judgement on international issues and saw him move rapidly to the far right. Lloyd George told C. P. Scott, editor of the *Manchester Guardian*, in January 1922 that ‘Winston is not a Liberal. His sympathies were all with the Imperialists.’⁸

Another important Liberal in 1919, perhaps surprisingly, was the eminent historian, H. A. L. Fisher, the minister in charge of Education, and author of a widely applauded Education Act in 1918. Lloyd George, at least at first, saw him as an important intellectual link with the classic liberalism of pre-1914, ‘another Morley’ (a compliment, apparently), a rare contact with the Liberal intelligentsia.⁹ He was much used during the early stages of the Paris peace conference and with negotiations with the new Russian regime in 1919.¹⁰ More important still, he chaired the Cabinet’s Home Affairs Committee, where a stream of broadly liberal policies were processed. By 1922, however, Fisher was a somewhat beleaguered figure, fighting to resist the educational impact of the Geddes Axe – admittedly with some success. In a different category was the most socially radical member of the Cabinet, Christopher Addison. Created the first Minister of Health in 1919, after serving as Minister of Reconstruction in the latter months of the war, he was the one link with the social reform policies of pre-1914. He had worked closely with Lloyd George during the passage of the 1911 National Insurance Act. His Housing Act of 1919 first launched a programme of publicly subsidised housing. ‘Addison’ became the byword for the coalition government’s reforming commitment. When he left in 1921, with his inflationary housing policies in ruins, followed by the fierce cut-backs of the Geddes Axe. It was a sign that the government’s social liberalism was cast aside.

The other major Liberal was, of course, Lloyd George. His political positioning was most erratic in these years. He veered between insisting that he remained a staunch Liberal on all issues from disestablishing the Welsh Church to supporting Greek ambitions in Asia Minor, to declaring that the old pre-war issues had vanished in the brave new world of 1919. He played the

coalitionist to Austen Chamberlain and Lord Birkenhead, lending his support to ideas of an anti-Labour front, and the old Gladstonian to C. P. Scott. There were also many Liberal elements within the prime minister’s personal entourage, notably special advisers like Edward Grigg, and the private secretariat in the ‘Garden Suburb’. The main voice of the latter was Philip Kerr, a powerful advocate of appeasement towards Germany and conciliation towards Russia in foreign affairs. When Kerr switched to managing the pro-government *Daily Chronicle* in 1921, Scott concluded that Kerr was ‘a stronger Liberal than one had supposed and that George & his encourage are moving decidedly in the same direction.’¹¹ Even so, the prime minister, an old champion of coalitions, was a volatile source and an untrustworthy basis for Liberal policies and values.

Whatever their strength at government level, elsewhere the Liberals in the coalition were a relatively frail reed. First, they had no clear membership, and their links with their departed brethren who followed Asquith remained important. The ‘coupon’ in the 1918 general election had been a very rough and ready basis for sorting out supporters and opponents of the coalition. Most coalition Liberals felt a profound attachment to their pre-war Liberalism. Many of them yearned for Liberal reunion. It was somehow symptomatic that the elected chairman of the pro-coalition Liberals in the Commons was George Lambert, who had not received the ‘coupon’ at all in 1918.

Similarly, there was no effective grass-roots organisation. Coalition Liberalism was very weak at the local level, with some strength only in the prime minister’s own Wales. Several local parties were in Asquithian hands. Seats which had returned coalition Liberals in the 1918 general election selected known Asquithians as their candidate next time. Indeed, no formal pro-coalition Liberal party actually existed: the idea was in limbo after several Liberal ministers were expelled from an angry meeting of the National Liberal Federation at Leamington Spa in May 1920.¹² Only as late as January 1922 was a somewhat unreal ‘National Liberal Party’ founded at Westminster Central Hall: the *Manchester*

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Guardian’s correspondent commented on the ‘curious languor’ of the proceedings.¹³ There was but one coalition Liberal newspaper, the *Daily Chronicle*, acquired in a dubious Lloyd Georgian coup in 1918 which saw the dismissal of its famous editor, Robert Donald. There was also a weekly, *The Outlook*, purchased by Lord Lee of Fareham in 1919. Most of the party literature was Asquithian; so was the official publication, the *Liberal Magazine* (a distinctly tepid *Lloyd George Liberal Magazine* was set up as a rival in October 1920).¹⁴ The party funds were in opposition Liberal hands – hence the creation of the Lloyd George Fund with which, through the sale of titles and other unsavoury practices, to provide the prime minister with the gunpowder to bombard his enemies.

The coalition Liberals were also very vulnerable in by-elections. There was virtually no cooperation with local Unionist parties, most of which soon became disillusioned with the coalition’s performance. There were several damaging contests in by-elections between rival Liberals, notably in Spen Valley in December 1919, where Sir John Simon ran against the government and where the seat was lost to Labour. Another, particularly wounding, contest was in Cardiganshire in February, in the very Welsh-speaking heartland of the prime minister’s own fiefdom, where pro-government and anti-government Welsh Liberals fought it out, and where the shrewd campaigning of Mrs Lloyd George helped the government candidate, Ernest Evans, one of her husband’s secretaries, to prevail.¹⁵ A particular problem was that coalition Liberal seats often tended to be located in industrial or working-class areas such as mining constituencies, which made them sitting targets for a rejuvenated Labour Party. As a result, of nineteen seats defended by coalition Liberals between 1919 and 1922, ten were lost. In addition, by February 1920 five pro-government Liberals had crossed the floor, including the former Air Minister, General Seely (he later defected back to the government benches). Long before the government fell, it was clear that the Liberals were the coalition’s weakest link.

Liberal-inspired policies certainly made an impact early on,

and claims of Liberal inspiration behind the government appeared to have some clear validity. This was almost entirely due to the work of Christopher Addison. His Housing Act of 1919 began with a flurry of activity and visible programme of publicly subsidised housing.¹⁶ There was also his work at Health, some energy in following up Fisher's Education Act, and extended policies regarding unemployment insurance. Here, perhaps, was the last hurrah of the pre-1914 New Liberalism for which the prime minister had then been such a central and inspirational force. But all this began to change in the summer of 1920, as the economy plunged into post-war recession. Thereafter, there was Liberal disaffection, amongst coalitionists and anti-coalitionists alike, on issue after issue.

First, there were clear failures of social policy, of which the loss of the radical Addison in July 1921, after a furious public exchange with Lloyd George, was symbolic.¹⁷ The right-wing Anti-Waste campaign, obsessed by the post-war dimensions of the national debt, led to a powerful crusade, in the press and in by-elections, against 'waste' in policies on housing, schools and hospitals. The undoubted financial mismanagement of the Addison Housing Act added fuel to the flames. Chamberlain told the Cabinet's Finance Committee that every house built under the scheme cost the taxpayer £50–75, and would do so for the next sixty years.¹⁸ Those with an animus against the trade unions attacked the obstructive practices they detected within the building trade unions. The Geddes Axe, unavailingly resisted by Fisher and Churchill, indicated a mania for cutbacks in social spending, with proposed cuts of £76m in public expenditure, the bulk of it admittedly in the armed services.¹⁹ This coincided with a new bitterness in the labour world after the government had turned down a majority report from the Sankey Commission to nationalise the coal mines and had used political manoeuvres to beat down the Triple Alliance amongst the unions. The coalition, formed amidst some post-war idealism, had become a right-wing anti-Labour front, bent on creating a world fit for Diehards to live in.

Secondly, the government's policy in Ireland proved to be

catastrophic.²⁰ When the Irish Republican Army, led by Michael Collins, rose up against the Government of Ireland Act of 1920 which formally partitioned the island, the coalition government retaliated with ferocity. Something akin to martial law was imposed. The overwhelmingly Protestant Royal Irish Constabulary was reinforced with non-Irish auxiliaries, many of them unemployed ex-servicemen. These were the notorious Black and Tans; with their violent assistance, a policy of retaliation was now pursued, which turned the resistance movement into a national struggle fought by rural and urban guerrilla warfare. One horror followed another – the death after a hunger strike by Terence McSwiney, the Mayor of Cork; the murder of Kevin Barry by British troops; worst of all, the machine-gunning of innocent spectators by the 'auxis' at a Gaelic football match at Croke Park, Dublin, in November 1920, the first of the Irish 'bloody Sundays'. This all horrified many Liberals. It was a Liberal minister, Hamar Greenwood, a Canadian imperialist who took the place of the more moderate Ian Macpherson, who directed affairs in Ireland: his considered view was that 'the Black and Tans had really behaved extraordinarily well'.²¹ Lloyd George, in his most reactionary Chamberlainite vein, declared that 'we have murder by the throat'.²² Soon he was to reverse policy, as the British were later to do so often in India, Cyprus, Kenya and elsewhere, to embark on a far more congenial policy of negotiation with de Valera and Sinn Fein, and eventually to grant southern Ireland a fuller degree of independence than Parnell had ever asked for. But by then the bloody horror of 'the troubles' had had their effect. Liberals turned against the government in their droves. Many, such as Ponsonby, Trevelyan and others prominent in the wartime Union of Democratic Control, moved over to the Labour Party. No aspect of policy did more damage to the humane, reformist credentials of the coalition.

India was less damaging. General Dyer, responsible for the bloodbath of the Amritsar massacre, was duly sacked amidst Diehard opposition in 1920, though not court-martialled or otherwise disciplined.

The Montagu–Chelmsford reforms, extending the principle of 'dyarchy', did mark some advance towards local self-government. Chelmsford was succeeded as viceroy in 1921 by a clear Liberal, Lord Reading, Lloyd George's old Liberal colleague Rufus Isaacs. But the British army was soon busy combating Gandhi's campaign of non-cooperative disobedience throughout the sub-continent, and the temper of Indian nationalism, focused on Congress, rose sharply. The departure from office of the Secretary for India, Edwin Montagu, already a target for crude-anti-Semitism,²³ in March 1922 was another nail in the coffin of the coalition's Liberalism. He was eventually replaced by an undistinguished Tory, Lord Peel, after three other Unionist peers (Derby, Devonshire and Crawford) had turned the job down, testimony to Lloyd George's waning powers of patronage.

In foreign policy, Liberal aspirations for a brave new world, resulting from the peace treaties at Paris and subsequently, were soon disabused. By 1920 there was widespread dismay at the perceived injustices of Versailles, the reparations imposed unilaterally on Germany, the national imbalances of frontier arrangements, and the secret wartime treaties which carved out imperial domains for Britain and France in the Middle East. Keynes's one-sided onslaughts on the peace treaties in *The Economic Consequences of the Peace* had immense polemical effect. This dismay was, indeed, shared by one of the peace settlement's great architects, the prime minister, but his attempts single-handedly to revise and reverse the peace treaties, cheered on by Keynes by this time, collapsed at Genoa in April 1922.

Finally, for doctrinal Liberals, there was the great totem of free trade, their guiding principle since the days of Cobden and Bright. It was the Holy Grail for the Liberals of the time, just as a referendum on electoral reform is today. There was immense dismay at the steady erosion of free trade in its purest form since 1919. It was an issue on which Lloyd George himself seemed casual to the point of irresponsibility, ever since his quasi-protectionist measures at the Board of Trade in 1905–8. The coalition Liberals

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resisted, unavailingly in the end, the anti-dumping proposals of the Imports and Exports Regulation Bill in late 1919. The Safeguarding of Industries Bill raised a far wider threat. It would impose a 33 $\frac{1}{3}$ per cent duty on certain key imports with an additional duty on goods dumped below the cost of production or given a competitive advantage by depreciation of foreign currency.²⁴ Liberals voted against or abstained in some numbers, but in vain. A motion by Wedgwood Benn (father of Tony Benn) in February 1922 to repeal the Act astonishingly saw only eighteen 'Coaly Libs', all ministers, vote with the government, while nineteen voted against, and a further eighty-seven were absent or abstained. These last included four ministers, Shortt, Munro, McCurdy and, significantly, Churchill. Baldwin's proposal to extend the Act to cover the import of fabric gloves, one which infuriated Lancashire textile interests, brought a further huge revolt in July 1922. All this brought dismay and despondence to coalition Liberal ranks; they felt they were nominally supporting a government in which the leader was no true believer in the grand old cause. At least, however, they could claim that, despite the Safeguarding of Industries Act, Britain was still a free trade country.

All these disappointments meant that, long before 1922, being a Liberal in this coalition seemed a meaningless exercise. What was the point of them? Were they partners to the Unionists or rivals in contests to come? In 1920 they rejected Lloyd George's proposals that they should 'fuse' with the Unionists (somewhat on the lines of Nick Boles MP's call for an electoral pact in 2009). They did not believe there was ideological convergence. They were Liberals still, as Fisher, Montagu, Shortt, Addison and even Churchill variously told Lloyd George. It was all very honourable, no doubt, but it left them with nowhere to go. They were supporting a coalition that was disintegrating from within, propping up a prime minister in whom few Liberals now believed.

More important politically than Liberal disaffection was overt discontent within the majority Unionist party. They dominated the government and parliament, and could probably have won

power all on their own. They, by contrast, felt that the government was too Liberal in its policies, driven by the whims of a presidential prime minister. They objected in particular to two distinctively Liberal policies. First they remained emotionally opposed to home rule for Ireland and objected strongly to the self-government accorded to the new Irish Free State. Secondly, they objected to the formal recognition of Bolshevik Russia and successfully frustrated Lloyd George on this point in early 1922. On these points, allied to the anti-waste campaign, Unionist opposition to the government steadily built up. There was much opposition voiced at the Unionist annual party conference in November 1921, held, as ill-luck would have it in Liverpool, the very stronghold of anti-Irish Protestant Tory Democracy of which Alderman Salvidge was the prototype. A motion of censure by the ultra-right-wing John Gretton was debated and defeated. A distinct weakness came when Bonar Law had to leave the government through ill health, and was followed by Austen Chamberlain. Although he performed strongly at the Liverpool conference,²⁵ Chamberlain overall lacked Bonar Law's authority and political judgement. As the popular phrase went, Austen always played the game and always lost it.

The key figure here was the party chairman, Sir George Younger. In the wake of this nationwide mood of party rebellion, he became a powerful voice of dissent. In January 1922 he openly defied Lloyd George, who wanted an early general election after the Irish treaty, the Washington naval treaty, and the Cannes conference with the French, on a platform of peace and recovery. Lloyd George fumed at Younger's disaffection; Lord Birkenhead dismissed the chairman as merely a 'cabin boy'.²⁶ But the cabin boys had taken over the ship of state. Lloyd George found that Younger was too important a figure to brush aside. This suggests that Vernon Bogdanor's view of the fall of the coalition as a revolt of the party in the country against the leadership in Westminster is too superficial.²⁷ Younger's role indicates the organic link between protest in the country and disaffection at the centre. Since it was

unable to dissolve parliament and seek a new mandate from the people, the government simply drifted. Anger focused on Lloyd George's personal and irregular methods of government which were leading good Unionists down strange paths. His mass creation of peerages, and the way in which they had a price tag, was a powerful sign of this. The government was now tainted not just with unconstitutionality but with corruption, the worst since Walpole.

It was Lloyd George's highly personal conduct of foreign policy in relation to Turkey, bringing a clear threat of war, which led directly to his downfall at the famous Carlton Club meeting on 19 October 1922. The coalition Liberals were now lost souls, orphans of the storm. They were coalitionists in a post-coalition world. After a half-hearted campaign, they ended up with just fifty-four MPs after the 1922 general election (down from 122 before the election). The Asquithians ended up with perhaps sixty-two (the identification now became very difficult). After the forced shotgun marriage with the Asquithians in the 1923 general election, following Baldwin's conversion to protectionism, the 'Coaly Lib' presence in politics petered out. Twenty-one of their MPs eventually joined the Conservatives and many of their leading figures moved to the right – Alfred Mond, Hamar Greenwood, the two whips Freddie Guest and Hilton Young, Edward Grigg and, of course, Winston Churchill whose last appearance at the polls as a Liberal was as the unsuccessful candidate for Leicester in 1923. There was one rare exception – Christopher Addison who joined Labour in the mid-twenties and became an important minister during the second MacDonald ministry in 1930–1 and throughout the six years of the Attlee government in 1945–51. He thus served in both the major post-war governments. But his was the last echo of the brave-new-world idealism which had led Liberals like the young would-be journalist Colin Coote to rush to endorse the coalition government in December 1918.

What of its overall record? The coalition had perhaps more to its credit than later commentators, many of them Asquithians (including Roy Jenkins, the biographer

All these disappointments meant that, long before 1922, being a Liberal in this coalition seemed a meaningless exercise. What was the point of them? Were they partners to the Unionists or rivals in contests to come?

of Asquith) have allowed. There were long-term legacies in Fisher's Education Act, the granting of votes to women during wartime, and in the long-term implications of Addison's programmes for housing and health. The peace settlements of 1919 and subsequently have found much scholarly support from Margaret Macmillan and other historians.²⁸ But, otherwise, the Liberals in government in 1918–22, like those in government in 2010, had to argue, rather tortuously, that they had been effective in making a reactionary government less reactionary than it would otherwise have been. It did have one notable personal achievement, little regarded at the time. The defeat of 'fusion' in 1920 not only saved their party, it also saved Lloyd George. It meant that, in spite of his instincts at the time, Lloyd George remained a Liberal down to the end. He avoided the sad fate of Joseph Chamberlain, still more that of Ramsay MacDonald. He lived and died as a man of left.

Otherwise, the coalition's record was a poor one. It turned out to be a class-war government which alienated the unions and paved the way towards a general strike. Force was given to Bernard Shaw's advice to the Labour Party in 1918 'Go back to Lloyd George and say "Nothing doing"'. The government waged actual war in Ireland, it savagely cut back social spending, while deflationary Treasury policies, designed to further a return to the gold standard, made the impact of depression worse. The government left behind it the divided country and divided society of the inter-war years. Its foreign policy was scarred by failure, and in the thirties it was derided, somewhat unfairly, as creating the background to another world war. For the Liberals it made their party impotent for the next eighty years and discredited the whole idea of coalition for generations to come.

The Liberals split into two factions in 1918–22; and the existence of Lloyd George's troublesome, if beguiling, Fund kept the memory of incipient civil war alive in the minds of such men as Simon, Runciman and Hore-Belisha thereafter. Surely things could not get any worse? Indeed, they could. In 1931, as another article in this issue will show, the party, split into two

The Liberals in government in 1918–22, like those in government in 2010, had to argue, rather tortuously, that they had been effective in making a reactionary government less reactionary than it would otherwise have been.

in 1918, now fractured into three. Discredited as a party of government in 1922, they were discredited as a party of opposition in 1931. There was a fatal 'agreement to differ' over free trade in 1931, comparable to the similar agreement to differ on voting reform in 2010. The mass resignation of ministers in the autumn of 1932 was a further sign of collapse. The Liberal Party embarked upon a rough, stony road between the secret 'coupon' pact of July 1918 and the equally secret Coalition Agreement of May 2010. Its ultimate destination has yet to be determined.

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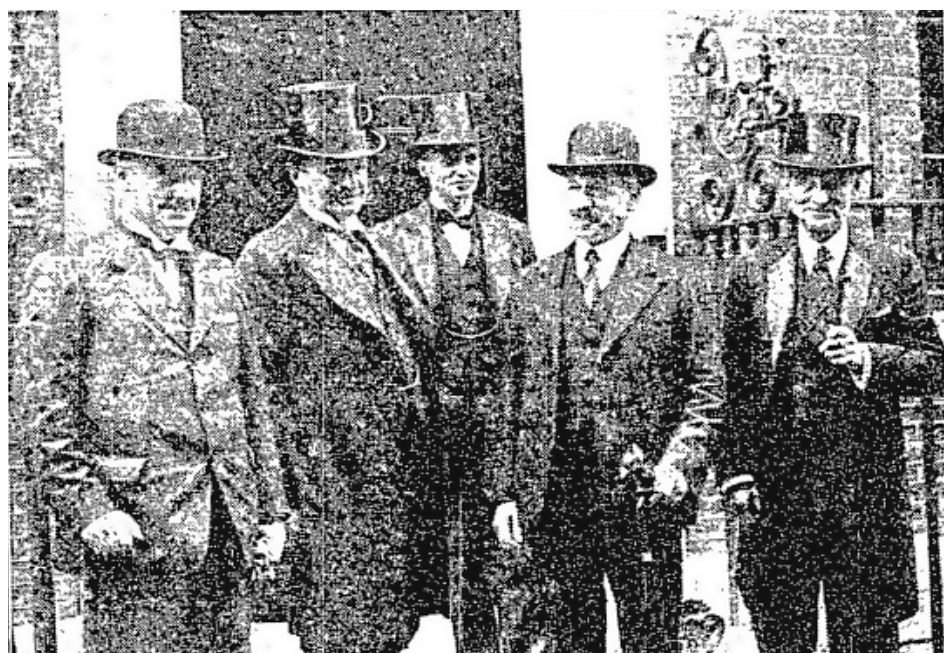
- 1 I discuss this government in detail in *Consensus and Disunity: the Lloyd George Coalition Government of 1918–1922* (Oxford University Press, 1979, paperback edn., 1986). Also see my 'Lloyd George's Stage Army: the Coalition Liberals 1918–1922 in A. J. P. Taylor (ed.), *Lloyd George: Twelve Essays* (Hamilton, 1971).
- 2 Christopher Addison, *Politics from Within, 1914–1919* (Herbert Jenkins, 1924), vol. i, pp. 270–2.
- 3 Christopher Addison, *Four and Half Years 1914–1919* (Hutchinson, 1934), vol. i, pp. 202–3.
- 4 Freddie Guest to Lloyd George, 17 May 1918, Parliamentary Archives, Lloyd George of Dwyfor Papers, F/21/1/22.
- 5 Guest to Lloyd George, 29 Oct. 1918, *ibid.*, F/21/2/46.
- 6 Winston Churchill to Lloyd George, 12 April 1922, *ibid.*, F/10/2/63.
- 7 Lloyd George to Churchill, 22 Sept. 1919, *ibid.*, F/9/1/20.
- 8 C. P. Scott's diary, 17–20 Jan. 1922, British Library, Add. MSS. 50906, f. 133.
- 9 *Ibid.*, 30 Nov.–1 Dec. 1919, British Library, Add. MSS. 50905, f. 211.
- 10 Fisher was much used in preparing for

the Prinkipo talks with the Russian Bolshevik leaders.

