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.1

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
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. It followed a similar initiative undertaken by Addison eight or so months earlier during the parliamentary struggles over a military conscription bill. 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, censoring 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. 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’. 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 votes. 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.’ But the advent of the Russian revolution drew him into what Lloyd George...
called an ‘obsession’ with the menace of Bolshevism. 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.’

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. He was much used during the early stages of the Paris peace conference and with negotiations with the new Russian regime in 1919. 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 cutbacks 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.’ 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. Only as late as January 1922 was a somewhat unreal ‘National Liberal Party’ founded at Westminster Central Hall: the Manchester

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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. 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. 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. Those with an animus against the trade unions attacked the obstructive practices they detected within the building trade unions. The Geddes Axe, unavailingy 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. 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. 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’. Lloyd George, in his most reactionary Chamberlainite vein, declared that ‘we have murder by the throat’. 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, 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.

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resisted, unavailing 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 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.44 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 eighteen-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, propelling 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 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 Salvage 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,45 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’.46 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.47 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 1921 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

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**Liberals in Coalition, 1916–1922**

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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. 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 to deride, somewhat unfairly, as creating the background to another world war. For the Liberals it made their party impotent for the next eighty years and discounted 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 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.


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/10a/6/95.
7 Lloyd George to Churchill, 22 Sept. 1919, ibid., F/9/1/62.
9 Ibid., 30 Nov.–1 Dec. 1919, British Library, Add. MSS. 50905, f. 211.
10 Fisher was much used in preparing for the Prinknash talks with the Russian Bolshevik leaders.