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THE LIBERAL PARTY AND THE LIBERAL DEMOCRATS

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This lecture falls naturally into two halves, corresponding to two quite distinct periods in the history of the party, because, unlike the Conservatives, who were the subject of my first lecture in this series – this is the second – the Liberals have not been a governing party for the whole of the 19th and 20th Centuries but only until 1922. Since then, they have occasionally been in Government, in coalitions, both in war and in peace, but for most of the time, they have been a minor party, a third party. More recently, they have been a fourth party, since, in 2015 and 2017, they won fewer seats than the SNP. They have been perhaps a somewhat ineffective minor party. Certainly, they have been less effective in securing concessions from Government than the SNP and, since the June General Election, than the Democratic Unionist Party of Northern Ireland. So, broadly speaking, what the Liberals did until 1922 really mattered in British politics. After 1922, except on quite rare occasions, it did not.

Significantly perhaps, during its period of power, the Liberals were strongly against proportional representation. After 1922, they came to be in favour of it. Proportional representation, since then, has sometimes seemed the central cause for which the Liberals stood, but its first appearance in a Liberal manifesto dates from 1922 when it was favoured by the independent Liberals led by Asquith, who had been against proportional representation when he had been in Government. Equally significantly, the Lloyd George Liberals, who were in coalition with the Conservatives and still saw themselves as a party of government, did not, in 1922, advocate proportional representation, though Lloyd George did come to favour it later on. So, the history of the Liberals falls into two distinct halves.

I think the earliest mention of the word “liberal” can be found in the Old Testament, in Isaiah, where it is said that: “The vile person shall no more be called liberal”, and the word “liberal” here means generous, open-handed, magnanimous. As a political philosophy, liberalism was born in the conditions of the American and French Revolutions at the end of the 18th Century, and their central theme was the need for government to gain the consent of the governed. On the Continent, liberal parties preached the importance of religious tolerance, free inquiry, and self-government. In Britain, liberalism had I think deeper roots, growing out of earlier conflicts, and in particular the 17th Century struggle for freedom of conscience and the resistance of Parliament to the arbitrary authority of the King. In the early 19th Century, Conservatives responded to the French Revolution by a policy of resistance, but Liberals drew the opposite lesson. Revolutions occur, so they believed, from a refusal to reform until the agitation for reform could no longer be controlled and it burst out into revolution. During the 19th Century, Liberals did not share the fear of Conservatives that extension of the franchise would lead to revolution; they believed, instead, that it was an essential precondition for progress.

The term “liberal” was first used by a political party in 1847, in the General Election, but the formation of the Liberal Party is usually held to date from June 1859 when, in a meeting in London, Whigs, Peelites and Radicals joined together to form a new party whose aim was to remove restrictions on individual freedom and to extend the franchise.

The first Liberal Government is generally held to be that led by Gladstone, which lasted from 1868 to 1874, and after it fell, the Liberals decided they needed an organisation in the country to take account of the extension of



the franchise, which made it essential to canvas the new mass electorate. This required a large voluntary organisation of constituency workers, but it was more difficult for the Liberals to establish such an organisation than it had been with the Conservatives because the Conservative organisation, with a national union and the central office, which I discussed in my last lecture, were simply extensions of the Conservative Party in Parliament, but the Liberals, unlike the Conservatives, had to accommodate powerful extra parliamentary organisations, such as the Non-Conformists and various pressure groups on the left which sought, for example, educational reform. These organisations and pressure groups, and in particular the Non-Conformists, saw the Liberal Party as a vehicle for their efforts. In the 19th Century, religion was often more important as a determinant of voting behaviour than class, Anglicans tending to vote Conservatives, Non-Conformists Liberal. One of Gladstone's close lieutenants, John Morley, declared the Liberals had three bastions of strength: Scottish Presbyterians, English and Welsh Non-Conformists, and Irish Roman Catholics.

In 1877, the Liberals established a National Liberal Federation to represent the party outside Parliament. This organisation was under the nominal leadership of Gladstone, but the real inspiration for it was the radical Mayor of Birmingham, Joseph Chamberlain. He saw the Federation as a kind of battering-ram by which he could push the more conservative-minded Members of Parliament into more radical policies, a bit like Momentum and the Corbynistas in the Labour Party today. Indeed, Joseph Chamberlain, in his radical period, was perhaps the first Corbynista.