- 11 C. P. Scott's diary, 17–20 Jan. 1922, British Library, Add. MSS. 50906, f. 133.
- 12 *Manchester Guardian*, 8 May 1920; Addison to Lloyd George, Parliamentary Archives, Lloyd George Papers, F/1/6/8.
- 13 *Manchester Guardian*, 21 Jan. 1922; C. A. McCurdy to Lloyd George, 5 and 6 Jan. 1922, Parliamentary Archives, Lloyd George Papers, F/35/1/3–5.
- 14 It was launched by the Lloyd George secretariat; 30,000 copies were printed.
- 15 See 'Cardiganshire Politics, the Liberal Ascendancy 1885–1923', in Kenneth O. Morgan, *Modern Wales: Politics, Places and People* (University of Wales Press, 1995), especially pp. 242–7. Two Liberals fought each other again in the general elections of 1922 and 1923; in 1923, the old Asquithian Rhys Hopkin Morris, heavily defeated Ernest Evans.
- 16 See Kenneth and Jane Morgan, *Portrait of a Progressive: the Political Career of Christopher, Viscount Addison* (Clarendon Press, 1980), pp. 90–102.
- 17 Addison to his wife, 15, 21, 23 June, 7, 12 July 1921, Bodleian Library, Oxford, Addison Papers, Box 135.
- 18 Cabinet Finance Committee, 29 Nov. 1920, National Archives, CAB 27/71.
- 19 *Report of the Committee on Economies in Public Expenditure, 1922* (Cmd.1581). The eventual total of cuts amounted to £64m. Fisher successfully challenged most of the £18m proposed for education.
- 20 See especially Charles Townshend, *The British Campaign in Ireland 1919–1921* (Oxford University Press, 1975).
- 21 Lord d'Abernon diary, 21 Aug. 1922, British Library, d'Abernon Papers, Add. MSS. 48954B, f. 45.
- 22 *The Times*, 11 Oct. 1920.
- 23 Memorandum by Sir William Sutherland to Lloyd George, July 1920, Parliamentary Archives, Lloyd George Papers, F/22/2/5. Sutherland wrote, 'A strong anti-Jewish sentiment was shown by shouts and excitement among normally placid Tories of the backbench category'. He added that Montagu 'became more racial and more Yiddish in screaming tone and gesture'. This anti-Semitism was reflected in *The Times*, 9 July 1920 – 'Montagu is a Jew and in excitement has the mental idiom of the East.'
- 24 *Liberal Magazine*, July 1921, p. 348; William Edge to Lloyd George, 28 July 1922, Parliamentary Archives, Lloyd George papers, F/35/1/48.
- 25 Letters from Magnus, Lane Mitchell, Astor and Goulding, amongst others, in Austen Chamberlain papers, University of Birmingham library, AC/32/12ff.
- 26 Morgan, *Consensus and Disunity*, pp. 274–9.
- 27 Vernon Bogdanor, *The Coalition and the Constitution* (Hart, 2011), chapter 3.
- 28 Margaret Macmillan, *Peacemakers* (John Murray, 2001).

LIBERALISM NATIONAL GOVERNMENT

The National Government of 1931 was formed as a result of the collapse of the Labour administration in the face of economic crisis. Politicians of the three main parties came together in an atmosphere of fear: fear of a collapse in the value of the pound sterling; fear of a repetition in Britain of the hyperinflation that had wrecked the German economy in the early 1920s. The government so formed was to last until 1940. **Dr David Dutton** examines the impact of the National Government on the Liberal Party.



COALITIONS in the British system are most likely to be the product of one of two very different sorts of situation. A coalition can, as in 2010, be the result of arithmetical necessity. Only by two or more parties coming together can a parliamentary majority be assembled and the hazards and instability of minority administration be avoided. Sometimes such an arrangement falls some way short of full coalition as in the case of the Liberal Party's generally benevolent attitude towards the first Labour government in 1924 or

the Lib-Lab Pact of 1977-78.¹ The other type of situation is the coalition that grows out of a national emergency – the intrusion of external factors which compel parties to put their parochial differences aside and unite in the face of a common threat from beyond Westminster, usually war. The coalitions of 1915 and 1940 self-evidently fall into this category. But so too does the National Government of 1931-40.² The external threat may not in this case have been war, but the leading actors in the drama appear to have believed that the economic crisis of 1931 was the most serious challenge

W AND THE MENT, 1931 – 1940

to have faced the country since the German spring offensive of 1918. Politicians of the three main parties came together in an atmosphere of fear: fear of a collapse in the value of the pound sterling; fear of a repetition in Britain of the hyper-inflation that had wrecked the German economy in the early 1920s.³

As Neville Chamberlain put it, 'the problem was to restore foreign confidence in British credit. This could only be done by announcing such a cut in national expenditure as would convince him [the foreigner] that we had sufficient courage to tackle the situation.'⁴ And, as this task proved beyond the capacity of Ramsay MacDonald's Labour Cabinet, the three party leaders accepted the king's suggestion of a National Government.⁵ For most of its existence, however, the National Government had a further, political, purpose – to keep the irresponsible Labour Party out of power. In some ways, therefore, it represented the belated triumph of the 1920s coalitionists, those who believed that only cooperation between Conservatives and Liberals could block Labour's seemingly remorseless rise – this, even though the two leading Conservative architects of the National Government, Stanley Baldwin and Neville Chamberlain, had both been in the anti-coalitionist camp in the Tory split of 1922.⁶ Yet Labour was not the real loser of the era of National Government,

notwithstanding its dramatic electoral setback in 1931. Even in that year, despite dropping to just fifty-two MPs, Labour held on to 30.6 per cent of the popular vote, marginally higher than the percentage that had brought the party to government after the general election of 1923. Moreover, irrespective of the figures, the events of 1931 confirmed a Conservative–Labour duopoly as the only two serious contenders for power in the British polity after the brief experience of three-party politics in the 1920s. No, the real losers of this time were the Liberals, even though the economic crisis and the resulting formation of a National Government brought them back into government for the first time in almost a decade.

To understand the problems experienced by the Liberal Party in relation to the National Government, a word must be said about their experience of the previous decade. During the 1920s, the party, which had been the governing party of 1914, dropped rapidly to third place in the British political system, scarcely having had time to savour the status of being His Majesty's Opposition. In such a position, though Liberals could still talk optimistically of a future Liberal government, in their more sober moments they understood that their more realistic ambition was to hold the balance of power in a hung parliament.⁷ This, of course,

was achieved after the general elections of 1923 and 1929, and, as has often been pointed out, the Liberal Party let itself down by failing to use this position to extract an agreed programme of Liberal goals from the minority Labour government that was formed on each occasion.⁸ Their problem, however, was deeper and more fundamental. Liberals in the 1920s could not give a clear answer to the question of which of the two larger parties they would prefer to support in office. Indeed, not even individual Liberal politicians of this era gave consistent answers to this question. While Lloyd George moved from being the head of a Conservative–Liberal coalition in the early 1920s, to seeking an agreement to sustain Ramsay MacDonald's minority Labour administration at the end of the decade, other Liberal luminaries moved in the opposite direction. John Simon, who declared in 1922 that, when it came to practical business, the immediate objects he wanted to pursue were objects which Labour men and women also wanted to pursue,⁹ had by 1930 become the leading opponent of Lloyd George's pro-Labour strategy and was opening secret negotiations for a parliamentary pact with the Conservatives.¹⁰ Though the dilemma of 1931 and beyond was not occasioned by the same sort of parliamentary arithmetic as had existed in 1923 and 1929, the

Left: five Liberal ministers in Downing Street in October 1931, just before the calling of the general election. From left: Sir Donald Maclean, Lord Lothian, Sir Archibald Sinclair, Sir Herbert Samuel, Lord Reading (*Manchester Guardian*, 3 October 1931).

problem was fundamentally the same. Opposition to Labour as the party which had run away from the economic crisis was not sufficient to hold many Liberals within a Conservative-dominated administration. Indeed, by the time of the 1935 general election many Liberals, Lloyd George included, were back to seeing Labour as their partner of preference.¹¹

As I have written elsewhere, the chief problem for the Liberals in their association with the National Government was the effect that it had on their unity.¹² Indeed, the fragmentation of the Liberal Party was, from the outset, an objective of at least one leading Conservative. Neville Chamberlain was determined that the Liberal Party should be made 'to face up to the fiscal decision ... The decision will split it from top to bottom and ... will end it, the two sections going off in opposite directions, and bring us back nearly to the two party system.'¹³ To begin with, of course, the entire Liberal Party gave its support to the National Government. Two places in the Emergency Cabinet of ten, Herbert Samuel at the Home Office and the Marquess of Reading a surprise appointment as Foreign Secretary, with additional senior posts for Donald Maclean, Lord Lothian, Archie Sinclair and the Marquess of Crewe, was a reasonable reward considering the respective parliamentary strengths of the components to the coalition. Austen Chamberlain paid tribute to Samuel's efforts to look after his party, contrasting them with what he regarded as Baldwin's failure to fight for his colleagues. But he did so with the anti-Semitic bias that was then more widespread than it is now comfortable to recall. 'Samuel', he wrote, 'like the Jew he is, grasps all he can.'¹⁴

Though the previous period of Labour government had served to re-open and in some cases to reconfigure the divisions that had plagued Liberalism since the crisis of 1916, the formation of the National Government seemed to offer hope that the party's internecine disputes could be relegated to the political long grass. A meeting of MPs, peers and candidates on 28 August revealed 'quite a remarkable demonstration of unity'.¹⁵ All could take pleasure in the return of Liberal ministers to governmental

office, while the Labour government – which had caused such divisions in the Liberals' ranks – was now consigned to history. But this internal harmony did not last long, as the purpose and function of the National Government quickly changed. At its formation in August, noted Austen Chamberlain, the idea was for 'a national govt to deal with the present financial emergency. Not a coalition but cooperation. Dissolved as soon as its immediate task is accomplished and the following general election to be fought by the three Parties independently.'¹⁶ Within weeks, however, the Tories, supported by those Liberals who looked to Simon for leadership, were pressing for a general election fought by the National Government on the issue of tariffs. Around this proposition three separate Liberal factions began to coalesce.

The Conservative Business Committee, the Shadow Cabinet of the day, meeting on 24 September, were 'all agreed as to the great importance of pitching our tariff demands high enough to make sure of getting rid of Samuel and, if possible, Reading'.¹⁷ At the same time Leslie Hore-Belisha took the lead in organising a memorial to the prime minister, MacDonald, promising unqualified support for any measures necessary in the interests of the country. By 23 September this had been signed by twenty-nine Liberal MPs. The group invited Simon to become their leader, an invitation which he readily accepted. At the last moment the rupture which the general election was expected, and in some minds designed, to precipitate was avoided. The Cabinet decided on 5 October to seek authority from the electorate for whatever policies were needed to restore the national finances, the so-called 'Doctor's Mandate'. The parties would be free to make their separate and, in the case of the Samuelite Liberals, different appeals to the country beneath the umbrella of a general statement from MacDonald to which all ministers would subscribe.¹⁸

By the time of the general election on 27 October, the divisions within the Liberal ranks were becoming somewhat clearer; but confusion remained, not least in the minds of the electorate. Many newspapers described the vast

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majority of Liberal candidates as National Liberals to indicate that they were supportive of the National Government, a categorisation which included almost all, even if with varying degrees of enthusiasm, apart from the small, largely family, group surrounding Lloyd George, who unequivocally opposed the holding of an election. For this minority the designation of 'Liberal' or 'independent Liberal' was reserved. Samuel himself used the description 'Liberal and National candidate' in his address to the electors of Darwen in Lancashire.¹⁹ Lists did exist to differentiate the Samuelite and Simonite camps, but even these were not definitive and a few names appeared on both. Samuelites were far more likely to be opposed by Conservatives than were Simonites, but again this was not a hard and fast rule and there were exceptions. Some MPs were remarkably successful in misleading their electorates as to their true affiliation. Right down to 1935, Huddersfield's MP, William Mabane, managed to present himself as a Samuelite in the constituency while behaving as a Simonite at Westminster.²⁰ In Dumfriesshire Dr Joseph Hunter said little about his precise allegiance before suddenly announcing in 1934 that he had accepted appointment as National Organiser for England and Wales for Simon's Liberal Nationals.²¹ Interestingly, when these two MPs succeeded in taking their local associations with them into the Liberal National camp, neither association found it necessary to change name, remaining the Huddersfield Liberal Association and the Dumfriesshire Liberal Association respectively.

In the year following the general election, however, the relationship between the two main wings of Liberalism and the relationship of both to the National Government was clarified. Meanwhile, the tiny Lloyd George group drifted off into near irrelevance. The divisions within Liberalism were confirmed and the possibility of a Liberal Party of some seventy MPs giving some credence to the claim of Walter Rea, the mainstream party's new chief whip, that the Liberals were 'now once more the second largest' party in the land, rapidly evaporated.²² With the election out of the way, the Samuelites took the lead

in trying to bring about reconciliation with their Simonite colleagues. Speaking in Scarborough on 11 November, Ramsay Muir insisted that the Simonites were ‘genuine Liberals’ and claimed that the split in the party was not ‘really as serious as it appears to be’.²³ But rather than responding positively to these overtures, the Liberal Nationals began to take steps which emphasised their separateness and independence – declining the Samuelite whip, setting up committees to consider a range of policy areas and taking the decision to create a Liberal National infrastructure outside parliament. Several leading Simonites spoke privately, and often with considerable apprehension, of ‘crossing the Rubicon’, recognising that the reunion of the old party was now unlikely to be achieved and that their own destiny lay firmly in close parliamentary and electoral partnership with the Conservatives.²⁴

As is well known, divisions over the historic Liberal gospel of free trade quickly confirmed what was happening. Lord Hailsham’s famous ‘agreement to differ’, anticipating by eighty years the leeway given to Nick Clegg’s MPs over raising university tuition fees, averted a split over the Import Duties Bill early in 1932.²⁵ But the Ottawa Agreements concluded later that summer proved too large a protectionist pill to for the gullets of most orthodox Liberals. The Samuelites, already under much pressure from disgruntled Liberal associations up and down the country, resigned from the National Government at the end of September 1932 and, after a year of fence-sitting which did nothing to enhance their credibility, crossed to the opposition benches in the autumn of the following year.

With the benefit of hindsight we now know that, although Lloyd George and his band of followers returned to the mainstream party in 1935, the Samuelite–Simonite split proved permanent. It was an outcome that the Samuelites seemed reluctant to accept. Though many unkind words were now exchanged, at heart Liberals continued to view Liberal Nationals as errant children who were bound one day to return to the family fold and for whose return the fatted calf was waiting. Liberal Nationals such as Simon and Runciman retained honorary positions within Liberal

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organisations. Liberal National MPs continued to be listed in Liberal publications. And sitting Liberal National MPs were almost never challenged by Liberals at elections before 1945. The effect of all this was catastrophic for the orthodox party. At a stroke its parliamentary strength was reduced by 50 per cent. Just as importantly, in most constituencies represented by Liberal Nationals, the local organisation was taken over lock, stock and barrel by the new party. In many cases this led to the effective disappearance of organised Liberalism. Not until 1939 did the Liberals of Huddersfield begin to get their act together to counter Mabane’s takeover.²⁶ In Dumfriesshire the position was even more difficult. ‘This is a Liberal constituency’, the local newspaper repeatedly trumpeted.²⁷ But until the late 1950s there was little in the way of infrastructure to support this contention. In the country at large, a genuine battle took place between the two factions to establish which of them had the stronger claim to be the voice of traditional Liberalism, even if this battle was not fought at the polls. If Liberals had been more successful in the 1920s in establishing their own political identity, the outcome of this contest might have been easier to predict. As it was, much depended on propaganda and the power of the press. In Huddersfield the *Examiner* under Elliott Dodds held true to the mainstream party. But in Dumfries the *Standard*, whose editor, James Reid, also presided over the Dumfriesshire Liberal Association, was insistent that not only Hunter, but also his two Liberal National successors, Henry Fildes²⁸ and Niall Macpherson²⁹ were fully fledged Liberals. Coming from a newspaper whose radical credentials went back to its pro-Boer stance at the turn of the century and beyond, this must have been a difficult claim for many Liberals to challenge. Above all, the Liberal Nationals had a compelling argument that, with the mainstream party seemingly set on a path that would lead eventually to political extinction, the option of trying to influence a larger party from within made sound sense. The choice, suggested the *Dumfries Standard*, was clear. ‘On the one side there is the opportunity presented to Liberal statesmen of having a

hand in shaping policy; on the other side there is simply barren criticism in the face of overwhelming odds.’³⁰ It was, in practice, no choice at all.

What then of the relationship of the two Liberal factions to the National Government after 1932–3, one firmly within its ranks and the other outside? The position of the Liberal Nationals was at one and the same time both deceptively strong and appallingly weak. Their representation in the upper ranks of government was generous. Simon held the Foreign Secretaryship from 1931 to 1935. Thereafter he was successively Home Secretary and Chancellor of the Exchequer, becoming the acknowledged number two in Neville Chamberlain’s government from 1937 to 1940. Runciman was ensconced at the Board of Trade until May 1937 and was recalled to the Cabinet as Lord President following his unsuccessful mission to Czechoslovakia in the summer of 1938. After the resignation of the Liberal free traders in 1932, Godfrey Collins was appointed to the Scottish Office, bringing the Liberal National contingent in the Cabinet up to three, while several others such as Leslie Hore-Belisha and Leslie Burgin secured promotion within the junior ministerial ranks. The elevation of the Tory, Baldwin, to the premiership in June 1935 was balanced by the addition of an extra Liberal National, Ernest Brown, to the Cabinet as Minister of Labour. As late as September 1939 there were two Liberal Nationals in Neville Chamberlain’s War Cabinet of nine members. In the Commons, by contrast, the imbalance between the partners to the coalition was stark. Even after the 1935 general election, which saw some reduction of the massed Tory ranks, just thirty-two Liberal National MPs were set alongside almost 400 successful Conservatives. In the context of a hung parliament these thirty-two Liberal Nationals could have exercised a decisive impact; but the overwhelming Tory majority meant that, in the last resort, they were always dispensable. After its first weeks the National Government developed into a coalition of choice rather than of necessity. Yet, ironically, this was also a source of Liberal National strength. Baldwin and, after some misgivings, Chamberlain

too saw in the preservation of National Government the means of locating the dominant strand of Conservatism where they wanted it to be – on the centre-right of the political spectrum. When in 1936 Robert Bernays, himself in the process of transferring his allegiance to the Liberal Nationals, expressed concern that a post-Baldwin Conservative Party might veer significantly to the right, *The Times* responded, reasonably enough, that the Conservative right had been effectively sidelined and was in no position to recover its former influence.³¹ Rather than seeking a direct Liberal National influence over the politics and policies of the National Government, therefore, we should see in that government's doings a series of measures which the Conservative leadership could justify to its own right wing by reference to the need to keep the Tories' Liberal allies on board. Such a situation gave rise, as is perhaps an inevitable consequence of coalition government, to complaints from the rank and file of both parties. Liberal Nationals complained that they were given insufficient credit for delivering the not inconsiderable 'Liberal vote'. Right-wing Tories complained that the government was pursuing an emasculated and effete Conservatism for which there was no need in terms of parliamentary arithmetic. That both sides were dissatisfied suggests that, in some strange way, the coalition was working as it should. Certainly, at its heart the National Government did not operate in the manner of a normal party administration. At least until the middle of the decade and arguably beyond, there existed an informal group of six senior ministers, acting as a sort of inner Cabinet and drawn equally from the three component parts of the administration – the Conservatives, the Liberal Nationals and the tiny National Labour group.³² But perhaps the greatest weakness of the Liberal Nationals was their lack of an exit strategy. The longer the National Government lasted, the more remote became the prospect of Liberal reunion, and the harder it was to justify the Liberal Nationals' separate existence and to say precisely what it was that gave them a distinct and definite identity. Any attempt to 'go it alone' would probably result in electoral suicide.

Despite leaving the government over a concrete issue of policy, the Liberals struggled in the years that followed to establish their own distinct political identity.

Few Liberal National MPs could face the prospect of Conservative opposition in their constituencies with any degree of confidence. As observers across the political spectrum increasingly predicted, their fate seemed destined to be the same as that which had overtaken the Liberal Unionists in the last years before the First World War – total absorption within the Conservative Party.³³ That fate was a long time in coming, delayed at least in terms of the preservation of a name and nominal party organisation until as late as 1968, but come it did.

What then of the relationship between the independent Liberals and the National Government? Despite leaving the government over a concrete issue of policy, the Liberals struggled in the years that followed to establish their own distinct political identity. Even the apparently clear dividing line between free trade and protection was misleading. For many Liberals who did *not* follow Simon into the Liberal National ranks, free trade was not the litmus test of true faith that it had been before 1914. The unrelated E. D. Simon, MP for Withington in Manchester, was among the first Liberals openly to question the prevailing orthodoxy. He was congratulated for doing so by the Liberal economist, Hubert Henderson, while even Keynes was ready by 1931 to explain that only tariffs offered the protection needed against a falling exchange rate and a collapse of business confidence.³⁴ By the middle of the decade Lloyd George himself was dabbling with protection. As one scholar has put it, 'the decline of Free Trade as a secular religion was well under way when the depression hit Britain and recovery after 1932 did not bring it back'.³⁵ More generally, Liberals such as Ramsay Muir might rail against the performance of the National Government,³⁶ but it was never as bad and certainly not as illiberal as they suggested. In fact, for much of the decade the Liberals experienced some difficulty in differentiating themselves from the government. The latter took over the traditional Liberal rallying cries of retrenchment and sound finance, but without appearing unduly reactionary. As Lloyd George's former press secretary put it, 'so long as Baldwin presses so far to the middle and is at war with his Diehards,

it is not clear where Samuel is going to crash in with a separate identity and policy'.³⁷ It might have been different if the Liberals themselves had come up with a progressive and imaginative range of policies, but the mini-intellectual renaissance of the 1920s was not sustained. Short of both money and ideas, the party tended to seek refuge in its successful recipes of an earlier age. 1939 found J. L. Hammond commending Lord Crewe for his adherence to 'Mr Gladstone's principles' without apparently understanding that this ongoing commitment to the Liberalism of a previous century was part of the party's problems.³⁸ Later in the decade, Liberal opposition to Chamberlain's foreign policy did place some clear yellow or orange water between the party and the government, but the picture was not straightforward even then.³⁹ Criticism of appeasement prompted further defections to the Liberal Nationals, including the MP Herbert Holdsworth, while not all of those who remained within the party rallied behind its new stance. Well-known figures such as the journalist J. A. Spender and even the former leader, Lord Samuel, openly supported the prime minister. Chamberlain even offered Samuel a seat in the Cabinet in his post-Munich reshuffle.⁴⁰

By the end of the decade, then, Liberalism was in a bad way. If anything, the Liberal National contingent had more cause for optimism, although, as has been seen, they too had their problems. Outside the National Government the mainstream party had largely failed, as many of its members privately admitted,⁴¹ to establish a viable non-socialist alternative to the Conservatives. Reduced by the 1935 general election to just twenty-one MPs, its local power bases crumbling away, devoid of funds and lacking charismatic leadership, only a combination of blind faith and irrational optimism could convince the dwindling band of Liberal adherents that better days would eventually return.

David Dutton is the author of A History of the Liberal Party in the Twentieth Century (Palgrave Macmillan, 2004), a second edition of which, bringing the story up to the formation of the Cameron-Clegg Coalition, will be published in 2012.