The Liberal Party in the late-19th Century stood for individual self-respect and self-reliance against the traditional forces of patronage represented by the landed aristocracy and the Church of England. It was essentially a movement for political independence, rather than for social or economic change, and to achieve these ends, it sought to reinforce the strength of middle-class Non-Conformity by extending the franchise to the organised working class. Liberals also stood for free trade between nations, on ethical grounds as much as grounds of economic interest, for, in the view of most Liberals, free trade would lead to peace and international harmony, while tariff barriers were a cause of conflict. Liberals stood for self-government abroad, for the rights of small nations, and were sceptical of value of imperialism and armaments. They saw themselves as internationalists. In the 20th Century, they were to be strong supporters of the League of Nations and then the United Nations, and also leading champions of European unity and cooperation. They were to be the first party to advocate that Britain joins the European Community, precursor of the European Union, and today, they are the only major party committed to a further referendum on Brexit, which they hope will reverse it.

The first Gladstone Government, which lasted from 1868 to 1874, succeeded in removing many of the barriers to individual freedom. It removed tests imposed on Non-Conformists and other non-Anglican denominations. It began the process of state education and established the secret ballot. Gladstone's second Government, which lasted from 1880 to 1885, expanded the franchise so that it came to embrace all male householders, and it began the process of female emancipation by enabling married women to own property in their own right. Gladstone's third and fourth Governments, in 1886 and from 1892 to 1894 – Gladstone is the only British Prime Minister to have headed four Governments – his third and fourth Governments attempted secure home rule for Ireland, in accordance with the Liberal doctrine of self-government, but Gladstone failed to secure the support of either the House of Lords or the electorate for this policy and it caused a split in the party, leading to the defection of the leading social reformer, Joseph Chamberlain, who helped to form a breakaway party called the Liberal Unionists, and eventually joined a Conservative-dominated Cabinet, becoming a staunch imperialist. But Gladstone's fourth Government did achieve one valuable democratic reform, the reform of local government, establishing a structure of district and parish councils which lasted until the Local Government Reorganisation of 1972.

But Liberals were now coming to understand that freedom implied more than the removal of barriers to government action, it required also positive action on the part of the state to ensure social security – it needed, in short, measures of social welfare. By the time of Gladstone's retirement in 1894, the older liberalism, as defined by Gladstone and his supporters, seemed to have reached its terminus, and Gladstone increasingly appeared a figure from the past, someone from another age. He seemed unaware of the new problems that Britain was facing and was out of sympathy with currents of modern thought. He particularly disliked the ideas of those seeking to modernise liberalism. "It's pet idea," he said, "is what they call construction, that is taking



into the state the business of the individual man.” Gladstone particularly deplored what he called “the leaning of both parties to socialism, which I radically disapprove”. For Gladstone, liberalism meant a society of self-reliant individuals, with the opportunity to rise as far as their talents could take them, and the opportunity of participating in politics at all levels. When quitting office for the last time, in 1894, he wrote: “Of one thing I am and always have been convinced – it is not by the state that man can be regenerated, and the terrible woes of this darkened world effectually dealt with.”

But politics was entering a post-Gladstonian phase and it seemed to some that the basic liberal task had been completed. Liberals had to adjust to a new era, in which social problems were coming to the fore. Winston Churchill would later write that the end of the 1880s was also “...the end of an epoch. Authority everywhere was broken. Slaves were free. Conscience was free. Trade was free. But hunger and squalor and cold were also free and people demanded something more than liberty.” That was what liberalism had to accommodate itself to, and some of the younger Liberals were beginning to understand it. Legislation to improve social conditions, they believed, would not deprive individuals of their independence, but, on the contrary, remove those economic constraints which restricted their independence, so liberalism, in future, should signify not the absence of restraint but the presence of opportunities. Here was the germ of what was called the “new liberalism”, which was to reach fruition in the great Liberal Reforming Governments of 1905 to 1914. “More than ever before,” one Liberal Minister declared on the eve of this great Government in 1905 – and it was to be the last Liberal Government able to win an overall majority on its own, though of course no one realised it at the time. “More than ever before, the Liberal Party is on its trial as an engine for securing social reform”, and under the premierships of Sir Henry Campbell-Bannerman and Asquith – Sir Henry Campbell-Bannerman now a forgotten figure, but he won the second largest majority ever gained in Britain for a party of the left, in 1906 in the General Election. The largest was won by Tony Blair in 1997, so these are the two great figures of the British left in electoral terms, Sir Henry Campbell-Bannerman and Tony Blair. Tony Blair once said that there was one tradition of the Labour Party which he didn’t like and that was losing elections.

These two Prime Ministers, Sir Henry Campbell-Bannerman and Asquith, presided over great reforming Governments, which instituted old-age pensions, national health insurance, the germ of the post-Second World War National Health Service, and unemployment insurance. All were part of what Winston Churchill called “the untrodden ground of politics” – they were all new, and they’ve proved the basis of the modern welfare state. In addition, the Liberal Governments imposed taxes on land ownership and instituted a steeply-graduated progressive income tax, involving the redistribution of income so the rich paid a larger share of taxation to help finance the welfare state.

Further than that, they gave new rights to the trade unions. Indeed, some critics argue they gave them too many rights. By the Trade Disputes Act of 1906, the unions were given wide legal immunities so they were no longer legally liable and could not be sued while exercising the right to strike or the right to peaceful picket, though it was sometimes difficult to distinguish peaceful picketing, which meant persuasion, from the threat of force. One Conservative opponent summed up the consequence of this Act by saying, “The King can do no wrong, nor can a trade union”. But these immunities remained until the time of Margaret Thatcher’s Government in the 1980s.

There was also a second trade union reform. By the Trade Union Act of 1913, the Liberals allowed trade unions to establish political funds, funds which were in practice used to support the young Labour Party, and a trade unionist was to be presumed to consent to part of his subscription being used for Labour Party funds, unless he took active steps to contract-out. This required a specific initiative on his part, and human nature being what it is, few bothered to take it. In consequence, many Conservative and Liberal trade unionists must have been helping to contribute to Labour Party funds through apathy or inertia, for the default position was to contribute. The contracting-out provision was altered to contracting-in by a Conservative Party in 1927 after the General Strike and it led to a dramatic fall in trade union funds. It was then altered back again to contracting-out by the post-War Labour Government in 1946.

So, it was clear that, by 1914, liberalism could no longer be identified with a laissez faire philosophy. Indeed, it seems to me, fundamentally not an economic philosophy at all but a political one, its aim being to secure the



emancipation and freedom of the individual. Economics were a means to that end, and if the free market would help in achieving it, well and good, but if not, then intervention by the state was justifiable. Perhaps one can say of the new liberalism what Tony Blair said of New Labour at the end of the 20th Century, that the market is a good servant, but a bad master – that is what they believed.

Some held that, by this time, liberalism was merging into a different philosophy. One liberal thinker wrote, in 1904, that the old liberalism had done its work – it had all been very well in its time, but political democracy and the rest were now well-established facts, what was needed was to build a social democracy on the basis so prepared, and for that, we needed new formulas, new inspirations. Others preferred not to use the term “social democracy” but “new liberalism”. But the term “new liberalism” seems to me in part a fudge because there might well be a conflict between liberal values and social democratic values. A number of Liberal reforms exemplified that conflict. For example, the National Insurance Act required compulsory contributions from employers and employees to finance unemployment and health insurance. Why, in liberal terms, should individuals be required to contribute? The Trade Union Act of 1913 which I have just described required trade unionists specifically to contract-out if they did not wish to support the Labour Party. Was that a truly liberal measure from the point of view of expanding individual freedom of choice? Perhaps, from a modern vantage point, liberalism and social democracy were coming to diverge, and perhaps social democracy was coming to supplant liberalism. Perhaps the leading Liberal reformers, and Lloyd George in particular, far from adapting liberalism, were leaving it behind and becoming something different – social democrats. They were taking Britain out of one era, a liberal era, and into another, a more statist era. Perhaps, paradoxically, Asquith and Lloyd George were presiding over the demise of liberal England.