- 1 D. Dutton, 'Holding the Balance: the Liberal Party and Hung Parliaments', *Journal of Liberal History* 48 (2005), pp. 8–19.
- 2 There appears to have been a conscious effort to avoid describing the National Government as a coalition – by the Conservatives because of memories of the Lloyd George Coalition which had ended in 1922, and by the government's opponents because of their insistence that it was no more than a Conservative administration in disguise. But a coalition it was.
- 3 I am grateful to Professor Vernon Bogdanor for this observation.
- 4 University of Birmingham, Chamberlain MSS, NC2/22, diary 22 Aug. 1931.
- 5 For the circumstances surrounding the formation of the National Government, see P. Williamson, *National Crisis and National Government: British Politics, the Economy and Empire 1926–1932* (Cambridge University Press, 1992). For the disputed issue of the king's role, see V. Bogdanor, '1931 Revisited: The Constitutional Aspects', *Twentieth Century British History* 2/1 (1991), pp. 1–25 and P. Williamson, '1931 Revisited: The Political Realities', *Twentieth Century British History* 2/3 (1991), pp. 328–38.
- 6 S. Ball, 'The Legacy of Coalition: Fear and Loathing in Conservative Politics, 1922–1931', *Contemporary British History* 23/1 (2011), pp. 65–82.
- 7 For a debate on the pros and cons of holding the parliamentary balance, see R. Douglas and D. Brack, 'Holding the Balance', *Journal of Liberal History*, 64 (2009), pp. 28–31.
- 8 See, for example, C. Cook, *A Short History of the Liberal Party: The Road Back to Power* (Palgrave Macmillan, 2010), pp. 94–5, 111–12.
- 9 Speeches in Cleckheaton, reported in the *Cleckheaton Guardian*, 10 Nov. 1922 and the *Yorkshire Observer*, 14 Nov. 1922.
- 10 D. Dutton, *Simon: a Political Biography of Sir John Simon* (Aurum, 1992), p. 104.
- 11 A. J. Sylvester, *Life with Lloyd George* (Macmillan, 1975), p. 134: 'He is moving heaven and earth to get electors to vote Labour where there is no Liberal.' (A. J. Sylvester diary, 13 Nov. 1935)
- 12 D. Dutton, '1932: A Neglected Date in the History of the Decline of the British Liberal Party', *Twentieth Century British History* 14/1 (2003), pp. 43–60.
- 13 Chamberlain to E. Grigg, 16 Sept. 1931, cited in R. Self (ed.), *The Neville Chamberlain Diary Letters* (Ashgate, 2002), vol. iii, p. 30.
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- 25 D. Wrench, 'The Needs of the Time: the National Government and the "Agreement to Differ", 1932', *Parliamentary History*, 23/2 (2004), pp. 249–64.
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- 28 Henry Fildes (1870–1948), Coalition Liberal MP for Stockport, 1920–23; Liberal National MP for Dumfriesshire, 1935–45.
- 29 Niall Macpherson (1908–87), Liberal National and (from 1950) National Liberal-Unionist MP for Dumfriesshire 1945–63. Created Baron Drumalbyn 1963. Junior ministerial posts 1955–63. Minister without Portfolio (Conservative) 1970–74.
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CELEBRATING JOHN BRIGHT

A study day to consider the life and achievements of John Bright MP (1811–1889)

Saturday 19 November 2011, 1000 – 1700, Birmingham City Art Gallery

John Bright was born on 16 November 1811, a Quaker son of a Rochdale mill-owner. He became the most famous orator and politician of his day, a champion of the rights of the ordinary man, a peacemaker and parliamentary reformer, who was not afraid to take the unpopular view, sometimes at great personal cost.

This study day seeks to bring together some of the writers and politicians who are most knowledgeable about John Bright's life and career and to assess his importance as a reformer, with particular reference to his time as Birmingham's MP. We shall be looking at his work as a peace protagonist and its relevance for today and asking the question 'How best can we build on his legacy?'

Speakers include Cllr Paul Tilsley, Bill Cash MP, Chris Upton, Howard Gregg, Antony Wood, Ian Cawood, Cllr Martin Mullaney and Rae Street.

Booking

Venue: Gas Hall (AV room), Birmingham City Art Gallery (BMAG), Edmund St., Birmingham B3 3DH. The venue is within easy walking distance of New Street rail station.

The charge for the day is £10.00 per person, including refreshments mid-morning and afternoon. Lunch may be bought at the Edwardian Restaurant at BMAG or a number of cafes/restaurants nearby.

Please send your booking and payment to Mrs Janet King, 110 Linthurst Newtown, Blackwell, Bromsgrove, Worcs. B60 1BS (tel 0121 445 2802; email janet@kingfamily110.org.uk)

Closing date for applications is 19 October.

CRISIS, COALITION

THE LIBERALS AND THE NATIONAL GOVERNMENT

In the coalition negotiations of 2010, the Liberal Democrats' commitment to rapid deficit reduction was a key factor facilitating agreement with the Conservatives. There was a historical precedent for Liberals insisting on tough spending cuts in the context of a crisis of financial confidence. Britain's last peacetime coalition government, the National Government formed in 1931, had come into being partly because of the Liberal Party's insistence on the importance of sound finance. **Peter Sloman** examines the parallels between 1931 and 2010.



THE CONSERVATIVE-LIBERAL Democrat coalition government formed in May 2010 rests on several foundations, including the parliamentary arithmetic thrown up by the general election and the cordial working relationship between David Cameron and Nick Clegg. Perhaps its most important

political foundation, however, is the coalition partners' shared commitment to eliminating the structural deficit over the lifetime of the present parliament. Indeed, the Liberal Democrats' willingness to support in-year spending cuts, as a first instalment of deficit reduction, was crucial in facilitating the formation of the coalition.

ION AND CUTS

TIONAL GOVERNMENT, 1931

The 2010 Liberal Democrat manifesto stated that the party's 'working assumption' was that deficit reduction would start in the financial year 2011–12, with the aim of at least halving the deficit by 2013–14, and that any cuts made in the 2010–11 financial year – such as the ending of government contributions to Child Trust Funds – would be used to finance a 'jobs and infrastructure package'.¹ Nick Clegg insisted during the televised debates that it would be crazy to begin cutting public spending before economic growth was restored. However, some senior Liberal Democrats evidently believed that earlier and sharper cuts would be needed if the British government was to retain the confidence of the financial markets. Chris Huhne argued strongly in internal party meetings that the need to reduce the deficit made a coalition arrangement in a hung parliament a more attractive and more viable option than a looser arrangement, such as 'confidence-and-supply'.² Nick Clegg seems to have been convinced of the need for early cuts during the election campaign itself by the developing crisis of confidence in the Eurozone.³ It was largely because of concern about the budgetary situation that the Liberal Democrat negotiating team – Chris Huhne, David Laws, Danny Alexander and Andrew Stunell – entered the post-election negotiations willing to entertain the possibility of a full coalition with the Conservatives. Laws has written that the risk of the Greek

debt crisis spreading to Britain 'if a credible government with a credible deficit reduction package could not be agreed' was 'the spectre which loomed over' the coalition talks.⁴ In due course, the negotiators signed the party up to George Osborne's plan for £6 billion of spending cuts in 2010–11, as a first step towards eliminating the structural deficit within five years.⁵

The Liberal Democrats' commitment to rapid deficit reduction came as a surprise to senior Labour figures, who had expected that they would prefer Alistair Darling's more modest target of halving the structural deficit over five years.⁶ Perhaps, though, they should not have been so surprised. Not only had there been definite hints that leading Liberal Democrats favoured deeper spending reductions – most obviously, Nick Clegg's reference to 'savagely cuts' in a *Guardian* interview the previous September, a comment which had featured prominently on Labour leaflets in Lib–Lab marginals – but there was also historical precedent for Liberals insisting on tough spending cuts in the context of a crisis of financial confidence.⁷ Britain's last peacetime coalition government, the National Government formed in 1931, had come into being partly because of the Liberal Party's insistence on the importance of sound finance.

Of course, there were important differences between the processes of coalition formation in 1931 and 2010. In 1931 the National Government was formed after

Ramsay MacDonald's minority Labour government, which had been in office since 1929, failed to agree on a programme of economies and tax rises to eliminate the growing deficit, and MacDonald and his Chancellor of the Exchequer, Philip Snowden, retained their posts in the new administration. The National Government was intended to last only as long as was necessary to ride out the immediate financial crisis, and – in contrast to the detailed programme for government negotiated in 2010 – the only written coalition agreement which existed was a set of manuscript notes, written by Sir Herbert Samuel in the meeting at Buckingham Palace at which the government was formed.⁸ Moreover, the economic situations which confronted the politicians were far from identical, with the National Government facing a smaller budget deficit than the present coalition but rather higher unemployment and a sterling crisis which was not merely threatened but actually underway. The parallels between the two episodes are nonetheless striking, and an examination of the Liberal role in the formation of the National Government provides an illuminating perspective on the Liberal Democrats' behaviour in 2010.

The formation of the National Government

The course of events which led to the formation of the National Government is relatively well

Left:
unemployment
march during the
Great Depression

known. The 1929 general election had returned Labour to office as a minority administration under MacDonald, technically dependent on the support of fifty-eight Liberal MPs led by David Lloyd George.⁹ Lloyd George spent most of the parliament's first year trying to force MacDonald to acknowledge his reliance on the Liberals, and much of its second year trying to construct an agreement by which the Liberals would keep the government in office in return for the introduction of the Alternative Vote and the implementation of some of the proposals for public works on which the party had fought the election.¹⁰

Ballooning unemployment in the wake of the Wall Street crash made the Labour government's task a difficult one, not least because falling tax revenues and the rising cost of unemployment benefit placed great strain on the public finances. In February 1931, the Liberals secured the establishment of a special committee, chaired by Sir George May of Prudential Assurance, to propose economies in public spending. When the May Committee reported in July 1931, it projected that Britain faced a budget deficit of £120 million in 1932–3, and recommended that a package of measures to eliminate the deficit should focus on reducing the cost of the unemployment insurance system, including a cut of one-fifth in benefit rates. Early action on the deficit was made imperative by a pan-European crisis of financial confidence, which began in Austria in May, spread to Germany in July, and threatened to drive sterling off the gold standard. Between 12 and 23 August, MacDonald and Snowden held a long series of meetings in an attempt to gain the agreement of their Cabinet colleagues for a deficit-reduction package which satisfied the leaders of the Conservative and Liberal parties and which the Bank of England believed was sufficient to restore the confidence of the markets. When it became clear that the Labour Cabinet would not agree to the 10 per cent unemployment benefit cut which MacDonald and Snowden proposed, MacDonald formed a National Government on 24 August to carry through the cuts, against the opposition of almost all his former Labour colleagues.

The process by which the minority Labour administration was replaced by a National Government depended on the conjuncture of a number of factors, including the determined refusal of several Labour ministers and the Trades Union Congress to support benefit cuts and the willingness of the Conservative leaders, especially Neville Chamberlain, to serve in a National administration under MacDonald.¹¹ The Liberal Party nevertheless played a pivotal role in the political crisis. Until the early summer of 1931, Lloyd George seemed to be preparing to lead the Liberals into a Lib–Lab coalition, a move which he justified to most of his colleagues by arguing that, if the Labour government fell, the Conservatives would take office and introduce protection.¹² However, Lloyd George was taken seriously ill in July, and spent August recovering from an operation to remove his prostate gland. Samuel, his deputy, took over as leader, and chose North Cornwall MP Sir Donald Maclean to accompany him to the meetings with MacDonald, Snowden, and Neville Chamberlain and Sir Samuel Hoare for the Conservatives (the Tory leader Stanley Baldwin being absent on holiday in Aix-les-Bains). During the three-party negotiations, Samuel and Maclean declared that a 10 per cent unemployment benefit cut was an 'indispensable' component of an economy scheme, lining up with the Conservatives and increasing the pressure on MacDonald and Snowden to win their Cabinet colleagues over to this course of action.¹³ Later, when the Labour government fell, it was Samuel who was the strongest advocate of a National Government with MacDonald at its head, so that political responsibility for the cuts should be spread as widely as possible – though subsequent scholarship has suggested that Samuel's advice did not have quite as much influence on King George V as Samuel himself believed.¹⁴ Moreover, since the Liberals held the balance of power in the Commons, and the vast majority of Labour MPs refused to support the new government, a National Government without Liberal participation would not have had a secure parliamentary majority. Sixteen Liberals received government office, including

The fiscal consolidation undertaken by the National Government was therefore smaller than the present coalition's, but was implemented much more rapidly.

Samuel (who became Home Secretary), Maclean (President of the Board of Education), Lord Reading (Foreign Secretary), Sir Archibald Sinclair (Scottish Secretary) and Lord Lothian (Chancellor of the Duchy of Lancaster). A meeting of Liberal MPs, peers, and candidates at the National Liberal Club on 28 August endorsed participation in the National Government with only one dissenter.¹⁵

It is instructive to compare the scale and scope of the economy programme agreed by the party leaders in August 1931 – and announced by Snowden in his September 1931 emergency budget – with that enacted by the present coalition government. Though alarming to contemporaries, the prospective deficit of £120 million identified by the May Committee represented only 3.1 per cent of 1931 GDP, and even this figure was swollen by the inclusion of a sinking fund (which the National Government partially suspended) and the £40 million deficit on the Unemployment Insurance Fund (which was not normally included in assessments of budgetary balance).¹⁶ By contrast, the Conservative–Liberal Democrat coalition which took office in 2010 was confronted by an overall deficit amounting to 7.5 per cent of GDP and a structural deficit estimated at 5.3 per cent of GDP; it is committed to eliminating the structural deficit over five years, and is trying to do so over four.¹⁷ The fiscal consolidation undertaken by the National Government was therefore smaller than the present coalition's, but was implemented much more rapidly. Snowden divided the burden of deficit reduction roughly evenly between tax rises and spending cuts, but the cuts were concentrated heavily on unemployment benefit and public sector pay: along with the 10 per cent cut in unemployment benefit, insurance contributions were raised, a means test for transitional benefit introduced, and the salaries of ministers, judges, civil servants, teachers, the police and the armed forces reduced by 10–15 per cent.¹⁸ The incidence of the present coalition's economies is rather different, with spending cuts accounting for roughly three-quarters of the deficit reduction programme and falling more heavily than the 1931 cuts on

the number (rather than merely the pay rates) of public sector workers.

The vast majority of Liberals at all levels of the party – in government, in parliament, and in the country – offered support to the general thrust of Snowden's emergency budget and the National Economy Bill which followed from it. Indeed, in the general election which followed in October, most Liberal candidates insisted that the economy measures had been necessary and just, whilst many also criticised the late Labour government for its profligacy or warned that a Labour victory would lead to national bankruptcy.¹⁹ The division of the Liberal forces into Samuelite, Simonite and Lloyd Georgeite camps basically reflected divergent attitudes to free trade and to the Cabinet's decision to call an early election, rather than disagreements over spending cuts. Among Liberal MPs, only the young Frank Owen voiced outright opposition to the economy programme, describing the unemployment benefit cut as 'iniquitous and inequitable' and declaring that he was 'amazed' at Liberal ministers' support for the means-testing of transitional benefit.²⁰ Owen felt that the party's complicity in these measures represented a betrayal both of its social reforming heritage and of the commitment it had made at the 1929 election to use the resources of the state to conquer unemployment.

Although Owen's hostility to the benefit cut was not widely shared, Liberals inside and outside government did seek to change the government's economy package in two ways. Firstly, they sought to ensure that the government's rhetoric of 'equal sacrifices' was borne out by the measures it enacted. Before the National Government was formed, prominent Liberals including Sir Walter Layton, Ernest Simon and Ramsay Muir had taken an interest in the idea of a 'national treaty', involving simultaneous (and agreed) cuts in all wages, salaries, benefit payments, rents, dividends and retail prices, which had been suggested by Keynes and implemented in Australia in June 1931 as a solution to that country's financial crisis.²¹ Although it soon became apparent that an across-the-board reduction of private sector wages was not politically practicable, Liberals remained determined that

the sacrifices required to reduce the deficit should be spread as broadly and evenly as possible.²² This concern led Liberal MPs to press for teachers' salaries to be cut by 10 per cent – in common with most other public servants – rather than the 15 per cent originally proposed, a concession which the government granted on 21 September in the wake of a vocal campaign by teachers' unions, the naval mutiny at Invergordon, and the enforced departure of sterling from the gold standard.²³ It also led them to seek further sacrifices from the rich. Lord Lothian advocated a capital levy to cancel £2 billion of Britain's war debt, which would 'permanently balance ... the budget' (by reducing the burden of interest payments) and facilitate some targeted tax reductions 'or an expanded programme of national development to absorb the unemployed'; he believed that such a measure was essential to show 'that the rich as well as the poor are going to bear their fair share of the burden'.²⁴ Lothian's proposal was taken seriously by Samuel and Chamberlain, but the Bank of England warned that a capital levy might provoke a new flight from sterling and would also create a precedent for Labour to introduce a capital levy in the future. The government settled instead for increasing the differentiation between earned and unearned income in the tax system and reviving plans to convert £2 billion of war loan from 5 per cent to 4 per cent interest.²⁵

A second focus of Liberal concern about the National Government's economy package was its treatment of the government's capital investment programmes, many of which had been set in train by the Labour government under pressure from Lloyd George and his party. Commenting from his sickbed shortly after the National Government was formed, Lloyd George told Samuel that he had no objection to the unemployment benefit cut, but he was furious at the proposed reductions in capital spending, especially on smallholdings, land reclamation, and other agricultural projects.²⁶ Lloyd George's attitude was shared by others: Lothian urged Samuel to try to maintain capital investment, which would alleviate unemployment and help increase domestic

production of food and raw materials, whilst Philip Oliver, MP for Manchester Blackley, lamented that the need 'to go slow with schemes of national reconstruction' was the Liberals' 'part of the sacrifice'.²⁷ Ernest Simon, who represented Manchester Withington, agreed to take junior office at the Ministry of Health only on the condition that the government maintained the existing system of house-building subsidies.²⁸ This concern to minimise cuts in public investment suggests that the proposals for public works which had formed the basis of the party's campaign at the 1929 general election continued to influence Liberals' thinking about the relationship between government spending and unemployment.

Explaining Liberal support for cuts

The Liberals' insistence that the government should respond to the financial crisis in August 1931 with a stringent package of measures to close the deficit, including a cut in unemployment benefit, still requires explanation. After all, the proposed benefit cut was sure to split the Labour movement and destroy the opportunity for Lib-Lab cooperation to be consolidated into a progressive coalition which could pursue Keynesian reflationary measures, introduce the Alternative Vote, and defend free trade. 'On no plausible assumptions', David Marquand has argued, 'did the Liberals stand to gain more from an alliance with the Conservatives than from their existing alliance with the Labour Party.'²⁹ Why then did the Liberals, led by Samuel and Maclean, make this shift? Three main reasons may be identified.

Firstly, Samuel was clearly influenced by a concern to maintain party unity. Lloyd George's strategy of supporting the Labour government had caused serious unrest among right-wing Liberals, culminating in the resignation of the Liberal whip by Sir John Simon, Sir Robert Hutchison and Ernest Brown in June 1931 in protest at the agreement which Lloyd George had reached with the government over Snowden's plans for a land tax.³⁰ Simon hoped to lead a large body of disaffected Liberals into the Conservative fold on the basis of a twin commitment to cut

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public spending and accept the need for tariff protection, and had been assured by Chamberlain that he would receive office in a future Tory government if he pulled this manoeuvre off; though his repudiation of free trade hampered his ability to cultivate a following among Liberal MPs and activists, he remained a threat to Samuel and Lloyd George.³¹ Most susceptible to Simon's appeal was the party's Asquithian old guard, which clustered around the anti-Lloyd George Liberal Council and the Friends of Economy campaign launched by Walter Runciman and Viscount Grey of Fallodon in January 1931 to champion strict retrenchment.

From the beginning of 1931 onwards, it was clear that Lloyd George and Samuel would have to take a firm line on retrenchment if they were to keep the traditionalist Asquithians on board. In this effort, the leadership found a valuable ally in Sir Donald Maclean, who was respected on the party's right for his commitment to fiscal orthodoxy but whose fear of 'the probable result of an early Tory victory on Free Trade and disarmament' led him to support Lloyd George's strategy of keeping the Labour government in office.³² It was Maclean who moved the motion in February 1931 which brought the May Committee into being, and Samuel chose Maclean to accompany him to the negotiations at Downing Street in August partly because of his reputation as a fiscal hawk.³³

Maclean's presence in the negotiations over the Labour government's economy proposals was highly significant. Even before the negotiations began, he had signalled that he was inclined to work with the Conservatives to ensure that the government made the necessary cuts.³⁴ By contrast, the Liberal chief whip, Sir Archibald Sinclair, told Samuel that the party should take 'an absolutely independent line' and try to support the Cabinet's proposals for reducing the deficit provided they were reasonably sound.³⁵ Maclean was also more sensitive than many other Liberals would have been to City opinion, and conceived his task during the negotiations partly as one of 'communicating the Liberal point of view to the Bank of England' and keeping the Bank in touch with 'the real position'.³⁶

The crucial decision to join with the Conservatives in pressing for an unemployment benefit cut on 18 August, confirmed on 21 August when Samuel and Maclean rebuffed MacDonald's efforts to detach them from the Conservatives, reflected the strategy which Maclean had favoured from the outset.³⁷ Although Samuel's biographer, Bernard Wasserstein, contends that he 'was constricted by an almost Gladstonian financial orthodoxy that dictated his actions in 1931', Samuel showed himself willing to support Keynesian reflationary projects in other political and economic circumstances, especially in 1929 and after the Liberals resigned from the National Government in September 1932.³⁸ It seems more plausible to suggest that Samuel's orthodox inclinations were reinforced during the August negotiations by Maclean's influence and by the need to retain the confidence of the party's right wing.

Samuel succeeded in maintaining Liberal unity in the short term. Indeed, Asquithians were delighted at the way in which Samuel and Maclean had 'concentrated on economy as the keystone': Viscount Grey attended the National Liberal Club meeting on 28 August to pronounce his blessing on the new government, and even Sir John Simon sent a message of support.³⁹ As Williamson notes, 'the Liberal Council now moved back into the centre of Liberal party politics'.⁴⁰ However, this rapprochement did not last. Simon himself was not considered for office, and Lloyd George vetoed the appointment of some of his lieutenants, including Ernest Brown; Samuel intended that Walter Runciman should take the War Office, but, when Runciman could not be contacted, the post was given to Lord Crewe, leaving Runciman to fume at Samuel's failure to pursue the matter further.⁴¹ By mid-September 1931, Simon had resumed his efforts to construct a separate group of Liberals who were willing to support a tariff, and found a receptive audience among MPs who feared losing their seats to the Conservatives in an election fought on the trade issue.⁴² The split was formalised on 5 October by the formation of the Liberal National group, with its own election fund, committed to supporting MacDonald in 'any measures found

to be necessary for national recovery without regard to fiscal theories and prepossessions'.⁴³ Nevertheless, those Asquithians who were still committed to free trade, such as Maclean, the veteran journalist Francis Hirst, and (more tenuously) Viscount Grey, remained in the ranks of the official Liberal Party under Samuel's leadership.