There is, so it seems to me, one important philosophical difference between liberalism and social democracy, and it became clear when Lloyd George introduced his policy of National Health Insurance in 1911. Lloyd George wanted to introduce a single commission to administer the scheme for the whole of the United Kingdom. He was pressed, however, to set up separate national commissions for England, Scotland, Wales and Ireland. The whole of Ireland was then of course part of the United Kingdom. Now, although Welsh himself, Lloyd George resisted this idea of separate national commissions, but at almost the last moment before the Bill was published, he gave way on the grounds that you have got to defer to sentiment. Now, why was Lloyd George so keen on a single scheme for the whole country? It was because he believed that the benefits which individuals should receive through welfare measures should depend not on where they lived but upon their needs. Whether a claimant lived in Scotland, Wales, England or Ireland was irrelevant. What was important was how ill he was. I use the word “he” since the National Health Insurance scheme made no provision for women, except for a maternity benefit. Now, the problems of the underprivileged in Ireland, Scotland or Wales, so Lloyd George believed, did not differ in any essential respect from the problems of the underprivileged in England. They were to be resolved not by policy divergencies between the four parts of the kingdom, but by a strong reforming government at Westminster. A true welfare state therefore implied centralised government. This went against Liberal ideas of decentralisation, devolution, local self-government and participation. So, there seems to be a conflict between a social democratic philosophy and a liberal one.

The principle that benefits should depend upon need and not upon geography was carried to fruition by the Attlee Government after 1945 and reached its culmination in the National Health Service, established in 1948. Bevan, Aneurin Bevan, was, like Lloyd George, a Welshman. He too resisted creating separate health services for the different component parts of the United Kingdom, but unlike Lloyd George, he felt no need to defer to sentiment and a single national organisation was created to administer the new service. Perhaps sentiment was weaker in 1946 than it had been in 1911.

But with devolution in 1998, implemented by a Labour Government, paradoxically a social democrat government not a liberal one, the wheel has turned full circle again and the Health Service has been devolved in Scotland, Wales and Northern Ireland. These devolved bodies have very wide powers. They could, if they so wished, abolish the National Health Service in their areas. It is an interesting question of how far differences in healthcare are acceptable to the public. Sometimes, the same people who plead for devolution, decentralisation and localism and stress the value of community, all liberal concepts, also complain, the same people complain about the postcode lottery, but to deal with the postcode lottery implies centralisation, a social democratic



concept. What seems clear to me is that liberalism and social democracy are, at bottom, different and possibly incompatible philosophies, the one favouring the dispersal of power, limiting the size of the state and dispersing it territorially, the other legitimising strong and centralised government. What is also clear is that the welfare reforms of the Liberal Government in the early-20th Century, like those of the post-War Attlee Government after 1945, presupposed some degree of centralisation.

So, the notion of the new liberalism was, to some extent, a fudge, an attempt to reconcile incompatible philosophies of government, but perhaps that did not matter too much from a practical point of view before 1914 for the Liberals seemed securely in power and did not face real competition from the Labour Party, which was little more than a small pressure group at the time. Before 1914, it never succeeded in winning more than 42 seats, and many of those were won with the aid of an electoral pact with the Liberals, so a number of Labour MPs owed their seats to the acquiescence of the Liberals. By 1914, the Liberals seemed to have come to terms with the new forces in politics and the growth of class feeling. They were no longer a mere repository for Non-Conformist or Celtic grievances, but seemed to be a vehicle by which the working class and the underprivileged more generally could secure social reform. Few would have believed, in 1914, that the Liberals would soon be supplanted by the Labour Party. In social reform, the Liberals were, in many respects, ahead of Labour. They were certainly not holding Labour back. Indeed, some in the Labour Party were coming to believe that the formation of an independent party had been a mistake and that there was little that the new party could achieve which could not be better achieved by the Liberals. Many went further and believed that a progressive alliance was growing up between the two parties of the left, since they seemed to be moving closer together, and in 1914, Lloyd George asked Ramsay MacDonald, the Leader of the Labour Party, whether Labour might actually be willing to join the Government. Some speculated that, when Asquith retired, he would be succeeded by Lloyd George, and then by Ramsay MacDonald, as Leader of a joint progressive party.