A second reason for the Liberals' insistence on a severe retrenchment programme was the party's economic analysis. As is well known, Lloyd George had fought the 1929 election on a pledge to reduce unemployment to 'normal proportions' within two years, without additional cost to the taxpayer, by means of a £250 million programme of loan-financed public works. Lloyd George's pledge drew heavily on advice from John Maynard Keynes, who argued that the mass unemployment which had persisted throughout the 1920s resulted largely from a deficiency of investment, and that deficit spending by the government on projects such as road-building, housing, electricity infrastructure and telephone development would reduce unemployment by bringing investment into line with savings. As Peter Clarke has shown, Keynes felt his way during the 1929 election campaign itself towards the idea of the multiplier effect, whereby an initial government investment would itself generate new resources for consumption and investment through successive rounds of spending.⁴⁴

Most historians have suggested that the Liberals' behaviour in 1931 showed that their conversion to a Keynesian approach was shallow or insincere. Wasserstein has claimed that 'Lloyd George no more believed in Keynesianism on principle than the Celt in him believed in leprechauns', and that Samuel's thinking 'remained fundamentally unaffected by Keynes'; the late Duncan Tanner argued that, 'unhappy with proposals for increased expenditure, most Liberals dropped Keynes as quickly as possible after the 1929 election' in order to return to a more orthodox approach.⁴⁵ In fact, the reality was more complicated than this. Loan-financed public works enjoyed quite wide support within the party at the 1929 election, since even those Asquithians who doubted whether Lloyd George's *pledge* was

From the beginning of 1931 onwards, it was clear that Lloyd George and Samuel would have to take a firm line on retrenchment if they were to keep the traditionalist Asquithians on board.

achievable agreed that the *policy* on which it was based was sound; and, after the election, the Labour government's failure to tackle unemployment became the main ground for Lloyd George's criticism of it.⁴⁶ As the Liberals' attempts to spare public investment from the full rigours of the National Government's cuts showed, the idea that national development projects could stimulate demand and reduce unemployment was quite strongly embedded in Liberal political economy by 1931.

What happened after 1929 was that, as the economic climate deteriorated, Liberals began to question whether loan-financed public works would create as many jobs Lloyd George had claimed, and to consider the possibility that they might damage private sector employment. The case for a public works programme had been premised on the assumption that it would create an atmosphere of expansion, encouraging businessmen to invest and expand production in anticipation of future profits, but by the summer of 1930 even Keynes was no longer confident this would be the case; instead, it was feared that the extra borrowing involved would damage business confidence and discourage private investment.⁴⁷ Lord Lothian argued strongly that public investment should ordinarily be financed by taxation rather than by borrowing, and that government policy should focus mainly on stimulating a recovery in the private sector:

A programme of public works, however well devised, cannot save or vitally improve the position unless at the same time the main-springs of private enterprise are functioning freely. Public works can act as a balancing wheel and can improve the general national equipment in certain important and well defined fields. But the vital thing is the buoyancy of the great machine of private enterprise, which can absorb or throw out of work hundreds of thousands of men and women in a few weeks, according to whether it is active or stagnant.⁴⁸

The October 1930 policy document *How to Tackle Unemployment*, based on proposals which Lloyd George submitted to the government during the summer, combined revised public works plans with proposals

The financial crisis of the summer of 1931 exacerbated Liberals' existing doubts as to whether a Keynesian strategy would work in the prevailing economic circumstances. Retrenchment became not merely desirable but essential to restore the financial markets' confidence in British government policy, keep sterling on the gold standard, and facilitate a revival of trade and employment.

for tax reforms, government assistance for industrial rationalisation, the extension of export credits, and a 10 per cent cut in government spending. Clearly, Liberals were increasingly thinking of national development as only one part of a strategy for recovery, and were moving towards the view that cuts in public spending and taxation represented the best way of encouraging job creation in the private sector.⁴⁹

The financial crisis of the summer of 1931 exacerbated Liberals' existing doubts as to whether a Keynesian strategy would work in the prevailing economic circumstances. Retrenchment became not merely desirable but *essential* to restore the financial markets' confidence in British government policy, keep sterling on the gold standard, and facilitate a revival of trade and employment. The most plausible alternative courses of action, such as voluntary departure from the gold standard, the abandonment of free trade, and the imposition of controls on capital movements and currency exchange, were largely ruled out by the Liberals' ideological commitment to the idea and institutions of an integrated global economy. The parallel with 2010 is instructive. On both occasions, Liberal politicians who were sympathetic to Keynesian reflationary measures in principle found their ability to apply them constrained by the instability of the financial markets, and judged that attempts to use public borrowing to mitigate a slump were likely to be counterproductive in the context of a crisis of financial confidence.⁵⁰

Samuel and Maclean's insistence that the 10 per cent cut in unemployment benefit was an essential element in any economy scheme stemmed partly from an awareness that foreign financiers regarded this cut as symbolic of the government's ability to contain social welfare spending, and partly from a determination to avoid the revenue tariff which some Labour ministers had proposed as an alternative means of making good the shortfall.⁵¹ However, it also reflected an attitude to state welfare provision and the idea of social justice which contrasted sharply with that held by most of the Labour movement. This may be regarded as a third reason why the Liberals backed the National Government's cuts. The

Labour ministers who rejected the proposal to cut unemployment benefit broadly approached the issue from the perspective of distributive justice and citizens' rights to a certain living standard. From this perspective, any reduction in the living standards of the least well-off members of the community was inherently unjust. The Liberal approach to social reform was more ameliorative. Whilst Liberals were generally strongly committed to the elimination of poverty, they tended to take the market distribution of incomes as their starting point, to regard unemployment insurance as a contractual arrangement which should be put on an actuarial basis, and to regard non-insurance forms of state welfare, including transitional benefit, as desirable in themselves but ultimately conditional on the nation's ability to generate sufficient wealth to pay for them.

The Liberals defined the fairness of the deficit reduction package by the way it spread the burden of the cuts and new taxation across the community as a whole. Like MacDonald and Snowden, Samuel and Maclean held that the cut in unemployment benefit was justified because prices had fallen sharply over the previous two years, so that the *real* incomes of the unemployed were merely restored to the level they had been at in 1929.⁵² Samuel also believed that the benefit cut was necessary in the interests of equity and social harmony, arguing that 'the other classes who were to be called upon to make heavy sacrifices would be indignant if no change were made'.⁵³ Whereas Arthur Henderson and the TUC contended that sacrifices should be apportioned according to ability to pay, Samuel and Maclean – along with the other party leaders – interpreted the concept of 'equal sacrifice' to mean an equivalent contribution from citizens in each income group. Not all Liberal MPs and activists were comfortable with this notion, but the party as a whole proved willing to accept it in the midst of the economic crisis.

Conclusion

The consequences of the Liberal Party's participation in the National Government for its future political development are well known, though they have sometimes been

obscured by the fall-out from the split into Samuelite, Simonite and Lloyd Georgeite groups during the October 1931 general election.⁵⁴ Although the total number of Liberal MPs rose in that election, mainly as a result of local pacts with the Conservatives, the Liberal share of the popular vote more than halved, and the Samuelites – who left the National Government in September 1932 in protest at the protectionist Ottawa Agreements – would lose seats at every general election for the next two decades.

The Liberal National secession and the breach with the National Government over Ottawa hit the Samuelite Liberals hard on the right, but among left-wing activists and supporters it was the party's involvement in the economy programme which did the most damage. A steady stream of young radicals – most notably Harry Nathan (MP for Bethnal Green North-East), Ronw Moelwyn Hughes, and Michael Foot – defected to Labour during the 1930s, despairing of the Liberal Party's ability to act effectively as a progressive force; some older Liberals, such as Ernest Simon, took the same view.⁵⁵ White-collar public-sector workers, especially teachers, seem to have drifted away from the party in view of its perceived failure to stand up for their interests.⁵⁶ The most emotive issue in the constituencies, however, was the imposition of the means test on transitional benefit, which Labour campaigned against unceasingly; the unpopularity of the means test appears to have been a major cause of Liberal losses to Labour in borough and county council elections, especially in London in 1934, and also contributed to the loss of Samuel's own seat of Darwen to the Conservatives in the 1935 general election, as working-class voters peeled away to Labour.⁵⁷ Liberal involvement in the National Government's economy programme therefore accelerated the party's loss of radical and working-class support.

The temptation to draw exaggerated parallels between historical experiences and contemporary events is one which the historian must avoid. In its composition, the circumstances of its formation, and its intended lifespan, the present coalition differs significantly from the National Government.

The Samuelites remained in the National Government for only thirteen months. The Conservative–Liberal Democrat coalition has already lasted longer than that, and Liberal Democrat ministers have shown themselves adept at shaping government policy across the board.

Moreover, some of the considerations which shaped Sir Herbert Samuel's conduct in 1931 did not apply in 2010. Whereas the National Government took shape during a period of exceptional fluidity in the party system and endemic disension within the Liberal ranks, the 2010 coalition was formed by two parties negotiating on equal terms, with little immediate risk of party splits. Equally significantly, contemporary Liberal Democrats have pressed much harder than their interwar predecessors to ensure that the burden of deficit reduction falls most heavily on those citizens who are most able to bear it.

It is on the economic rationale for balancing the budget that the parallels between 1931 and 2010 are clearest. Certainly, no contemporary Liberal Democrats are as enthusiastic about reducing the size of the state as Maclean and the Friends of Economy were, and the coalition does not share the rigid commitment to Gladstonian principles of sound finance which led the National Government to insist on balancing the budget year-on-year. However, both in 1931 and in 2010, it was the turbulence of the financial markets which convinced Liberals that the task of deficit reduction could not be delayed, and that the national interest required the party to join with the Conservatives (and, in 1931, with MacDonald and Snowden) to implement unpleasant cuts. There is also a significant parallel between the present government's attempts to stimulate a private-sector-led recovery through an expansionary monetary policy, along with the export opportunities opened up by a weak pound, and the policies pursued by the National Government following the September 1931 departure from the gold standard.⁵⁸

The irreconcilability of the Liberal free trade position with the Conservatives' belief that protection would assist economic recovery meant that the Samuelites remained in the National Government for only thirteen months. The Conservative–Liberal Democrat coalition has already lasted longer than that, and Liberal Democrat ministers have shown themselves adept at shaping government policy across the board – from the citizen's pension and NHS reorganisation to Trident renewal and House of

Lords reform. It remains to be seen whether these policy successes, or the results of the government's economic policies, will enable Nick Clegg and his colleagues to survive the experience of coalition in better shape than the Samuelites managed in the 1930s.

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- 1 Liberal Democrat manifesto, *Change That Works For You* (London: Liberal Democrats, 2010), pp. 97–8. See also Nick Clegg's speech on deficit reduction to the IPPR on 16 March 2010, available online at <http://www.libdemvoice.org/nick-clegg-winning-people-over-for-deficit-reduction-18388.html>.
- 2 David Laws, *22 Days in May: The Birth of the Lib Dem–Conservative Coalition* (London: Biteback, 2010), pp. 17–19, 29–32.
- 3 Rob Wilson, *5 Days to Power: The Journey to Coalition Britain* (London: Biteback, 2010), p. 168.
- 4 Laws, *22 Days in May*, pp. 109–10.
- 5 *Ibid.*, pp. 105–13. For a critique of the approach taken by the Liberal Democrat negotiators, see David Howarth's review of Laws and Wilson's books in *Journal of Liberal History*, 70 (Spring 2011).
- 6 Andrew Adonis, review of Laws, *22 Days in May* in *New Statesman*, 2 Dec. 2010; Anthony Seldon and Guy Lodge, *Brown at 10* (London: Biteback, 2010), pp. 453, 457–8.
- 7 *The Guardian*, 19 Sept. 2009.
- 8 This may be found in Parliamentary Archives, Samuel papers, A/77/11, 'Memorandum written at the Conference at Buckingham Palace', 24 Aug. 1931.
- 9 Fifty-nine Liberal MPs were elected in 1929, but their number was reduced almost immediately when William Jowitt accepted appointment as MacDonald's Attorney-General.
- 10 The most detailed recent account of the crisis is Philip Williamson, *National Crisis and National Government: British Politics, the Economy and Empire, 1926–1932* (Cambridge: CUP, 1992).
- 11 Williamson emphasises Chamberlain's role: see *ibid.*, pp. 299–303, 322–5, 336–7.
- 12 Frank Owen, *Tempestuous Journey: Lloyd George, His Life and Times* (London: Hutchinson, 1954), p. 717; *Manchester Guardian*, 16 May 1931.
- 13 Samuel papers, A/77/7, 'Course of Events – August 20th–23rd, 1931', memorandum by Samuel, 23 Aug. 1931.
- 14 Williamson, *National Crisis*, pp. 335–6.
- 15 *Manchester Guardian*, 29 Aug. 1931. The dissident was not an MP.
- 16 Roger Middleton, 'British monetary and fiscal policy in the 1930s', *Oxford Review of Economic Policy*, 26 (2010), p.

- 431.
- 17 See HM Treasury, *Budget 2010* (London: The Stationery Office, June 2010), p. 89.
- 18 Middleton, 'British monetary and fiscal policy', p. 431; Robert Skidelsky, *Politicians and the Slump: The Labour Government of 1929–1931* (London: Macmillan, 1967), p. 379.
- 19 Andrew Thorpe, *The British General Election of 1931* (Oxford: OUP, 1991), pp. 220–1.
- 20 Hansard, H.C. Deb., fifth series, 257, 28 Sept. 1931, cols. 83–7, at col. 84.
- 21 *News Chronicle*, 1 and 22 Aug. 1931; Trinity College Library, Cambridge, Layton papers 101/4, Sir Walter Layton to Philip Snowden (copy), 11 Aug. 1931.
- 22 A group of Liberal activists and economists led by Norman Crump and E. A. Lessing attempted to revive the national treaty idea in September 1931, as a means of staving off an election fought on the tariff issue: see National Archives of Scotland, Edinburgh, Lothian papers, GD40/17/144/57–67, 'Liberalism and the Crisis of the £', undated but probably 16 Sept. 1931.
- 23 *News Chronicle*, 3 Sept. 1931; Williamson, *National Crisis*, p. 424.
- 24 British Library, Reading private papers (Eur. F118), 112–7, Lord Lothian to Sir Herbert Samuel, 25 Aug. 1931.
- 25 Williamson, *National Crisis*, p. 364–5.
- 26 Samuel papers, A/77/12, David Lloyd George to Sir Herbert Samuel, 25 Aug. 1931.
- 27 Lothian papers, GD40/17/143/12, Samuel to Lothian, 21 Aug. 1931, and GD40/17/143/26–28, Lothian to Samuel (copy), 31 Aug. 1931; Churchill Archives Centre, Cambridge, Thurso papers, III 3/5, Philip Oliver to Sir Archibald Sinclair, 27 Aug. 1931.
- 28 Manchester City Archives, Ernest Simon papers, M11/11/5, Diary, 1929–35, entry for 21 Sept. 1931.
- 29 David Marquand, '1924–1932', in David Butler (ed.), *Coalitions in British Politics* (London: Macmillan, 1978), p. 61.
- 30 Williamson, *National Crisis*, pp. 249–50.
- 31 Bodleian Library, Oxford, MSS. Simon, 249 fos. 45–6, Note by Sir John Simon, 1 Dec. 1930. For the continued attachment to free trade of most of Lloyd George's critics, see Thurso papers, THRS I, Sir Archibald Sinclair to C. E. Taylor (copy), 26 May 1931, and *Huddersfield Daily Examiner*, 29 June 1931.
- 32 MSS. Simon, 249 fos. 5–8, memorandum by Sir John Simon at meeting of leading Liberals, 20 Nov. 1930.
- 33 Thurso papers, THRS III 3/5, Sir Herbert Samuel to Sir Archibald Sinclair, 18 Aug. 1931. Maclean had led the independent Liberal opposition to the Lloyd George Coalition in 1919–20, following Asquith's defeat at East Fife; a solicitor by profession, he had become a company director when out of parliament in the 1920s. See Philip Williamson, 'Maclean, Sir Donald (1864–1932)', *Oxford Dictionary of National Biography* (Oxford: OUP, 2004; online edition, Jan. 2008).
- 34 *The Times*, 13 Aug. 1931.
- 35 Thurso papers, THRS III 3/5, Sir Archibald Sinclair to Sir Herbert Samuel (copy), 14 Aug. 1931.
- 36 Bodleian Library, Maclean papers (dep. c. 468), 121–2, Sir Donald Maclean to Lady Maclean, 24 Aug. 1931, and 127, Sir Donald Maclean to his family, 24 Aug. 1931.
- 37 For MacDonald's attempt to persuade the Liberals to accept a smaller cuts package than the Conservatives demanded, see Williamson, *National Crisis*, p. 325.
- 38 Bernard Wasserstein, *Herbert Samuel: A Political Life* (Oxford: OUP, 1992), p. 312. For Samuel's support for public works programmes after 1932, see Hansard, H.C. Deb., fifth series, 274, 16 Feb. 1933, cols. 1242–56.
- 39 Maclean papers (dep. c. 468), 143–6, Walter Runciman to Sir Donald Maclean, 25 Aug. 1931; *Manchester Guardian*, 29 Aug. 1931.
- 40 Williamson, *National Crisis*, p. 354.
- 41 Reading private papers (Eur. F118), 131–3, memorandum by Lord Reading on meeting with David Lloyd George, 11 Sept. 1931; Wasserstein, *Herbert Samuel*, pp. 320–1.
- 42 Williamson, *National Crisis*, pp. 394–7, 413, 433–6.
- 43 MSS. Simon, 68 fo. 163, Sir John Simon to Ramsay MacDonald (copy), 5 Oct. 1931.
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- 45 Wasserstein, *Herbert Samuel*, p. 312; Duncan Tanner, 'The strange death of Liberal England', *Historical Journal*, 37 (1994), p. 975. A similar argument appears in Ross McKibbin, *Parties and People: England 1914–1951* (Oxford: OUP, 2010), pp. 66–7.
- 46 *The Times*, 28 March and 11 April 1929. The distinction between the pledge and the policy was coined by Maclean.
- 47 Lothian papers, GD40/17/140/456–8, 'The Views of Mr. J. M. Keynes', memorandum by G. C. Allen, undated but summer 1930.
- 48 Lothian papers, GD40/17/134/88–116, memorandum by Lothian on the unemployment problem, 10 June 1930.
- 49 Skidelsky, *Politicians and the Slump*, pp. 220–7; G. C. Allen, 'Economic Advice for Lloyd George', in G. C. Allen, *British Industry and Economic Policy* (London: Macmillan, 1979), pp. 196–207. Skidelsky understates the centrality of the proposed reduction in current government spending to the Liberals' new policy.
- 50 Compare Sir Herbert Samuel's speech in the debate on the National Economy Bill, Hansard, H.C. Deb., fifth series, 256, 14 Sept. 1931, cols. 537–54, with Vince Cable, 'Keynes would be on our side', *New Statesman*, 12 Jan. 2011, available online at <http://www.newstatesman.com/economy/2011/01/investment-keynes-essay>.
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- 52 Samuel papers, A/77/7, 'Course of Events'. Lothian urged Samuel to emphasise this argument in public: Lothian papers, GD40/17/143/37–8, Lord Lothian to Sir Herbert Samuel (copy), 7 Sept. 1931.
- 53 Samuel papers, A/77/1, 'The Budgetary Situation', memorandum by Sir Herbert Samuel, 3 Aug. 1931, and A/77/7, 'Course of Events'.
- 54 These issues are explored in David Dutton's article.
- 55 Ernest Simon papers, M11/16/32, Ernest Simon to Ramsay Muir (copy), 2 Feb. 1934.
- 56 For an example of teachers' disaffection with the Liberals, see Parliamentary Archives, David Lloyd George papers, G/33/3/74, Haydn Jones to David Lloyd George, 12 Oct. 1932. Jones sat on the executive committee of the National Association of Schoolmasters.
- 57 On London, see Sir Percy Harris, *Forty Years In and Out of Parliament* (London: Andrew Melrose, 1947), p. 90, and *Manchester Guardian*, 6 March 1934; on Darwen, see Wasserstein, *Herbert Samuel*, pp. 370–1. A useful overview of local election trends in the 1930s appears in Chris Cook, 'Liberals, Labour and Local Elections', in Gillian Peele and Chris Cook (eds.), *The Politics of Reappraisal, 1918–1939* (London: Macmillan, 1975).
- 58 Middleton, 'British monetary and fiscal policy', pp. 436–8.

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- 24 Lloyd George's 'Preface' to his collected wartime speeches, *Through Terror to Triumph* (Hodder and Stoughton, 1915), published on 13 Sept. 1915.
- 25 M. Johnson, 'The Liberal War Committee and the Liberal Advocacy of Conscription in Britain, 1914–1916', *Historical Journal*, 51 (2008), pp. 399–420.
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- 28 F. Stevenson Diary, 18 April 1916, in A. J. P. Taylor (ed.), *Lloyd George: a Diary by Frances Stevenson* (Hutchinson, 1971), p. 107.
- 29 *Ibid.*, 12 Oct. 1915, *Lloyd George: a Diary*, p. 68.
- 30 French, *British Strategy and War Aims*, pp. 220–43.
- 31 National Archives, Cabinet papers 37/159/32, Lord Lansdowne, 'Terms on which a Peace might be considered', 13 Nov. 1916.
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- 33 Adams, *Bonar Law*, pp. 220–9.
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- 36 Wrigley, *Henderson*, pp. 107–11.
- 37 French, *British Strategy and War Aims*, pp. 124–6.
- 38 Jackson, *Home Rule*, pp. 152–74.
- 39 J. Turner, 'Cabinets, Committees and Secretariats' in K. Burk (ed.), *War and the State: the Transformation of British Government, 1914–19* (Allen & Unwin, 1982), pp. 57–83.
- 40 J. Harris, 'Bureaucrats and Businessmen in British Food Control, 1916–19' in Burk (ed.), *War and the State*, pp. 135–56.

COALITION IN A PERSPECTIVE FROM THE PA

The papers of the Liberal activist Frances Josephy, held at LSE Archives, have recently been catalogued.¹ The collection has much of interest to those studying Liberal history in the inter-war years.² It is particularly useful as Josephy was a woman of forthright views which she was not afraid of expressing. Although she did not make it to parliament, her central role on the National League of Young Liberals (NLYL) is another reason to study these papers. Indeed, one of the stories of the inter-war period is the ever-growing number of Liberal activists who did not become MPs. **Nick White** uses the archives to tell the story of Frances Josephy.

GENERAL ELECTION, MAY 30th, 1929.



Vote for
JOSEPHY
AND
CONQUER
UNEMPLOYMENT.

MISS F. L. JOSEPHY.

Printed by C. G. Mills, Cathedral Press, Winchester. Published by A. J. Plake, Election Agent, 9a, Jersey Street, Winchester.

FOR THIS paper the archive has been used to ask two questions regarding her views, mainly for the period from around 1925–35. First, does she have any opinions on working with other parties? Second, what views does she express about the National Government, particularly in relation to the Liberal Party?