But it was not to be. After the First World War, the Liberals were supplanted as the main party of the left by Labour, and Lloyd George, who fell from power in 1922, was to prove the last Liberal Prime Minister. Historians have spilt much ink on the reasons for the decline of the Liberal Party and its replacement by Labour. Indeed, it has become something of an academic growth industry. Some believe the rise of Labour was inevitable in a society divided by class which had conceded universal suffrage. My own view, for what it is worth, is somewhat different. It is that the decline of the Liberals was not preordained but contingent, contingent on the War and the Wartime feud between the followers of Asquith and the followers of Lloyd George, who displaced Asquith in 1916. War, of course, is always dangerous for liberals since it requires a great increase in the strength and authority of the state and the introduction of what may be seen as illiberal measures, in particular conscription, which was adopted for the first time in British history in 1916. Wars are not, in general, fought or won on liberal values. In 1916, Asquith was supplanted as Prime Minister by Lloyd George, partly because Asquith did not seem to be in sympathy with some of the illiberal measures needed to win the War, and after 1916, there was a split between the followers of the two men, and it worsened after the War, when the Lloyd George faction, the so-called Coalition Liberals, fought the Election of 1918 in alliance with the Conservatives. In this Election, the Lloyd George Liberals and Conservatives together won a large majority and governed as a Coalition, while the followers of Asquith went into opposition. The Lloyd George Coalition Liberals won 158 seats, while the Asquithan Independent Liberals won just 28, but the figure for the Lloyd George Liberals is misleading because their seats were won through an electoral pact with the Conservatives, which ensured that just one Coalition candidate stood in each constituency. So, most Coalition Liberals were not opposed by Conservatives and owed their seats to the Conservatives. Indeed, Lloyd George only retained the premiership by leave of the Conservatives, who were by far the largest party in the Coalition Government. The Asquithan Liberals, by contrast, had won most of their seats against the opposition of both Conservatives and Labour.

In the 1918 Election, the Labour Party won 63 seats, 35 more than the Independent Liberals. Labour was therefore now the largest opposition party. It is possible that a united Liberal Party would have won more seats than Labour, but in the event, it was now Labour rather than the Liberals that led the opposition, and under a first-past-the-post electoral system, Labour reaped benefits from its status as a second party because voters on the right gravitated to the Conservatives to keep Labour out, while voters from the left gravitated away from the Liberals to Labour, which was the party that seemed to have the best chance of ousting the Conservatives. So,



the Liberals came to be squeezed between left and right, and that has been their basic problem ever since. It was the split in the Liberals, in my view, that gave Labour the chance to fill the gap on the left.

In the 1920s, the Liberals came to be split between those on the left and those on the right, the Radical section and the Whig section. Now, someone asked the great economist John Maynard Keynes, himself a Liberal, what the difference was between the Whigs and the Radicals. Keynes replied as follows: “A Whig is a perfectly sensible Conservative; a Radical is a perfectly sensible Labourite. A Liberal is anyone who is perfectly sensible.”

But there were simply not enough sensible voters in the 1920s to elect a Liberal Government. The Liberals found themselves a third party, and as time went on, an increasingly ineffective one. Labour, now larger than the Liberals, refused to renew the progressive alliance. Ramsay MacDonald, the first Labour Prime Minister, told the Editor for the Manchester Guardian, as the Guardian then was, in July 1924, during the period of the first Labour Government, that he disliked the Liberals more than the Conservatives. In the words of the Editor: “MacDonald reverted again and again to this dislike and distrust of the Liberals. He could get on with the Tories. They differed at times openly, then forgot all about it and shook hands.” They were gentlemen, but the Liberals were cad. The feeling against the Liberals was general in the party, and one member of the first Labour Government told an historian: “There was only one generally-accepted thing, in all the confusion and flux of the time, the party’s determination to avoid the liberal embrace.” Labour’s leaders realised that for them to share office with the Liberals would mean a new lease of life for the older party, whereas the attainment of power was dependent upon the destruction of the Liberals.

In 1931, the Liberals split three ways. Two of the factions joined the Conservative-dominated National Government, though one of them broke off in 1932 because it could not agree to a departure from free trade. The other faction in the Government, the so-called Liberal Nationals, gradually became absorbed by the Conservatives, as the anti-Home Rule Liberal Unionists had been in the late-19th Century, and the Independent Liberals were later to call the Liberal Nationals [Vichy] Liberals. Now, the Liberals did take part in government again, in the War, from 1940 to 1945, as part of the Churchill Coalition, but after the War, they seemed irrelevant, and by the early-1950s, it seemed as if the party might disappear entirely. As late as May 1964, the Times was declaring in a leader: “By all accounts, the Liberal Party ought to die, and yet it does not”.