Frances Louise Josephy was born in 1900 and was educated at St

Andrews University and Newnham College, Cambridge. By the mid-1920s, Miss Josephy was already an active member of the NLYL, speaking at events across the country and moving resolutions at the League's annual meetings. Her speeches from 1925 were on various aspects of industrial policy, but by the end of the decade the range of topics widens, from the need for free trade to her defence of Liberalism. Josephy also wrote articles, especially for

THE ARCHIVES

PAPERS OF FRANCES JOSEPHY

the Young Liberals' newspaper, the *Forward View*. Her organisational skills were not wasted either, as she arranged conferences and other events for the Young Liberals and the International Young Liberals.

Josephy did not limit her involvement in politics to the NLYL. In the mid-1920s, Josephy was also secretary of the Parliamentary Radical Group. The *Manchester Evening News* (2 December 1926) reports that this was an 'exacting' position, 'being responsible for much of the information which enables members of the group to ask pertinent questions in the House of Commons and to make speeches supported by facts and figures.'³ She was secretary to Frank Murrell (Liberal MP for Westonsuper-Mare, 1923–24). She was also a member of the Eighty Club and the League of Nations Union.

In 1929, she contested her first election by standing as a Liberal candidate in Winchester during that year's general election. She was to fight – unsuccessfully – in various constituencies, in all the general elections up to, and including, 1951. However, from the 1940s onwards, Josephy focused more on European relations than Liberal politics. She was on the Federal Union Executive Committee for over twenty years from February 1940. She was also active in the European Union of Federalists and the European Movement. She died on 6 January 1985.

In total, her archive consists of over fifty boxes of documents. Most

of the papers relate to her European work. However, ten boxes of material do relate to Josephy's political career from the 1920s through to the fifties. The political papers consist of material such as:

- Draft speeches (some are very rough notes, and others are more detailed);
- Press cuttings containing reports of speeches made by Josephy or on events attended by her;
- Typescript draft articles (many annotated) on a variety of topics, especially relating to politics, industrial policy and international relations;
- Cuttings of published articles by Josephy;
- Election ephemera, such as flyers, leaflets and posters;
- Liberal pamphlets and other publications, including speakers' notes published by the Liberal Publication Department (1920s–30s).

In terms of its limitations, the archive has little private material such as correspondence or family papers. This means that there is limited information on Josephy's private life and family background. Also, most of the material was meant to be made public, such as speeches and articles (or drafts of them). So, for example, there is little about her private thoughts or about her personal links with other Liberal politicians.

Josephy's political papers start with a note that on 16 October 1924

she had spoken at a women's meeting in Yatton on 'F. M.'s [Frank Murrell's] work in parliament.'⁴ In June 1925, there is a typescript version of an article Josephy wrote for the *Weekly Westminster* called, 'What is wrong with the Liberal Party'.⁵ In it, she does point out that the party had started the reorganisation which was necessary for any return to power. However, she noted that there were other deficiencies in the party, particularly in relation to internal divisions. She claims the party still had too many Tory sympathisers in it, and that pacts with the Conservatives at constituency level were a sign of inherent weakness. This fear that some Liberals were too close to the Tories is a theme which Josephy frequently returns to.

In the general election of May 1929, candidates from all three main parties fought Winchester. The Conservative candidate, Sir George Hennessey, eventually won with 44 per cent of the vote; Labour came second (36 per cent); and Miss Josephy came third with 18 per cent.⁶

The views of several unsuccessful Liberal candidates in that election were aired during a discussion at the Liberal Summer School held at Cambridge later that year. On Saturday 3 August, three women candidates (described as the 'Three Graces' by one admiring reporter⁷) addressed the conference on the theme of 'Young people

Left: Election leaflet, 1929

and the progressive parties'. One of these unsuccessful candidates was Josephy, who complained that campaigning in a three-party political system was like fighting with an eel. She claimed that younger voters were apt to go to the extremes of socialism or conservatism: 'Our difficulty, under the three-party system, is that people cannot see the top peak for looking at the bottom two.'

During this address, Josephy argues that the Liberal Party must change and that activists should work for the return to two-party politics. She states that a party could be created if those two-thirds of the Liberal Party who were progressives joined forces with the three-quarters in the Labour Party who were moderates. This would leave hardcore socialists as a 'small fag-end ... which does not count one way or another.' She does not say what the other third of the Liberal Party would do, nor does she provide details on how this party could be formed. She was clear, however, that the Labour Party must come 'our way; we are not going theirs.'

The *Forward View* article, makes it clear that Josephy's opinions were not favourably received by all of the delegates. In the discussion which followed the addresses she was subjected to 'sundry attacks' and she felt it was necessary to make a further statement clarifying her position:

I do not want to suggest that we should join Labour, or co-operate with Labour, or that there is any question of alliance with Labour in Parliament. What I did suggest was that we should get rid of this artificiality in politics. It should be made easier for those who think the same to work together. I want to see that we do not fall at the fence of a name.⁸

In this statement, Josephy makes it clear that she does not want any closer involvement with the minority Labour government. Also, it can be deduced from her speech that Josephy would not be too comfortable in a coalition with the Conservative Party.

Her views on working with the Labour Party are further clarified in an article written by her for the November 1929 issue of *Forward View*. Josephy makes it clear that a merger between the Liberal and the Labour parties could not be further

from her thoughts. She states that she has no liking for the three-party system but believes the Labour Party will split, leaving two great parties and a small 'fanatical tail' of socialists. She says that the name of the Liberal Party should be changed to encourage non-socialist Labour politicians and voters away from the Labour Party:

I would rather see the Party that stands for Liberalism called by some other name – Radical, if you like, or Progressive – than, for the sake of a name, force the country to an eternal choice between Conservatism and Socialism... and personally I can see no other future for the Liberal Party than as a body representing the radical-minded, non-Socialist alternative to Conservatism.⁹

In the first issue of *The Liberal Whip* (October 1929), a newsletter issued by the Winchester Division Liberal Association, Josephy writes about the role of the small band of Liberal MPs. She claims that they have an influence greater than their numbers would suggest (she says fifty-eight¹⁰), for 'unless the Government have the Liberals on their side they can do nothing.' She adds that MacDonald and his Cabinet:

are very well aware that only such progressive measures as are in accordance with Liberal principles will ever get through this House of Commons. In Parliament the Liberal Party stands between the country and out-and-out Socialism. In the country the Liberal Party gives to the electorate the opportunity of expressing at the same time their dislike of Conservatism and their distrust of Socialism. Undoubtedly the Liberal Party is still a national necessity ...

Liberalism cannot die, nor the Liberal Party, for it *must* exist as the national watch-dog to guard the national interests, [and] prevent revolutionary or reactionary legislation ...¹¹

In articles written before the collapse of the Labour government in August 1931, Josephy writes that any imminent election should be avoided as she predicted such a contest would result in a strong Conservative government. In that scenario, she believes, Liberals would have no influence

over policy. However, it could be counter-argued that the influence Liberals had on the minority Labour government was itself limited. Labour politicians would have been aware that Liberals were as unlikely to want an election as themselves.

In August 1931, the National Government was formed. A general election was soon called and Josephy contested Basingstoke. In her election leaflet, Josephy claims to be the only 'real' National Government candidate. In another bold phrase, she makes it clear also that she is the 'Free Trade' National Government candidate. This suggests she sensed that the public were in favour of some sort of coalition government to get the country out of its economic predicament. However, she claims that the election itself was unnecessary and was called by Conservatives for purely party political reasons, so they could impose protectionist measures.¹² Her electioneering did not persuade the voters of Basingstoke and the Tory candidate won securing nearly 70 per cent of the poll. In this three-way contest, Miss Josephy did at least manage to come second.¹³

Josephy writes about her experiences of the 1931 campaign in a typescript article for *Forward View* called, 'Unborn tomorrow and dead yesterday'. In her article, written within a month of the election, she writes:

'Le roi est mort! Vive le roi.' The old Liberal Party is dead. Long live the Radical Remnants! If the mountain will not leave Mahomet, Mahomet must leave the mountain.¹⁴

She calls for these Radical Remnants to rename themselves, to make it clear to voters that they had nothing in common with the Liberal Nationals or other Liberals with Conservative and protectionist leanings. Otherwise she predicted that at the next election 'the aforementioned apostates will hang like a millstone round our necks.' She points out that even in the 1929 election Liberal candidates had to answer 'devastating questions' about the divisions within their party. She predicts that if the Radical Remnants did not take 'a new title', arguments over who were the true Liberals would dominate the next election.

She calls for these Radical Remnants to rename themselves, to make it clear to voters that they had nothing in common with the Liberal Nationals or other Liberals with Conservative and protectionist leanings.

REMEMBER
when you go to vote

JOSEPHY
is the ONLY real
National Government Candidate.

Free Trade means cheap
living and better trade.
The Conservatives want to
abolish Free Trade.

A Vote for Lymington
is a vote for Protection.
A Vote for Goatcher
is a vote wasted.

Vote for JOSEPHY

JOSEPHY FOR JUSTICE

Please put this in your window.

GENERAL ELECTION 1931.
TUESDAY, OCTOBER 27th.



**VOTE FOR
JOSEPHY**
Free Trade National
Government Candidate.

WHAT THE TORIES DON'T TELL YOU

1.—**GOVERNMENT MANIFESTO, 1931.**—
‘We seek in the course of the next five years to
what is necessary to repair the gaps in our
finances which have accumulated over the past
decade.’
But she has spent £1,200 millions on her defence
forces in the last ten years. During eight
of these years, there has been Tory Govern-
ment.
If there are gaps, what has been done with the
money?

2.—**OVERSEAS TRADE.**
1931—£1,215 millions.
1924—£1,100 millions.
A DROP OF £115 millions.

Mr. Neville Chamberlain in the City of London,
Oct. 30th, 1931—
‘We cannot help seeing that there has been a
recovery in the position of the country as remark-
able that if in 1931 we had ignored the
elections we would bring it about, we should have
been accused of pretending we could work
miracles.’
During the next period of four years we may
safely anticipate a further steady progress in the
same direction.’

3.—During 1931 five million persons claimed unem-
ployment pay.
Average period of unemployment—five months.
At least five million people, including black-coated
men, are still out of work.
Persons referred by Poor Law on account of unem-
ployment in 1931—42,572—the highest figure
on record since 1927.
Total number on Poor Law relief, 11 millions, a
record figure and an increase of 85,000 since the
Government took office.

When asked in the House of Commons on
December 21st, 1934, what was the Govern-
ment's Unemployment Policy, Mr. Neville
Chamberlain replied:
‘Our unemployment policy is to continue as
we have been doing.’

4.—**GOVERNMENT MANIFESTO, 1935.**—
‘The estimates in the shops has been able this year
to buy more food for 150,000 than could be bought
for £1 when the Government took office.’
Increase in food prices since the Government
took office—
Milk—4.3 per cent. Bacon—10.6 per cent.
Bread—14.8 per cent. Flour—16.2 per cent.
Ministry of Labour Gazette.

JOSEPHY for ACTION
PLEASE PUT THIS IN YOUR WINDOW.

GENERAL ELECTION 1935
THURSDAY, NOVEMBER 14th.



**VOTE FOR
JOSEPHY**
Peace
and Reconstruction.

Fell favored

About the 1931 election campaign itself, Josephy writes, ‘What a dirty Election this has been.’ It seems the Basingstoke campaign was not fought in a friendly manner by the two candidates who represented parties who were both part of the same National Government. She states that she was beaten in her constituency ‘by three things (in the reverse order): – organisation, intimidation, and misrepresentation.’ She does believe that some voters had been intimidated by landlords into voting Tory. She states, however, that her greatest difficulty was in persuading voters that she did support the National

Election leaflets, 1931 and 1935 elections. On the 1935 election, someone – presumably rather later – has crossed out ‘Peace and reconstruction’ and written ‘and full Beveridge’.

Government, despite the fact that she was a free trader. She believed that by the time of the election, the National Government had not yet firmly committed itself to protection, as MacDonald had called for an impartial inquiry into the matter. Such an inquiry, Josephy thought, would be on the side of free trade if really impartial. However, her support for the National Government was questioned during the election campaign, as many voters believed that the government was protectionist and that that was what the election was about.

Josephy also makes it clear in her article that she thinks the National Government is not a true coalition because it is overwhelmingly composed of Conservative MPs. ‘The country voted National (as it thought) and has got a predominantly Conservative Government ... and Conservatism we shall get.’ However, as in many of her pronouncements, Josephy maintains her optimistic outlook. She claims that this Conservative domination would split the National Government, as the protectionists would see their opportunity to get their way without an impartial enquiry. Such an attempt, she predicted, would create a split. Even Baldwin, ‘honest man that he is, will come out of the Government if the Tory Tariffists force Protection without an impartial inquiry, having, as he says, no mandate from the country. So may Mr Macdonald. So – at least we confidently expect so – will Sir Herbert Samuel.’

Josephy states that these leaders and their followers could form the ‘nucleus of the new Radical Opposition.’ However, ‘National Labour, Baldwinian Tory have no real organisation of their own.’ There would need to be a party structure behind it and, ‘That is where the Radical Remnants come in, and there, I am convinced, is where the National League must take the lead.’ It is interesting to note that Josephy believed it was the National League of Young Liberals who would provide this role rather than the Liberal Party itself. As she says, ‘We have an organisation, we have always maintained our independence from party headquarters – now split from top to bottom – we have men within our ranks who can lead, and more outside would, in

those circumstances, be only to glad to come in.’¹⁵

Her hope that National Labour and Baldwinian Tories could join forces with progressive Liberals to create a Radical Party was not to be. There appear to be many reasons for this – one was that political momentum for the progressive vote was still with Labour despite their setback in 1931. Another was that the National Government did not split to the extent that Josephy had predicted: although the Liberals did leave the government, the mass of Conservative MPs and the Liberal Nationals stayed with it. Finally, the Liberals themselves remained deeply divided.

In March 1932, a resolution calling for Liberal ministers to resign from the government over the issue of free trade was passed at the NLYL’s annual conference at Bradford. The resolution was supported by Josephy, who stated that, ‘Opposition is the only way to rebuild the Liberal fortunes and to give a sadder and wiser electorate, who distrust the Socialists and have found out the Tories, an opportunity for voting for a real party.’¹⁶ According to the Yorkshire Observer, Josephy also attacked Lloyd George in the speech by describing him as a liability inside the party and a danger outside the party.¹⁷

Evidence in her writings suggests that her view that the National Government was really only a Conservative government do not change. Even when the Liberals were part of that government, Josephy feels that they had no influence over it. For example, in ‘Seen from the gallery’ (May 1932), Josephy writes of the futility of Sir Herbert Samuel’s speech in the House of Commons in support of free trade. In fact, she points out, his freedom to oppose protection was actually limited because he was a minister in that government.¹⁸ Josephy writes about her thankfulness when Liberal ministers do finally see the light and resign from the government in September 1932: ‘let us go ahead now and show the people of this country that there is at any rate one party to which they can turn when the Hungry Thirties have taught their bitter lesson.’¹⁹

In 1935, Josephy contested Devizes in Wiltshire. This time it was a straight fight with the sitting

MP, Sir Percy Hurd (grandfather of the future foreign secretary, Douglas Hurd). The election leaflets for both candidates reveal a lot about the difficulties Liberals had when contesting National candidates. Sir Percy's leaflet proclaims he is the National Government candidate: there is nothing on it which states that he is a Conservative. Instead it highlights his coalitionist credentials, with brief statements of support from Baldwin, Ramsay Macdonald and two erstwhile Liberals – Sir John Simon and Sir James Currie (an 'ex-President of the Devizes Division Liberal Association'). In his statement, Simon encourages electors to vote National, as the only possible alternative government would be an extreme socialist one. Meanwhile, Currie claimed that Hurd's record in parliament since 1931 had showed clearly that he had abstained from partisan politics. Currie felt confident that the majority of voters in the area would take the line he proposed to do – and vote for Hurd.²⁰

In her own leaflets, Josephy highlights her view that the National Government is really a Conservative one, but under a different name. She points out that the government is a threat to liberty and is 'moving along the road leading to dictatorship.' This was partly due to the huge majority it received in 1931: 'A swollen majority, such as that given to the last Government, leads to stagnation and is the first step in the downfall of democracy.' Josephy claims that the National Government's methods, too, were an attack on Liberalism. For example, she points out that legislation was often forced through without adequate discussion. To Josephy, these were hardly the actions of a government who could justly claim to be Liberal.²¹ However, Josephy did not convince the electors of Devizes of the need to vote for her. Yet again, the Conservative was victorious, and Sir Percy Hurd held on to the seat with almost 60 per cent of the vote (down slightly from 66 per cent in 1931).²²

There is some insight into Josephy's own views on the election campaign in a short typescript article by her entitled, 'Devizes'. She notes that until the campaign there had been little organisation in the constituency, with only a 'W.L.A.' (Women's Liberal Association) and

In the mid-1920s, Josephy was stating that many Liberals were too close to the Conservatives – whereas she wanted the Liberal Party to be the non-socialist opponent of the Conservative Party.

two local branches. Despite this, Josephy and her colleagues managed to hold seventy-two meetings during the twelve days of the campaign. All but one was well attended. She also records a visit to the constituency from Sir John Simon, who was campaigning in support of Hurd. On the platform with him were all the Liberal candidates who had fought in Devizes since the war (excluding one). She must surely have been bitter, although in her article the occasion is humorously dismissed by her noting that a poster announcing that she was winning had been pinned up 'in triumph just outside the Corn Exchange where everyone going in to the Tory meeting must see it.'²³ So although Liberal National candidates did not fight Liberals in many seats in this election (except in two constituencies²⁴), it is clear that Liberal Nationals were actively campaigning against the 'Samuelite' Liberals.

The papers of Frances Josephy are useful as they provide an individual perspective to add to the national and parliamentary viewpoint. In the mid-1920s, Josephy was stating that many Liberals were too close to the Conservatives – whereas she wanted the Liberal Party to be the non-socialist opponent of the Conservative Party. It is also apparent that activists such as Josephy realised by the end of the 1920s that the party would need to change if it was ever to form a government again. At this time, Liberals were considering how best to respond to the new reality of three-party politics. Josephy thought the best outcome for the Liberal Party would be a return to the two-party system. She thought this would come about because the Labour Party would split between its socialists and moderates. She believed the latter grouping could join with Liberals to form the main party to oppose the Conservatives – even if this meant changing the Liberal Party's name.

Josephy believed the Liberals held some leverage over the second minority Labour government, as it could not function without Liberal support. However, Josephy predicted that the next election would bring the Conservatives to power with a large majority. She thought that the Liberals would have little influence on such a government.

In the event though, a National Government was formed instead. Even though the Liberals were initially within this government, she was convinced that in reality it was so dominated by the Conservatives that it could not be considered a true coalition. She believed the Tories were very effectively using the label 'National' to deceive the public into believing that the government was acting in a non-partisan way. She argued that Liberals had no influence on such a government, as proved by the passing of Tory protectionist measures. Indeed, worse than that, the Liberal Party suffered when it was part of that government, as it could not effectively oppose such legislation. Josephy was one of the Young Liberals who called for Liberals to leave the National Government at the NLYL annual conference in March 1932 (less than six months after the 1931 general election).

Josephy initially thought the formation of the National Government might be positive for progressive Liberals like her. For a start, some of the Conservative-leaning Liberals whom she had complained about since the mid-1920s had now become Liberal Nationals. In addition, she thought protectionists would overplay their hand and split the government. However, she did not believe the Liberal Party would benefit from that split as they were far too divided. Instead she hoped that the Young Liberals could form the core of a radical party which could challenge the Conservatives for power. This was not to be, mainly because Conservatives and Liberal Nationals remained loyal to the government. I think it is fair to say that from our vantage point, the creation of a Young Liberal-led radical or progressive party at that time seems highly improbable. Without more Liberals with the vision, optimism and energy of activists like Josephy, surely it was impossible.

I will leave the final words of this article to Josephy, who writes about how divided Liberals were in the mid-1930s. In an article from 1937 entitled 'The insolence of office', she writes that the split between the Liberals and Liberal Nationals:

... is confusing in the extreme to the ordinary man in the street and heart-breaking to Liberal organisers. In many constituencies the

associations are genuinely Liberal but feel bound in loyalty to their Simonite Members. In others the official associations are no more Liberal than their Members, and such real Liberals as survive in the division are forced to seek political salvation in the League of Young Liberals or to start opposition associations for themselves. The worst cases are those in which genuinely Liberal associations are dominated by Simonite officers, and Liberalism is being lost in a welter of Tory propaganda. For the Simonite, though he still finds virtue in the name Liberal, is quite indistinguishable from his Conservative colleague.²⁵

Nick White is Assistant Archivist at the London School of Economics and Political Science. He is currently cataloguing the William Beveridge papers.

- 1 The catalogue is available online at <http://archives.lse.ac.uk>
- 2 For a survey of papers held at LSE Archives relating to Liberals in the inter-war years see http://www2.lse.ac.uk/library/archive/leaflets/liberal_party_1918_39.pdf
- 3 LSE Archives, JOSEPHY/17/1
- 4 JOSEPHY/17/1
- 5 JOSEPHY/14/6
- 6 Liberals did not contest the seat again until 1964. Figures from F. W. S. Craig (ed.), *British Parliamentary Election Results 1918–1949* (3rd edition, Parliamentary Research Services, 1983), p. 368.
- 7 ‘Crusader Junior’ in the *Yorkshire Evening News*, 5 August 1929. The reporter added that Miss Josephy ‘is a whirlwind of energy’ (JOSEPHY/17/1).
- 8 *Forward View*, September 1929 (JOSEPHY/17/1).
- 9 ‘A reply to Mr Bernays’, typescript article for the *Forward View*, November 1929 (JOSEPHY/14/6).
- 10 Fifty nine Liberal MPs were elected in the 1929 general election. However, one Liberal, William Jowitt resigned his seat (Preston) when he was appointed Attorney General in the Labour government. Jowitt retained his seat as the Labour candidate in the subsequent by-election on 31 July 1929.
- 11 ‘The national watchdog’, in the *Liberal Whip*, October 1929 (JOSEPHY/13/2).
- 12 Frances Josephy’s general election leaflet, 1931 (JOSEPHY/13/3).
- 13 Craig, *Election Results*, p. 364.
- 14 Typescript article for *Forward View*, November 1931 (JOSEPHY/14/6).
- 15 Ibid.
- 16 *News Chronicle*, Manchester edition, 28 March 1932 (JOSEPHY/17/5).
- 17 *Yorkshire Observer*, 28 March 1932 (JOSEPHY/17/5).
- 18 Typescript article for *Forward View*, May 1932 (JOSEPHY/14/6).
- 19 ‘The real meaning of Ottawa’, typescript article for *Forward View*, November 1932 (JOSEPHY/14/6).
- 20 Sir Percy Hurd’s election leaflet, 1935 (JOSEPHY/13/4).
- 21 Frances Josephy’s election leaflet, 1935, (JOSEPHY/13/4).
- 22 Craig, *Election Results*, p. 496.
- 23 ‘Devizes’, undated typescript (JOSEPHY/14/6).
- 24 Chris Cook, *A Short History Of The Liberal Party* (7th edn., Palgrave Macmillan, 2010), p. 121.
- 25 Undated typescript article, c.1937 (JOSEPHY/14/6).

RESEARCH IN PROGRESS

If you can help any of the individuals listed below with sources, contacts, or any other information — or if you know anyone who can — please pass on details to them. Details of other research projects in progress should be sent to the Editor (see page 3) for inclusion here.

Letters of Richard Cobden (1804–65)

Knowledge of the whereabouts of any letters written by Cobden in private hands, autograph collections, and obscure locations in the UK and abroad for a complete edition of his letters. (For further details of the Cobden Letters Project, please see www.uea.ac.uk/his/research/projects/cobden). Dr Anthony Howe, School of History, University of East Anglia, Norwich NR4 7TJ; a.c.howe@uea.ac.uk.

The political career of Edward Strutt, 1st Baron Belper

Strutt was Whig/Liberal MP for Derby (1830–49), later Arundel and Nottingham; in 1856 he was created Lord Belper and built Kingston Hall (1842–46) in the village of Kingston-on-Soar, Notts. He was a friend of Jeremy Bentham and a supporter of free trade and reform, and held government office as Chancellor of the Duchy of Lancaster and Commissioner of Railways. Any information, location of papers or references welcome. Brian Smith; brian63@inbox.com.

Liberal Unionists

A study of the Liberal Unionist party as a discrete political entity. Help with identifying party records before 1903 particularly welcome. Ian Cawood, Newman University College, Birmingham; i.cawood@newman.ac.uk.

Liberal policy towards Austria-Hungary, 1905–16

Andrew Gardner, 17 Upper Ramsey Walk, Canonbury, London N1 2RP; agardner@ssees.ac.uk.

Recruitment of Liberals into the Conservative Party, 1906–1935

Aims to suggest reasons for defections of individuals and develop an understanding of changes in electoral alignment. Sources include personal papers and newspapers; suggestions about how to get hold of the papers of more obscure Liberal defectors welcome. Cllr Nick Cott, 1a Henry Street, Gosforth, Newcastle-upon-Tyne, NE3 1DQ; N.M.Cott@ncl.ac.uk.

Beyond Westminster: Grassroots Liberalism 1910–1929

A study of the Liberal Party at its grassroots during the period in which

went from being the party of government to the third party of politics. This research will use a wide range of sources, including surviving Liberal Party constituency minute books and local press to contextualise the national decline of the party with the reality of the situation on the ground. The thesis will focus on three geographic regions (Home Counties, Midlands and the North West) in order to explore the situation the Liberals found themselves in nationally. Research for University of Leicester. Supervisor: Dr Stuart Ball. *Gavin Freeman*; gjf6@le.ac.uk.

‘Economic Liberalism’ and the Liberal (Democrat) Party, 1937–2004

A study of the role of ‘economic liberalism’ in the Liberal Party and the Liberal Democrats. Of particular interest would be any private papers relating to 1937’s *Ownership For All* report and the activities of the Unservile State Group. Oral history submissions also welcome. *Matthew Francis*; matthew@the-domain.org.uk.

The Liberal Party’s political communication, 1945–2002

Research on the Liberal party and Lib Dems’ political communication. Any information welcome (including testimonies) about electoral campaigns and strategies. *Cynthia Messeleka-Boyer*, 12 bis chemin Vaysse, 81150 Terrasac, France; +33 6 10 09 72 46; cynthia.boyer@univ-jfc.fr.

The political career of David Steel, Lord Steel of Aikwood

David Steel was one of the longest-serving leaders of the Liberal Party and an important figure in the realignment debate of the 1970s and ‘80s that led to the formation of the Liberal Democrats. Author would like to hear from anyone with pertinent or entertaining anecdotes relating to Steel’s life and times, particularly his leadership, or who can point me towards any relevant source material. *David Torrance*; davidtorrance@hotmail.com.

The Lib-Lab Pact

The period of political co-operation which took place in Britain between 1977 and 1978; PhD research project at Cardiff University. *Jonny Kirkup*, 29 Mount Earl, Bridgend, Bridgend County CF31 3EY; jonnykirkup@yahoo.co.uk.

'BE CAREFUL WHAT THE LESSONS OF THE LIB-LAB PA

Much attention has focused upon the lessons to be drawn by Liberal Democrat-Conservative coalition ministers from previous arrangements between Liberals and Conservatives. However, the most recent relationship between Liberals and another party – and in some ways the relationship most similar to the current coalition – is the Lib-Lab Pact of 1977–78, agreed by David Steel when James Callaghan's Labour government had lost its parliamentary majority. What can this episode tell us about the effects of co-operation on Liberal identity and fortunes? **Matt Cole** draws the lessons.



We must not give the impression of being afraid to soil our hands with the responsibilities of sharing power ... We must be bold enough to deploy the coalition case positively. (David Steel, Liberal Assembly, September 1976)

We are prepared to co-operate with other parties, even as we insist on the need for a fundamental break in Britain's political habits. ... We are prepared to co-operate with whichever party will go with us some way along the same road. (*The Real Fight is for Britain*, Liberal manifesto, 1979)

Electoral reform would enlarge [the parties'] choices and ensure an open coalition based on a public majority with authority to run our affairs ... By a chance, which I am glad we were able to take advantage of, the Lib-Lab agreement provided a short but successful spell of majority government (David Steel, *A House Divided: the Lib-Lab Pact and the Future of British Politics* 1980, p. 161)

We had now accepted that Parliament could work and – with a future Lib-Lab coalition, stronger than the Agreement – the government could be effective in a hung Commons. (David Steel, *Against Goliath: David Steel's Story*, pp. 147–48)

'YOU WISH FOR...' PACT FOR THE LIB–CON COALITION

DAVID STEEL regarded the Lib–Lab pact as more than an isolated chance event: he looked upon it as an early experiment in a strategy which would eventually see the Liberals in a full coalition government, and urged Liberals to draw conclusions from the experience of it for that purpose. Although Steel's preference and expectation was for a working relationship with Labour, the Liberal manifesto following the pact made clear the party's readiness to work with either main party under the right circumstances. Steel himself reiterated during the 2010 election campaign that 'Nick Clegg is absolutely right to stick to his argument that the electorate must first decide the composition of the Commons, and that the party leaders must thereafter act responsibly in accord with their decisions.'¹ He also confirmed his approval of the deal with the Tories after its publication.² Thus, though it is dangerous to make predictions from past events, it is reasonable to take Steel's cue and consider what the experience of the Lib–Lab pact of 1977–78 might suggest about the situation in which the Liberal Democrats now find themselves. There are certain similar features which give the Lib–Lab pact a potential value as a guide for observers, if not actors, in the coalition process.

The course of the Lib–Lab pact

The pact (Steel preferred to call it an 'agreement') came into existence because, following by-election defeats and defections, James Callaghan's Labour government had lost the parliamentary majority of four which it had gained at the 1974 election. To secure the passage of legislation and stay in office, Callaghan offered the Liberal MPs – then thirteen in total – consultation over policy in exchange for support in the division lobbies.

The first arrangement by which Liberal MPs supported Callaghan's government was a vote of 'no confidence' tabled by Margaret Thatcher on 23 March 1977; however, Steel had looked forward to the opportunity for some time, and his reaction to it set the tone of Liberal politics for years to come. The reasons for going into a pact were both national and partisan; tactical and strategic. Even the Liberals most suspicious of cooperation with other parties could see the attractions of sustaining Callaghan in office: a general election would expose the Liberals' financial and political vulnerability, whereas an arrangement with Callaghan would provide stability for the nation at a time of economic crisis on terms at least partly determined by Liberals, and demonstrate the practicality of the sort of cooperation entailed by the electoral reform promoted by the party. The questions were how long the cooperation should continue and at what price, and it was immediately

clear that Steel would accept a lower price for a longer agreement than many of his colleagues. Although the tension between these views was present throughout the pact, there were three phases in the development of the arrangement: the first was one of relative harmony within and between the partners; the second was one of crisis, which broke the trust underpinning the pact; and the latter period was one in which the spirit of the pact had gone, though it lived on in practice – it was politically a 'dead man walking'. In all three phases Liberals secured achievements, but they were of diminishing significance and came at increasing cost.

As they secured the confidence vote of 23 March, Callaghan and Steel drew up an agreement for the remainder of the parliamentary session, which was accepted by all Liberal MPs even though some were surprised at its limited fruits. There would be a Joint Consultative Committee between Labour ministers and their counterparts in the 'Shadow Administration', as the Liberal MPs and peers involved came to call themselves; Liberal proposals on worker participation, homelessness and small businesses were to be given a serious hearing, and – most tantalising of all – the issue of proportional representation (PR) for elections to the proposed devolved bodies in Scotland and Wales and for direct elections to the European Assembly was to be put before the Commons. Steel was in

Left: Jim Callaghan promises David Steel his reward (PR) after his Labour colleagues have voted on it (Gibbard cartoon, *Guardian*)

bullish mood about the opportunity and wrote to Liberal candidates on 24 March:

Admire the photos of the Liberal MPs in the *Daily Mail*! When did photographs of all the MPs last appear on the front page of a popular daily? You will have a difficult time. You will have resignations in your constituency. (You would have had from others if we had sided with the Tories). Don't be defensive. Be aggressive. Go all out to detail the bridling of socialism. Forget the textual analysis of the Agreement. It's what we make of it that matters.³

However, little was guaranteed, and the votes on PR were to be free votes so that Labour MPs would be at liberty to oppose the measure. From the outset there were Liberals who took John Pardoe's view that 'David was determined to do a deal at all costs'. Labour ministers agreed, as one source reported: 'the "terms" were heard with some incredulity by the Cabinet' and 'the [Labour] Party had simply undertaken to do what it had anyway intended to do and desist from what it could not do.'⁴ Cyril Smith declared his opposition to the pact early on, and from the outset former leader Jo Grimond and David Penhaligon, the MP for Truro, were extremely sceptical and supported the project only out of loyalty to colleagues.⁵ Most of the anxiety at this stage, however, was about the details of policy or the length of the agreement. Steel was able to persuade his colleagues at a weekend meeting of MPs in late June that 'the results to date have been worthwhile and beneficial to the nation but that any future agreement still depends on the government pursuing policies which will bring down the rate of inflation and provide the necessary economic stability for the country.'⁶ In July, Steel convinced his fellow MPs to continue the pact into another parliamentary session based upon a ten-point agreement which promised a free Commons vote on PR for European elections and consideration of profit-sharing in industry.

For four months Steel unquestionably had the support of most of the party, and party headquarters noted confidently that 'initial reactions we have received are, with relatively few

exceptions, favourable' and that 'the Party will stand solidly with the Parliamentary Party and the Leader.'⁷ Shadow Administration and Joint Consultative Committee meetings went ahead and senior Liberals in the Lords wrote to Steel calling for 'a more stable and longer term agreement.'⁸ There was even a remarkable historical continuum provided by a letter from Sir George Schuster, who said: 'in listening to what you said last night I felt for the first time that public expression was given to a true Liberal message.'⁹ Yet there remained amongst Liberals a body of sceptical opinion which feared for Liberal independence and by the summer Steel recalled, 'the Party was extremely restless'¹⁰ following very poor local election results in May, when three-quarters of Liberal county council seats were lost.

During the autumn of 1977, the pact was tested to destruction, though this would not be publicly evident until later. The delicate balance of opinion within the Liberal Party was reflected in the Annual Report to the Assembly, which argued that 'the sudden re-emergence of the Liberal Party onto the national stage as a result of the Agreement with the Government has enabled the Party to wield a degree of real and immediate influence more in line with its electoral support at the last election' but acknowledged that 'it has strained our meagre resources to the limit.' Cyril Smith's attempt to have the agreement renegotiated was voted down by 716 delegates to 385 at the Assembly in September, but Steel was obliged by an Assembly resolution to promise that in the coming vote on PR in European elections, 'we will be watching the division lists most carefully. We have a right to expect the substantial majority of Labour members – and especially Ministers whose continuance in office depends on us – to support the Government's recommendation.'

The same month Liberal MPs were infuriated to see a study into the grievances of small businesses – for which they had pressed the government since the first days of the pact – set up with no recognition of their role in its establishment; Steel was obliged to release a retrospective press statement claiming the credit for his colleagues. Former Labour Minister Christopher Mayhew,

who had defected to the Liberals three years earlier, convinced the Liberal Assembly at Brighton to pass a resolution demanding that a 'substantial majority' of Labour MPs must support PR for the European elections in order for the pact to continue.

October saw a reshuffle of the Shadow Administration in which doubters made way for more solid supporters of the pact: Smith, who had resigned as employment spokesman, was replaced by Baroness Seear, and Grimond stepped down from his responsibility for energy policy, which was handed to Lord Avebury. In November, a Party Council meeting at Derby insisted that if Labour MPs did not endorse PR for Europe, then a special Assembly would have to be called to review the pact. Everything now depended upon the Commons vote on the introduction of PR on 13 December.

The vote for PR in European elections was lost by 319 to 222. Conservative whipping against the bill did damage, but more significant to the Liberals was Labour's lukewarm response. Though a majority of Labour MPs voting – 147 to 122 – had supported the bill, fewer than half of the Parliamentary Labour Party had cast their vote, and eleven ministers, four of them Cabinet members, had voted against it. This was hardly the 'best endeavours' of the government which Liberal MPs had been promised in July. An immediate meeting of Liberal MPs decided to continue with the pact by only six votes to four. To achieve this, Steel was obliged to pretend that Callaghan was going to see the queen to call an election, a prank which made some of his colleagues feel physically sick. The pact was now doomed, although the precise circumstances of its demise were as yet unknown. A Special Assembly was called to meet in Blackpool in January 1978 to discuss the situation.

Conscious of the hostile reaction he was likely to face at Blackpool, Steel secured a long run-in of over a month to the Assembly, carefully crafted a resolution for debate which gave him discretion over the ending of the pact, and wrote a stern letter to Liberal candidates on 16 December on his view of the best way forward: 'I am not going to change course now. I think the

There remained amongst Liberals a body of sceptical opinion which feared for Liberal independence and by the summer Steel recalled, 'the Party was extremely restless' following very poor local election results in May, when three-quarters of Liberal county council seats were lost.

Party would be crazy to change course but you are entitled to do so if you wish at the Special Assembly.' By 13 January a note of anxiety had replaced the bravado of the previous month as he urged candidates 'please ensure if you or your constituency delegates are speaking that nothing is said thoughtlessly which can be picked up and used against ourselves in the future by our enemies.' Regretting that the discussion has taken him away from other activities he warned that 'there must soon come an end to this discussion of our strategy in favour of more effective promotion of it.' On the other side of the debate, *Liberator* argued that 'somehow or other the Liberal Party must find a way of deciding when to get out of the pact', and complained that 'the problem in all of this, of course, is to ensure that David Steel listens to the party, rather than blindly pursuing his obsession with coalition.'¹¹

The Blackpool Assembly approved the continuation of the pact by 1,727 votes to 520, but it exposed publicly the divisions within the party. Steel continued to insist that 'I have to place on record that the Prime Minister delivered exactly what he undertook to deliver on PR', to delegates' cries of 'Rubbish!'; but even Richard Wainwright, who opened the debate with a speech supposed to bridge the two factions, referred to the 'perverse sectarian Labour vote in favour of gerrymandering', and the tone of the debate was more important than the substance of the resolution which was agreed. Although Steel was granted the freedom to continue with the pact for the remainder of the session, most delegates regarded this as allowing the pact a dignified demise in preference to administering a lethal injection; it was not an encouragement to attempt to revive it. The exasperation that would continue to face Steel over the next decade was expressed in *Liberator*, which said 'the Special Assembly showed that getting radicals elected to positions within the party does little or no good if the majority of constituency workers are prepared to come along to Assemblies and play "follow my leader".'¹² *The Times* (23 January 1978) however, was more accurate in its assessment of Liberal attitudes to the pact, commenting that 'neither the wording

of the motion nor the mood in the conference hall suggested that the delegates were voting to continue it indefinitely.'¹³

There were occasional minor triumphs over budget measures, or opportunities to advertise Liberal novelties such as a land bank, but few of these ideas came to fruition. One or two MPs, such as Sir Russell Johnston, urged Steel to press on with the pact, hoping that Labour would repent on PR for Europe and the proposed devolved bodies in Scotland and Wales, but these measures were again defeated by Labour peers in April.¹⁴ The balance of party opinion had tipped in favour of the sceptics, and only courtesy and electoral necessity had restrained the Liberals from ending the pact straight away. The lesson for Steel was clear: much of the Liberal party would support his strategy of inter-party cooperation, but the circumstances had to be right, and the rewards had to be delivered. In particular, the promise of electoral reform – always central to the Liberals' idea of politics – was sacrosanct. Publicly, the pact ended with a whimper: in May Steel acknowledged that it would not continue beyond the parliamentary session;¹⁵ on 23 June 1978, he told Scottish Liberals wearily that 'it has been an appallingly difficult time for Liberals. We face an electorate brainwashed into seeing politics as a contest between a pair of mighty adversaries' and called for autumn election. At the end of July, Liberal opposition lost the government a vote on the dock labour scheme; but it was not until August that Alan Beith as chief whip gave notice that all joint meetings were at an end.

For sceptics this experiment in cooperation had been costly and fruitless: electorally, not only did they lose previously hard-won council representation, but the Liberals also lost ground at every parliamentary by-election during the pact, with the vote declining by over 10 per cent in half of the contests between April 1977 and May 1978. The party's Gallup poll rating fell into single figures for the first time in five years in August 1977, not to rise again until the 1979 general election campaign.¹⁶ The tangible rewards in terms of policy had been thin, though a number of Liberal demands had received serious discussion and had been the



How the *Sunday Times* and the *Daily Mail* saw the Pact

subject of clear legislative proposals, a situation upon which the party could build. Such was the opposition to the Lib-Lab pact in the party that Steel has acknowledged recently that 'it's fair to describe it as a Steel/Callaghan Pact' because 'the Liberals, as usual, were difficult and had to be cajoled along.'¹⁷ For Steel, however, a precedent had been set: he opened 1979 with a party political broadcast quoting Bill Rodgers and Edward Heath on the virtues of inter-party cooperation and the need for a statutory incomes policy, and went on to argue at the general election in May that the Liberals had 'knocked sense into Labour' and to appeal for a 'Liberal wedge' to split the two main parties' control of the Commons. The argument over cooperation would surely return.

Similarities and differences between the pact and the coalition

The relationships and circumstances of the parties involved in these two

arrangements can be compared in the following ways:

- Both arrangements are – as in 1924 and 1929 – the result of parliamentary arithmetic rather than ideological convergence (as would have been the case in 1997 had the Liberal Democrats joined Blair's Cabinet) or economic crisis or war (as in 1915–22 and 1931–45). The motivation holding the parties together is the belief that the government they have formed is better for the nation and for their party than the holding of another general election. Any threat to that analysis therefore jeopardises the arrangement.
- In both arrangements, the Liberal Party and its successor are the junior partners, able and expected only to secure a limited number of concessions from the other party.
- Both arrangements have featured the establishment of formal negotiating machinery by which commitments are secured, including policy promises from the major partner party (a free vote on PR for European elections in 1977, for example, or the referendum on AV in 2010). The machinery in 1977 was the Joint Consultative Committee of six leading figures in the Labour and Liberal Parties; in 2010 the machinery took the form of the negotiating teams.
- Both parties in the arrangement contain now, as they did in 1977, a spectrum of opinion ranging from enthusiastic support for cooperation (on both occasions found specifically in the leaders of both parties) to grudging, suspicious acceptance of the idea, and resistance to its individual effects (Peter Shore and Tony Benn in the Labour Cabinet of 1977, mirrored by Cyril Smith and Michael Meadowcroft in the Liberals; David Davis or Christopher Chope in the Conservatives of 2010 or Charles Kennedy and Adrian Sanders in the Lib Dems). Most MPs and activists hover between the two, and most are capable of moving along the spectrum when they feel loyalty to the leadership has been stretched and party identity is under threat.
- The Liberal Democrats are suffering at the polls just as the

Liberals did in 1977–78. At by-elections in traditional areas of Liberal presence (Penistone in July 1978, Oldham East in January 2011) the Liberal vote holds up, but there is no mid-term fillip; in other contests (such as the Barnsley Central by-election of March 2011, the July 1977 Saffron Waldon by-election, or the local elections of 1977 and 2011) the tactical and strategic purpose of the Liberal vote is harder for the floating voter to grasp whilst the Liberals support, but are not themselves, the main party of government.

The differences between the pact and the coalition which might give observers caution in drawing conclusions are as follows:

- The current arrangement is with a different, and historically less tribal and more pragmatic, party. The reluctance of the Labour Party to make meaningful concessions at times of tension in 1977–78, and in the coalition negotiations of May 2010,¹⁸ may be replaced by greater flexibility in the pursuit of power by the Conservatives. This was apparently illustrated in the substantial amendment of Andrew Lansley's health reforms.
- The Liberal Democrats are now in office as members of the executive, rather than merely supporting the party in government. They have lost opposition-party funding, and are now held directly responsible for government policies. On the other hand they have access to the civil service and have more direct control over policy. One key effect is that policy is made in coordination with the other governing party rather than by taking Liberal decisions to an ongoing Joint Consultative Committee.
- Lib Dem MPs are more numerous and more vulnerable to party support swings, than in the 1970s. The ratio of Labour MPs to Liberal MPs during most of the pact was 24 to 1; between the parliamentary parties of the coalition it is a less uneven 5.4 to 1. There is now competition for Lib Dem frontbench positions, whereas Steel had to draft peers into his Shadow Administration to make up the numbers rather than to represent

The pact avoided the worse immediate fate of a renewed electoral contest, and changed public perceptions of the Liberal Party and its role in such a way that when the election came it was less damaging than most had feared it would be.

the government in the Upper House. However, this entails the reality that Lib Dem MPs, unlike Liberal MPs of the 1970s, cannot all rely on the sort of media exposure and personal vote which sustained all but three of the thirteen Liberal MPs who supported the pact from a drop of a third in their party's nation vote in 1979.

- Most importantly the relationship in 2010 is a fixed one, unlike the temporary and spontaneous relationship of the pact. There is no obvious way of creating space for a recovery such as Steel enjoyed between 1978 and 1979; Steel himself has been quoted talking of the need to formulate an exit strategy.¹⁹

Conclusions

The conclusions which might be drawn from this comparison are:

- For observers, the ostensible relationships between the parties do not necessarily reflect the changing reality of attitudes within the parties, which are far more fluid and complex than the arrangement itself; and yet its continuation is dependent upon the balance of those attitudes.
- Needless to say, strategy for the 2015 election will depend heavily upon the display of 'trophies' from the coalition: key policy achievements that are held to justify the arrangement and its adverse effects from the point of view of former and potential Lib Dem voters. This can even be a general and negative achievement like Steel's 'stopping socialism' or the progressive lowering of inflation; but it has to be credible and electorally significant. The Lib Dem leadership started this process with their 'business card' of achievements circulated at their Spring 2011 conference in Sheffield, but voters will need more.
- There has to be the possibility of departure by the Liberal Democrats, or else the deal loses its underpinning parliamentary logic. Not only does that possibility strengthen one leader's hand against the other's, but it strengthens each leader's hand against his own dissidents, as both Benn and Steel acknowledged Callaghan did in muting

his left wing²⁰ and Cameron's bold move to push the 1922 committee to accept a referendum on AV.²¹ An exit strategy is therefore essential to staying in successfully.

- Liberal Democrat MPs will come under unfamiliar intense pressure at the next election and will therefore need to rely upon personal and constituency appeal more than ever. MacAllister, Fieldhouse and Russell²² have observed that this remains part of their appeal, although it is less universal than Butler remarked was previously the case,²³ and the results bore this out in 1979. The local election losses of 2011 were less brutal than those of 1977, but they are a reminder that each MP's own strengths will determine both their individual fates and the size of the Lib Dem group after 2015.

The Lib-Lab pact was electorally damaging and brought few policy victories, and commentators such as Michie and Hoggart²⁴ and Whitehead²⁵ scoffed at its significance. Even some of the senior Liberal MPs who remained loyal to Steel at the time of the pact voiced scepticism afterwards.²⁶ Many of the same doubts could be expressed about the impact of the coalition upon the Liberal Democrats. Nonetheless, the pact avoided the worse immediate fate of a renewed electoral contest, and changed public perceptions of the Liberal Party and its role in such a way that when the election came it was less damaging than most had feared it would be. The party was, however, able

to do this because of the features of the situation – distance from government, a clean break before the election and the independent political bases of its MPs – which are no longer so clearly in evidence. It is changing the 'differences' above to 'similarities' which will make the difference.

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- 1 *The Times*, 21 April 2010.
- 2 D. Steel, 'Why we must make this coalition work', *The Guardian*, 15 May 2010.
- 3 David Steel papers, LSE, file A/3/1.
- 4 P. Whitehead, *The Writing on the Wall: Britain in the Seventies* (Michael Joseph, 1985), pp. 259–60.
- 5 A. Penhaligon, *Penhaligon* (Bloomsbury, 1990), pp. 161–62.
- 6 Liberal Party Organisation press release, 27 June 1977, Steel papers, file A/3/1.
- 7 Undated note in Liberal Party Papers, file 19/3
- 8 Lords Byers, Gladwyn, Wigoder and Baroness Seear to David Steel, 21 July 1977.
- 9 Sir George Schuster to David Steel, 16 June 1977. Schuster had been a Liberal candidate before World War One, Liberal National MP for Walsall from 1938 to 1945, and a close friend of Asquith and Violet Bonham Carter.
- 10 D. Steel, *Against Goliath: David Steel's Story* (Weidenfeld and Nicolson, 1989), p. 134.
- 11 *Liberator*, December 1977–January 1978.
- 12 *Liberator*, February–March 1978.
- 13 *The Times*, 23 Jan. 1978.
- 14 Johnston to David Steel, 16 March 1978, Steel papers File A/3/1. PR in the

Scottish Parliament was defeated in the Lords in April, when Labour peers voted against.

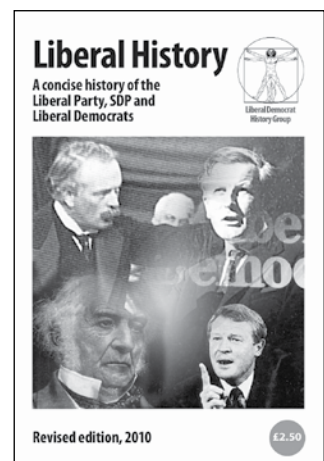
- 15 David Steel, press release, 25 May 1978, Steel papers File A/3/1. Party Chairman Geoff Tordoff's own statement read: 'we now look forward to being able to present to the country a clear and independent Liberal programme.'
- 16 P. Norris, *British By-elections: the Volatile Electorate* (Clarendon 1990), Appendix. In fairness it should be pointed out that in no by-election of the October 1974 parliament did any Liberal candidate match the party's performance at the preceding general election, but the decline became much more marked after April 1977. Only in one of the previous contests had the drop in the vote edged past 10 per cent. See also A. King (ed.), *British Political Opinion 1937–2000* (Politic's, 2001), pp. 11–13 on Gallup's monthly poll ratings.
- 17 Cited in M. Oaten, *Coalitions* (Harriman House, 2007), p. 193.
- 18 This is the view of the talks emphasised in D. Laws, *22 Days in May: the birth of the Lib Dem-Conservative coalition* (Biteback, 2010).
- 19 *Sunday Express*, 19 Sept. 2010.
- 20 T. Benn, *Tony Benn's Diaries* (Hutchinson, 1995), pp. 407–9; Whitehead, *The Writing on the Wall*, p. 261.
- 21 R. Wilson, *Five Days to Power: the Journey to Coalition Britain* (Biteback, 2010), pp. 217–22.
- 22 I. MacAllister, E. A. Fieldhouse, A. Russell, 'Yellow Fever? The Political Geography of Liberal Voting in Great Britain', *Political Geography*, 21/4 (2002), pp. 421–47.
- 23 D. Butler (ed.), *Coalitions in British Politics* (Macmillan, 1978), p. 110.
- 24 A. Michie and S. Hoggart, *The Pact: the inside story of the Lib-Lab government, 1977–78* (Quartet Books, 1978).
- 25 Whitehead, *The Writing on the Wall*, pp. 258–75.
- 26 J. Grimond, *Memoirs* (Heinemann, 1979), pp. 249–55; Penhaligon, *Penhaligon*, pp. 160–77.

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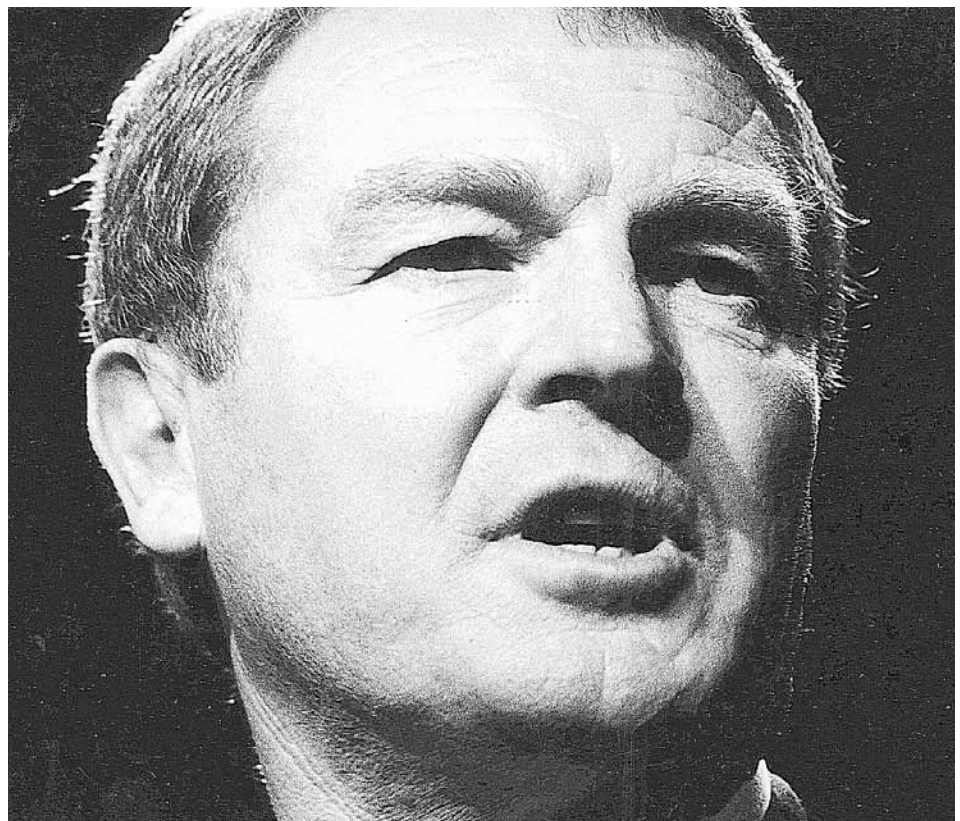
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THE HISTORY OF THE TRIPLE LOCK WHERE IT CAME FROM, HOW IT WAS USED

Fears over Paddy Ashdown's talks with Labour in the late 1990s triggered the Liberal Democrats to introduce the so-called 'triple lock' arrangement to stop Ashdown bouncing the party into a controversial decision on its future. Though never used under his leadership, the process technically stayed in force. It was used for the first time to confirm, ironically, a deal with the Conservative Party in May 2010. The party has since voted to review its working, but with a view to making minor changes rather than to abolish it. After its first outing in anger, the triple lock is firmly here to stay. Its origins and continuing relevance are examined by **Mark Pack**.¹



GIVEN THE triple lock's later use to confirm a deal with the Conservative Party, it is ironic that its origins, in 1997–98, lay in fears of what the then party leader, Paddy Ashdown, might want to get up to with the Labour Party. Winner of the first leadership election for the newly formed Liberal Democrats

in 1988, Paddy Ashdown's priority in the early years of his leadership was to ensure the party's survival. Stories of how close the taxman came to closing down the national party over unpaid bills, and of opinion poll results showing the party so close to zero as to be within the statistical margin of error, have been frequently retold by Ashdown and his senior

THE 'TRIPLE LOCK' IT WORKED AND ITS FUTURE

colleagues ever since. However, by the mid-1990s the threats to the party's very existence had been seen off, whilst the national political picture had changed markedly. The Conservative Party was sunk in long-term unpopularity and Labour was looking to successfully reinvent itself. Against this background, Paddy Ashdown set off on an audacious political strategy – to attempt to forge a 'progressive alliance' on the centre-left, united against the Conservatives and seeking to remedy the historical split (as he and close advisors such as Roy Jenkins saw it) which had fractured anti-Conservative forces early in the twentieth century, making it a century then dominated by Conservative political success.

This was a far from uncontroversial view amongst Liberal Democrat grassroots members. Some objected because they saw Labour as the local political adversary and did not want the national party to be cosying up to their opponents. Others agreed in principle about centre-left sympathies but feared how far Paddy Ashdown was willing to take cooperation. In fact, as Paddy Ashdown's diaries and other accounts have since revealed, Ashdown at least speculated about going much further with Labour than many of his critics ever feared at the time – even as far as merger.

In public, there was some successful cooperation, with Ashdown

clearly positioning the party as being anti-Conservative and dropping the earlier policy of equidistance between the Conservatives and Labour. In addition, negotiations were held between Labour and the Liberal Democrats to agree a programme of constitutional reforms. These became known as the Cook–Maclennan talks, after the lead negotiators for each party, Robin Cook and Bob Maclennan. The programme they agreed received widespread support within the Liberal Democrat Party. But subsequent further moves – including the creation of a Joint Consultative Committee after the 1997 general election – and repeated speculation about Ashdown's intentions, left many party members nervous or even hostile to where he was leading the party.

Symptomatic of this was a little-noticed debate one morning at the Liberal Democrat autumn conference of 1997 in Eastbourne, in which a councillor tried to overturn the Federal Conference Committee's (FCC) decision to exclude his submission from the conference agenda. Cllr David Howarth's appeal to suspend standing orders so that conference could debate an emergency motion ruling out coalition with Labour was easily rejected in a sparse debate.²

However, Howarth's move followed pre-conference reports such as that in the *Observer* on the Sunday

at the start of conference which said, 'Liberal Democrat leaders will tell activists this week that the party will form coalitions with Labour in the event of electoral reform for the House of Commons and devolved assemblies. Paddy Ashdown will brush aside critics ... His call for cooperation with Labour is backed by Liberal Democrat peer Lord Jenkins who, in today's interview with the *Observer*, urges the party to "stop being frightened of coalitions".' Those reports had been fuelled by an interview that Paddy Ashdown gave to the *New Statesman*, in which he talked about the possibilities of coalition with Labour. He recorded in his diaries that 'my intention was to get the Party thinking about what is on the horizon. I also wanted to gauge where the opposition is coming from ... Much consternation from the usual quarters, especially Conrad Russell and Lembit Opik ... My second intention in all this is to push Blair. If I get a furious reaction from the Party at conference, it will strengthen my hand when we start to negotiate seriously.'³

During conference week there were headlines such as 'Ashdown faces fight on Labour links' (*Financial Times*), 'Ashdown told not to cosy up to Blair' (*The Guardian*) and 'Ashdown coalition hint splits Lib Dems' (*The Times*). The sense of Labour and Liberal Democrats manoeuvring around their possible

Left: Paddy Ashdown, leader of the Liberal Democrats 1988–99

future relationship was heightened by the presence of a Labour minister – Alistair Darling – speaking at one of the conference fringe meetings. The attempts of Howarth and others to get the issue onto the agenda, however, fell foul of procedural problems, with the result that, rather than a high-profile debate advertised in advance on the agenda, the only debate was the failed attempt to suspend standing orders which took place both without advance notice and in a sparsely attended conference hall.

The reasons for the FCC's rejection not only of Howarth's motion but of others on the same topic were predominantly nothing to do with the committee members' views on Ashdown's strategy. Instead, they were concerned with how to run conference in the most orderly fashion. An ongoing strategy consultation was under way, with a motion and debate due at the next party conference. In addition, the emergency motion procedure is not well suited to controversial topics requiring lengthy debate, due to both the short notice periods involved and the absence of options to amend the motion.⁴ Those, however, were reasons for putting off such a debate until the party's spring conference, rather than for avoiding it completely. Moreover, the autumn conference did see criticism of Paddy Ashdown's line on the fringe and in the strategy consultation session,⁵ reinforcing the expectation that there would be a major debate on the topic at the following spring conference.

Between the autumn 1997 conference and the one in spring 1998 there was a great deal of behind-the-scenes debating and positioning, and the Conference Communication Group's (CCG) minutes from November 1997 rather acerbically commented that 'It was noted that Paddy Ashdown's interview in *New Statesman* threw our [conference] media message off course. It was agreed that in future the Ashdown Office will work more closely with the Press Team and the CCG to coordinate messages effectively.' The minutes went on to say, of David Howarth's initiative, 'Although the FCC handled attempts to suspend standing orders and force a strategy debate well, there is a demand within the party for a future debate and an

expectation that it will take place in spring.'⁶

As a result of these widespread expectations, between the autumn 1997 and spring 1998 conferences an informal group of people worked together, searching for a compromise wording that would both deal with David Howarth's (and their own) concerns and also be acceptable to Paddy Ashdown. This group included Gordon Lishman, the eventual author of the triple lock and a member of the Federal Executive (FE), former SDP leader and still-MP Bob Maclellan, popular peer Conrad Russell, and new MP Ed Davey. Donnachadh McCarthy, a regular critic of the party leadership and then on the Federal Executive was also involved, as was the party's Chief Executive, Chris Rennard, who was motivated by a desire to ensure that a form of words was found which would keep all the main players in the party happy, including both Paddy Ashdown and Conrad Russell.⁶

One problem in achieving this was that, as the nature of Paddy Ashdown's talks with Tony Blair became more public, so doubts about his strategy spread through the party and trust in him was also weakened. Ashdown had been heard to dismiss previous concerns as those of 'conspiracy theorists'. While he didn't actually say the concerns were untrue, the strict meaning of his words was very different from the likely inference people would take from his phrasing. This very specific choice of words allowed him to avoid direct deceit; however, it also meant that as more came to light about what had actually been happening, this sophistry damaged people's views of him.

When it came to the spring conference, three business motions on the topic were submitted. One was from the Federal Executive, initially as a holding motion, on the outcome of the party's strategy consultation, and the other two were from David Howarth (in the form of Cambridge Liberal Democrats) and his ally Conrad Russell (in the form of Brent Liberal Democrats). Both of these rejected outright a coalition with Labour not only in the present but also, given the conditions they attached, for the foreseeable future.⁷ Unsurprisingly, both were rejected because of the presence of the FE's

Mindful of how the party leadership had handled the Lib-Lab pact, the wording of the Lishman amendment was motivated by a desire to avoid, in his own words, the party being 'needlessly riven and split'.

motion,⁸ which meant that the real debate would be over any amendments tabled to the latter.

Several amendments were submitted which touched on the issue of coalitions and relations with Labour, but Federal Conference Committee took for debate a Gordon Lishman text (in the name of Burnley Liberal Democrats⁹) which set out what became known as the triple lock.¹⁰ When deciding to take the Lishman amendment, the FCC debated whether or not it was in order, as it sets down rules that the parliamentary party and leadership should follow, yet the party's constitution states that parliamentarians cannot be mandated. The contrary argument, that the constitution only protects individuals from being mandated and that conference is sovereign, was sufficiently persuasive for FCC to rule the amendment in order.

Mindful of how the party leadership had handled the Lib-Lab pact, the wording of the Lishman amendment was motivated by a desire to avoid, in his own words, the party being 'needlessly riven and split'.¹¹ Lishman also wanted to be sure that the party had a say in any decision, particularly as the folk history of the party at the time was that the (Liberal) party's national leadership had a bad track record of negotiating with other parties – not just over the Lib-Lab pact but also in talks such as the formation of the Alliance. By way of contrast, many council group leaders had experience – often successful – of negotiating with other parties in hung councils around the country.¹² The key part of the Lishman amendment read:

Conference agrees that:

- (i) in the event of any substantial proposal which could affect the Party's independence of political action, the consent will be required of a majority of members of the Parliamentary Party in the House of Commons and the Federal Executive; and,
- (ii) unless there is a three-quarters majority of each group in favour of the proposals, the consent of the majority of those present and voting at a Special Conference convened under clause 6.6 of the Constitution; and,
- (iii) unless there is a two-thirds majority of those present and

voting at that Conference in favour of the proposals, the consent of a majority of all members of the Party voting in the ballot called pursuant to clause 6.11 or 8.6 of the Constitution.¹³

The text was therefore not so much anti-coalition as against Paddy Ashdown trying to bounce the party into one. In particular, the placing of an all-member ballot in the final stage meant that, although nominally it gave the party leader a chance to appeal 'above the heads' of the party's committees and parliamentarians, it more importantly prevented him invoking a threat to do so at an earlier stage. The proposal can also be seen as the culmination of a long series of initially Liberal Party reforms aimed at giving ordinary party members greater power, such as party members electing the party leader, the appointment of the party treasurer being removed from the leader, and strengthening the role of the party committees in drawing up the general election manifesto.

Ashdown himself was keen to have a debate and decision that kept his own options open. By his own account, he was reassured by others that this amendment did just that, but when he read it himself at 4.30 a.m. (sic) on the day it was due to be debated, his initial reaction was far more negative, verging on depressed. Over the course of the day, he was half won round by advisors to the view that he should neither flat-out oppose it nor view its probable passage as signalling the end of his strategy for relations with Labour.

When it came to the debate, the amendment itself was relatively uncontroversial in the hall.¹⁴ Shirley Williams was lined up by Paddy Ashdown to oppose it, but hers was the only forceful speech against. Objections as to its constitutionality were raised by Willie Goodhart and Alan Leaman (not long out of the post of Director of Strategy and very close to Paddy Ashdown), but conference representatives reacted with a mixture of disagreement and a belief that, even if technically the amendment could not bind the leader and MPs, the politics of the situation meant that passing it would do so in practice.¹⁵

Unexpectedly, the main bone of contention during the debate

itself – and the cause of the one vote that needed to be counted due to its closeness – was on whether to have 'preferably STV' or simply 'STV' in the main strategy motion. At the same time as voting through the triple lock, conference voted (by 478 to 343) to retain the term 'preferably' and thus to have a pragmatic approach to the concessions that the party might be able to wring from others over electoral reform.

With Paddy Ashdown's further attempts to move the party closer to Labour running into regular opposition in the following nine months, which played a significant part in his subsequent decision to stand down,¹⁶ the triple lock then faded into procedural obscurity for many years, although it was briefly talked about during the expansion of the Joint Consultative Committee in autumn 1998. Ashdown did not follow the triple lock process for this, arguing that it did not apply – which resulted in an internal party battle whereby some members of the FE (including Donnachadh McCarthy) threatened to call a special conference. Ashdown in turn threatened to call an all-member ballot, and peace only broke out when Ashdown announced his plans to retire.

The triple lock was not completely forgotten, however, and the Federal Conference Committee's officers, in particular, kept under review the practical implications of having to organise a special conference under the triple lock arrangements,¹⁷ discussing them with the party leadership several times in intervening years and producing several documents setting out ways of implementing it. A particular problem for the FCC was that, because the triple lock process was originally passed to deal with a possible coalition agreement mid-parliament, many of its supporters had not considered in detail how it might work in the more rushed timetable after a general election.¹⁸ Over the years, however, the potential timescale for calling a special conference was increasingly refined, and by 2010 the likely election date was sufficiently clear for it to be possible to make discreet provisional arrangements ahead of the election. Moreover, by then Ros Scott was party president and she was keen to ensure that the triple lock was used if relevant circumstances

arose. Not all party officers remembered its existence or that it was still applicable.¹⁹ However, the expectation rapidly spread that it should be used and, as with the original arguments over its legality, there was a pragmatic acceptance of the need to abide by it.

Early on in the negotiations after the 2010 general election, it was also decided to proceed with a special conference regardless of whether or not that part of the triple lock procedure was actually triggered.²⁰ This was both to enable the party's leadership to be seen to be in control of events and also to ensure there was a widespread party buy-in to the decisions being made. Any decision not to call a special conference could have been overturned by a demand from the grassroots of the party, and such a scenario would have put the party's leadership on the back foot. Moreover, as one of Nick Clegg's advisors subsequently said, 'Thanks to the special conference no one in the party can say they didn't have a chance to have their say.'²¹

An oddity of the triple-lock process, however, was that it ended up being used to pass judgement on a coalition agreement heavy on policy, but the process did not formally involve the party's Federal Policy Committee (FPC). The inclusion of a role for the Federal Executive, but not for the FPC, in large part dates back to the make-up of the committees in 1997/98, as the FPC, which included both Howarth and Russell, was considerably more hostile to Paddy Ashdown's plans.

Also technically excluded were the members of the parliamentary party in the House of Lords, although in practice they were involved in the meetings that discussed and then agreed the coalition. Amongst the active participants in those meetings was Paddy Ashdown who, despite his original strategy of cooperation with Labour, spoke strongly in favour of the Conservative Party deal, saying he had been predisposed to being unhappy with it but was won over by its contents.

The involvement of the Lords and the triggering of the special conference – both technically beyond the bounds of the triple lock – illustrated the extent to which the triple lock had become a synonym for 'involve the party widely' rather

The text was therefore not so much anti-coalition as against Paddy Ashdown trying to bounce the party into one.

than a legalistic process to follow to the letter. That broader, more flexible interpretation helped ensure its continuing relevance as a process that could work in circumstances very different from those that gave birth to it. However, the need for this flexibility also indicated a case for changing the technical wording, especially to cover any future situations in which there is no similar broad consensus about the desirability of wide consultation.

The party conference in spring 2011 therefore agreed, as part of a strategy debate, to review of the triple lock over the summer of 2011. That review is due to come to the autumn 2011 conference with its recommendations for any changes to the process. But the fact that the review centres around modifying the triple lock, if necessary, shows that the triple lock is here to stay and that the role of internal democracy in the Liberal Democrats continues to be very different from that in both the Labour and Conservative parties, neither of which during the 2010 coalition talks had any process similar to the triple lock.

Dr Mark Pack worked at Liberal Democrat party HQ in 2000–07 and has contributed as an author or editor to eighteen books spanning history, politics and technology. His doctorate is in 19th century English elections, and he is Co-Editor of the most widely read Liberal Democrat blog, Lib Dem Voice (www.LibDemVoice.org).

1 Thank you to Liz Barker, Duncan Brack, David Howarth, Gordon Lishman, Chris Rennard and others for being interviewed for this research. The views in the paper reflect my own conclusions and do not necessarily reflect those of any other individual.
2 Emergency motions were submitted by East Staffordshire, which described talk of coalition with Labour as 'unnecessary and unhelpful' and called for it to 'cease'; South Derbyshire, which also used the 'unnecessary and unhelpful' phrase and made reference to 'the many issues where we have real disagreements with Labour policies'; Derby City, again with the 'unnecessary

and unhelpful' phrase; Leicester South ('Conference resolves to reject all notions of a coalition with Labour'); Oldham East and Saddleworth, featuring the 'unnecessary and unhelpful' phrase and calling for a policy of 'vigorously opposing on the many issues where we have real disagreements with Labour'; and from Cambridge City (the Howarth motion), which read:

Coalition with the Labour Party

Conference notes the revival of speculation about coalition at national level with the Labour Party. Conference welcomes cooperation with other parties where policy goals coincide and where it is necessary for good government, whether at local, national or European level.

- Conference notes, however,
1. That Labour's commanding majority in the House of Commons means that a coalition is not necessary for stable government
 2. That Labour has shown insufficient commitment to funding the public services, protecting the environment, safeguarding civil liberties and reforming the electoral system for the House of Commons
 3. That coalition would tend to stifle debate and prevent legitimate and constructive criticism of the Government

Conference therefore believes that coalition with the Labour party at national level should be ruled out for the rest of this Parliament.

- 3 Paddy Ashdown, *The Ashdown Diaries: Volume 2 1997–1999* (Allen Lane, 2001), entry for 11 September 1997, p. 89.
- 4 Ashdown records in his diaries: 'A long discussion [at the Parliamentary Party Meeting] on [Howarth's motion]. It was finally agreed that we would try to stop the motion going ahead. But, to my horror, almost everyone said that if the Howarth motion does get put down, they would vote for it. I managed to persuade them this would be silly. Far better to keep our options open. Although I agreed to have a full debate on party strategy in the spring.' (Ashdown, *Diaries: Volume 2*, entry for 24 September 1997, p. 94). The parliamentary party and Ashdown's office only had a small representation on the FCC, and their views were often not followed, so this decision to oppose taking the motion was not in itself key to the FCC's subsequent decision.
- 5 Ashdown records in his diaries that, at the consultation session, 'I was again strongly criticised,

with some people openly saying that I was proposing to sacrifice the Party for a Cabinet seat. If it goes on like this I will lose and lose badly. I begin to think it is impossible to lead the Party to where I think it has to go.' (Ashdown, *Diaries: Volume 2*, entry for 21 September 1997, p. 94).

- 6 Conrad Russell's status in the party had been rising over previous years as his parliamentary activities, writing and very well-received speeches to party conference won him a large following amongst grassroots activists, reflected in very high votes in internal party elections. That, combined with the status and access to publicity granted to him by virtue of being a parliamentarian, made him a vocal and effective advocate for the positions he decided to take up.
- 7 David Howarth's primary concern was with a coalition with a Labour Party that had on its own an overall majority in the House of Commons. However, the extra conditions called for went beyond that.
- 8 When the FE was drawing up its motion for the spring 1998 conference, a proposal to rule out coalitions during the whole parliament was rejected overwhelmingly (with only two votes in favour). However, this was in large part due to it being a very broad amendment that bundled up many different issues within it.
- 9 The local party had previously agreed that Gordon Lishman could submit on its behalf, so the local party did not actually discuss or agree the text before it was submitted.
- 10 Amongst the other rejected amendments was one from David Howarth which had a simpler lock mechanism, but explicitly applied it to any extension of the current cooperation with Labour. The Lishman amendment put in more controls but reserved them for larger decisions. Howarth ended up happy to see his amendment dropped in return for the party leadership not opposing the Lishman amendment. Many in Paddy Ashdown's team also were willing to see this trade-off as they feared that Howarth's amendment would be passed.
- 11 Interview with Gordon Lishman, 2010.
- 12 Moreover, the creation of the Joint Cabinet Committee after the 1997 general election was seen by many in the party as an example of Paddy Ashdown bouncing the party, because the previously agreed FRED phone-tree process (Fast Reaction, Early Decision), designed in the case of a hung parliament, was not invoked and

many MPs had almost no advance notice. This suggested that, unless significant action was taken, Ashdown would not consult in advance on future similar such decisions.

- 13 The three numbered paragraphs gave rise to the term 'triple lock', though journalist Brendan Carlin initially christened it the 'quadruple lock' due to the two parts of the first stage.
- 14 Despite being an amendment to a motion from the Federal Executive, the FE ended up not opposing the amendment.
- 15 A similar view was taken by the Federal Executive at its first meeting after the 2010 general election, when Philip Goldenberg argued that the triple lock was not constitutionally binding. In 1998 there was a late attempt to derail the amendment for being unconstitutional at an FE meeting after conference. Tom McNally moved a motion calling on the party president to seek legal advice on its constitutionality. The motion was defeated fifteen to one.
- 16 Interview with Chris Rennard, 2010. Ashdown had told his wife before the 1997 election that he would not continue as party leader all the way through the 1997 parliament. However, the failure of his political strategy both brought forward and confirmed these plans.
- 17 This included, on one occasion, looking at the timescales and practicalities in response to a request from the then chief whip, Paul Burstow, who was in charge of planning how the party might handle a hung parliament.
- 18 David Howarth was an exception to this. He did not see the number of steps involved as posing a problem if a general election resulted in a hung parliament, as he believed that the formation of a government could, and should, be slowed down to accommodate the process. See David Howarth, 'A Coalition is Born', *Journal of Liberal History* 70 (spring 2011), pp. 40–45.
- 19 Hence one phone call from a party officer to the author asking if the triple lock still applied and if he could be sent a copy.
- 20 The extent to which the triple lock had become the default way of doing things was also shown in the lack of reaction to a ruling by the Federal Appeals Panel in 2010 that the triple lock was unconstitutional. That ruling may result in constitutional changes ahead of the 2015 general election, but it has not caused any desire to abandon the process.
- 21 Conversation with the author, autumn 2010.

REVIEWS

Consolation government?

Bernard Donoughue, *Downing Street Diary Volume Two: With James Callaghan in Number 10* (Jonathan Cape, 2008)
Reviewed by Archy Kirkwood

THIS BOOK – and it is a second volume – weighs 2lbs 4oz in old money in the hardback edition; it also sports a title that fails to titillate. So, maybe not one for the beach then, but it is a volume that everyone should buy if only ‘pour encourager les autres’.

Call Bernard Donoughue old-fashioned, but he has done the honourable thing by staying the presses until a long time after the principal players have left the active political stage or gone to the great parliament in the sky – or the House of Lords which James Callaghan once famously characterised as ‘the waiting room’. And, although Donoughue is clearly financially poorer for the wait, the passage of more than thirty years provides a powerful longitudinal perspective on how politics is practised in this country. He is also able to tell the unvarnished truth in a way that is in marked contrast to most contemporary examples of the genre.

What kept me turning the pages was the staggering differences in pace, scale and reach of government in the late 1970s compared with today. It takes James Callaghan nine working days merely to reform an existing administration. The 2010 coalition did it all, including a completely new programme for government, in less than half that time. Prime Minister Callaghan thought it was better to be well rested than well briefed, so had a lie down before PMQs. Universities charged students £650 per annum – £2,780 at 2009/10 prices. Every page of this book causes the reader to stop and wonder at how the process of government has exploded since 1978/79. I yearn for the days when, for example, Bernard Donoughue was summoned to the presence of the prime minister by Number 10 dispatching

a police car from the local police station to race (siren blaring?) to his holiday cottage to ask him to return to work one weekend.

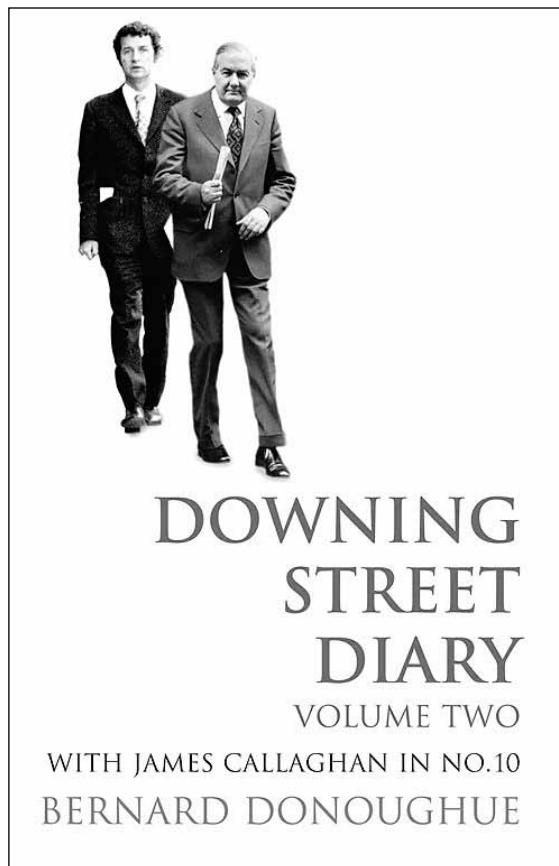
Interwoven through the text is an intriguing (and significant) procedural wrangle between Bernard Donoughue, wearing his Policy Unit hat, and the big cheeses of the senior civil service. Access, influence and information are fought over daily. Indeed the book paints a picture of the civil service’s studied disregard of Cabinet members’ wishes when it thought it knew better. Treasury mandarins are arraigned as serial offenders – no change there then! But the Donoughue-led Policy Unit did some really important early work establishing the legitimate role of political advisers in the strategic policy-making process at Cabinet level. Again the surprise is the meagre political adviser resource available to the Callaghan Cabinet, ranged against the combined might of Whitehall.

But there are limits. Bernard Donoughue tellingly (and bathetically) goes home early one day to sell his Ford Cortina because he is so poorly remunerated – an interesting comparison with the pay rates of around £85,000 for special advisers today. Strategic political advice to ministers is essential to modern government, but the process is in danger of getting out of hand when the advisers start acquiring personal assistants to help them through their busy days.

The extent to which modern government is many layered and all pervasive would strike time travellers from 1978/79 as surprising (and worrying?). And the present level of indebtedness at all levels of people’s personal, commercial and political life would amaze observers from the Callaghan era. The

book’s dust cover notes describe Prime Minister Callaghan fighting honourably as Labour drifted to inevitable defeat in the 1979 election. If Prime Minister Callaghan had had today’s borrowing powers he might have traded himself out of political trouble.

Bernard Donoughue adds something new to the totality of human knowledge with an intelligent portrait of James Callaghan as a person as well as a politician. From today’s perspective, service in the navy rather than attendance at posh schools or universities would be a doubtful qualification for the highest political office. Yet James Callaghan had the unique experience of previously seeing service as head of every major government department before entering Number 10. No one from 1979 would have believed it likely that a total stranger to ministerial office could lead a political party never mind a government. Even Margaret Thatcher, considered a parvenu when she became Tory leader had done a brief spell of ministerial milk-snatching in the Heath government before entering Number 10.



Bernard Donoughue's Callaghan is portrayed as being a thoroughly decent man who was driven by values rather than ideas. His values were ingrained; his ideas were lifted from other people, some from the book's author. Intellectually everyone is aware of the internal battles with the radical left wing of the Labour movement. But the amount of prime ministerial time spent coping with the brothers and sisters is clearly reflected in the diaries. Although James Callaghan is a lot tougher than Harold Wilson in handling the Labour left, Callaghan is still ultimately defeated by apparent political impotence.

The section of these diaries that holds perhaps the most interest is the period dealing with the Lib-Lab pact. Both James Callaghan and David Steel, from their different perspectives, were looking to shore up their respective political positions. The agreement did have mutually beneficial advantages and both co-signatories needed something to get them to the next election in better shape. One year on from the election of 2010, it is instructive to remember that the provenance of the coalition deal was the mutual failure by David Cameron and Nick Clegg to measure up to political expectations against a very unpopular outgoing Labour government.

However, there are few useful lessons that can be learned from the understanding that was reached between James Callaghan and David Steel in 1979 and the coalition partners in 2011. David Steel's intention was more about staying in the political game at a time when the Liberal Party was in a weak position in parliament. He also had a completely different personal relationship with James Callaghan: although built on mutual respect, it was clearly more Uncle Jim and the Boy David than the cosy familiarity of Dave and Nick. David Steel also secured the freedom within the pact to trumpet the minor but nonetheless significant 'concessions' as Liberal Party 'successes'. The Lib-Lab pact was sold to the public as the grit in the government oyster; the 2010 coalition was sold as Lib Dem eggs being fried into the Tory omelette – we were all in it together.

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The problem for the Liberal Party in the Lib-Lab pact was that it was seen as providing an unpopular Labour government with political cover for the last part of the 1974–79 parliament. The problem for Liberal Democrats in the 2010 coalition is that they are likely to be seen as providing cover for an unpopular Conservative party for the five years to 2015. The coalition is a consolation prize for the Liberal Democrats. David Cameron gets to lead the UK delegation to the G8 Deauville summit, while Nick Clegg gets tickets for Wembley and the European Cup Final.

Maybe the principal lesson for Nick Clegg from the Lib-Lab pact is that, instead of launching the coalition in the perfect choreography of the joint Rose Garden appearance, he should have held his own press conference and warned

the world that he would take every opportunity where the circumstances merited it of proclaiming Lib Dem achievements within government with enthusiasm: Liberal Democrats aspire to more than consolation government.

This is a book that everyone must buy. Even if you don't get round to reading it, the royalties paid will encourage impecunious political diarists in future to eschew mere potboilers in favour serious books that make people look back and wonder.

Archy Kirkwood was the Liberal and Liberal Democrat MP for Roxburgh & Berwickshire from 1983 to 2005, and is now a member of the House of Lords. He worked for David Steel, then leader of the Liberal Party, during the Lib-Lab Pact and the 1979 election campaign.

Evolving the constitution

Vernon Bogdanor, *The Coalition and the Constitution* (Hart Publishing, 2011)

Reviewed by **Dr Julie Smith**

WRITING AFTER MORE than a decade of constitutional reform under New Labour, Vernon Bogdanor said that *The New British Constitution* was 'not intended as a history of the future. But it is perhaps the essential prologue to such a history.'¹ Just two years later, following the creation of the first peacetime coalition government in the UK since the 1930s, Bogdanor has produced that successor volume; the stated aim of *The Coalition and the Constitution* being 'to chart the future of a constitution whose fabled adaptability and flexibility are likely to be severely tested in the years ahead.'² Such challenges will be especially true if Bogdanor is correct in his assumption that hung parliaments – and with them peacetime coalitions – may in future be the norm rather than an 'aberration' as has been the case to date (see Chapter 7).

Bogdanor's own description of his most recent book is apt. He seeks to enlighten the reader about the potential impact of

constitutional reform in light of historical experience in the UK and other countries, both Commonwealth and European. Thus he looks forward to the likely impact of the Liberal Democrat-Conservative coalition formed on 11 May 2010 on the British constitution, considering the effects of the creation of the coalition in itself and its effect on government as well as the likely ramifications of the deliberate moves towards constitutional reform being promoted by the government. The result is an interesting volume reflecting the author's interests in the British constitution, British political history and comparative politics. The title, though, is almost misleading: it might more accurately be called 'Coalitions and the Constitution' as Bogdanor harks back to previous periods of coalition and indeed to previous hung parliaments and resignation moments over the last eighty years, focusing particularly on the 1930s and 1970s, rather than exclusively focusing on recent

experience. While this approach provides some fascinating insights, it does render the structure within individual chapters a little cumbersome in places.

The early chapters, in particular, contain some material that will be very familiar to those who were involved with the creation of the 2010 coalition, coupled with insights into the thinking of earlier prime ministers. They evoke very clearly the dilemmas facing many Liberal Democrats at the time the 2010 coalition was negotiated, and the challenges that have faced the coalition since then. Where was the mandate for the coalition's policies, he wonders. After all, this coalition was agreed *after* the general election, whereas previous coalitions had been formed ahead of the general election and thus subject to popular endorsement.³ While a majority of electors voted for the Conservatives and Liberal Democrats combined on 6 May 2010, it is far from clear that they would all have done so had they anticipated that a Lib Dem–Conservative coalition would result from it, especially since many Labour-inclined voters supported the Liberal Democrats in an attempt to keep the Tories out of office. Yet, since the formation of the coalition, the Programme for Government, a document that inevitably entailed a great deal of compromise, has been seen by parliamentarians as trumping both Conservative and Liberal Democrat manifestos, even though some of the policies had appeared in neither manifesto. As Bogdanor suggests, 'This raises anew the question of the role of the mandate in British politics, its relevance and limits.'⁴

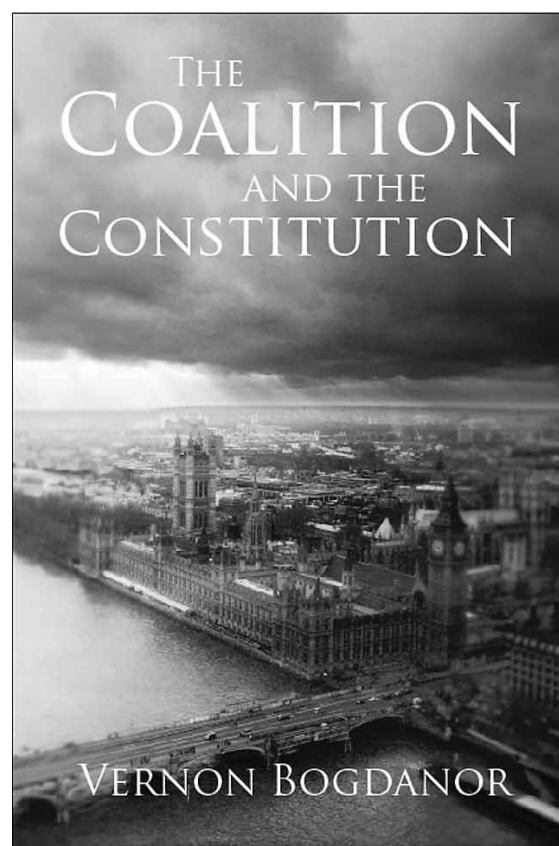
Some of the most significant aspects of the coalition agreement relate to constitutional reform and, as Bogdanor makes clear, the government's agenda could potentially have a far greater impact on the British constitution than twelve years of reform under Labour. Indeed, there is a paradox between the relatively limited impact of Labour's constitutional reforms and the possible effect of a government led by Conservatives, whom one might have expected to be wedded to the status quo. Electoral reform, fixed-term parliaments and reform of the House of Lords all suggest major changes should they

be enacted. The key question is whether they will come about.

Electoral reform is already off the agenda, and reform of the House of Lords, not discussed in great detail in this volume, is a highly sensitive issue with Lords on all sides, including Liberal Democrat peers, reluctant to endorse moves to an elected chamber. By contrast, although legislation has already been approved for fixed-term parliaments, Bogdanor expresses considerable reservations about this. He offers particularly interesting reflections on the likely impact of fixed-term parliaments, whether and how they can be made to work in practice and their inherent merits (or otherwise). Looking to the model of fixed-term parliaments used in Norway, Bogdanor questions the case for fixed-term parliaments without electoral reform, and even then is not convinced of their desirability,⁵ although he acknowledges the political expediency for the current coalition of a fixed five-year term.

One difficulty with the book, which in many respects deserves a long shelf life, is that having been written in response to a rapidly changing set of events, the volume has already been overtaken by events in one important area. A key plank of the coalition agreement was the pledge to hold a referendum on the Alternative Vote (AV), which Bogdanor loses no opportunity to remind readers was in neither the Liberal Democrat nor the Conservative manifesto, the former arguing for proportional representation and the latter opposed to electoral reform at all. He goes on to elaborate in considerable detail the ways in which AV works, looking at examples from Australia and outlining how AV might have affected results in the UK. However, while it might be some comfort to Evan Harris to know that he would probably have held his Oxford West and Abingdon seat under AV,⁶ the fact that AV was rejected by the voters on 5 May 2011 renders that chapter somewhat academic, neither a history of the past or the future, despite its intrinsic interest for students of political science.

Overall, this book offers many interesting insights into the workings of the British constitution, how far the negotiations to create



the coalition conform to expected constitutional norms, and how far the government has altered or seeks to alter the constitution. His conclusions are somewhat bleak: in 2009 he concluded that constitutional reform was discharging power, albeit 'sideways' rather than downwards; in 2011 he concludes, 'The constitutional reforms proposed by the coalition will do little to remedy the deficiencies of the Blair reforms'.⁷ The British constitution remains a work in progress, so Bogdanor's work is not yet complete. A third volume by way of Epilogue must surely follow – perhaps in 2015.

Dr Julie Smith is Senior Lecturer in International Relations at Cambridge University and Fellow in Politics at Robinson College, Cambridge. She is also a member of the Liberal Democrats' Federal Policy Committee.

- 1 Vernon Bogdanor, *The New British Constitution* (Hart Publishing 2009), p. xiii.
- 2 Vernon Bogdanor, *The Coalition and the Constitution* (Hart Publishing, 2011), p. xiii.
- 3 *Ibid.*, p. 63.
- 4 *Ibid.*, p. xi.
- 5 *Ibid.*, p. 109.
- 6 *Ibid.*, pp. 95–96.
- 7 *Ibid.*, p. 137.

A Liberal Democrat History Group fringe meeting

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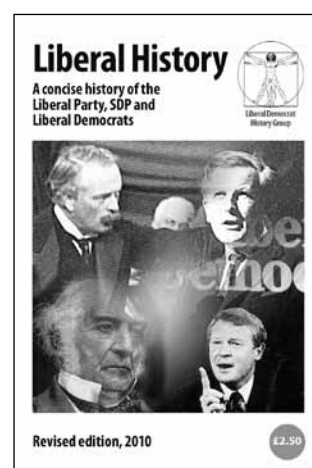
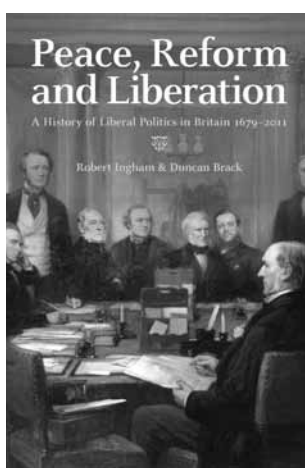
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