In the 1951 General Election, the Liberals put up just 109 candidates and won only six seats. All but one of the six were elected without Conservative opposition. The only MP to win against both Conservative and Labour was Jo Grimond, in the far-flung and rather untypical constituency of Orkney & Shetland. The Liberals seemed irrelevant in a period of consensus politics, when it appeared that liberal values were so widely diffused in the Conservative and Labour Parties that not only was there no room for a separate Liberal Party, there was no need for one. The paradox of the post-War consensus is that it was built on the work of two great Liberals, Beveridge and Keynes, two of the most influential figures in 20th Century Britain, the one showing the way to a higher level of employment, the other showing the way to a universal welfare state. But with the welfare state and full employment achieved, why did you need a separate Liberal Party? Liberal values were already securely defended by the Conservatives, under the benign leadership of Churchill, and the Labour Party under Attlee.

One foreign commentator declared that: “The Liberal Party buried itself with a kind of triumph. Because Britain as a whole is liberal, the Liberal Party dies.” Indeed, it seemed for a brief time as if the Liberal Party would disappear. But the Leader of the party in the immediate post-War years, Clement Davies, was determined to preserve its independence. After the disastrous 1951 Election, Churchill, who had a soft spot for Liberals having been one himself in between leaving the Conservative Party in 1904 and re-joining it in 1924, offered Clement Davies a place in the Cabinet as Minister for Education, but the Liberal Party Executive urged this office be rejected, and Davies agreed this was the right decision. Had Davies accepted the offer, the Liberals would almost certainly have ceased to exist as an independent political force. “But for you,” Lloyd George’s former Secretary had written to Clement Davies in January 1950, “there would certainly have been no Liberal Parliamentary Party today”. Clement Davies is today a forgotten figure, but perhaps he, more than anyone else, is responsible for the fact that the Liberal Party actually survived to fight another day.



Davies was succeeded as Liberal Leader in 1956 by Jo Grimond, and Grimond was to give the Liberal Party a new strategy and a new direction. Grimond believed that the Liberal Party was in decline because it seemed to have no place in a system of class politics, and that was because the Liberal Party had no social base, and some argued it was therefore irrelevant, but Grimond said this lack of a social base was not a weakness but a source of strength because class identity was beginning to decline in the affluent Britain of the 1950s, and that was why the Labour Party lost votes in every General Election held during that decade. After the third Conservative election victory in 1959, Harold Macmillan, the Prime Minister, declared that it showed the class war was over, and in Grimond's view, voters were becoming more concerned with issues and with policies rather than seeing their class identity represented in Parliament. Grimond's judgement was perceptive. Its weakness was that it failed to appreciate the glacially slow rate at which class alignments were weakening and the great residual strength which existing class alignments still gave to the Labour and Conservative Parties. It would not prove easy for the Liberals either to displace one of them or to secure a re-alignment of parties in which they might play a major part.

Grimond insisted that the Liberals were not a party of the centre, equidistant between the Conservatives and Labour, but a party of the left, but a different sort of left from the statist left represented by the Labour Party, which, so Grimond believed, was shackled by its fundamentalist socialist element. The Labour Party was committed to the extension of public control in the form of nationalisation and it was reliant on the trade unions. The Liberals proposed an alternative set of policies. In place of nationalisation, they favoured co-partnership in industry, and above all, constitutional reform, including Home Rule for Scotland and Wales and British entry into the European Community. Under Grimond, the Party seemed to recover from its previous torpor and loss of direction. It also enjoyed an electoral revival and begun to win by-elections, culminating in a sensational triumph at Orpington in 1962, when a Conservative majority of nearly 15,000 in the 1959 General Election, at which the Liberals had been third, was converted into a Liberal majority of nearly 8,000. One opinion poll even showed that the next election might even yield a Liberal Government. But this proved the first of many false storms, and in the 1964 General Election, Liberal representation increased from just six to just nine MPs.

According to Grimond's strategy, the Liberal aim should be to replace Labour as the main party of the left and become once again a party of government, but Grimond accepted that the Liberals would be unlikely to achieve this aim in one fell swoop. "I was right," Grimond says in his memoirs, "in telling the party that it could not, by some miracle of pathogenesis, spring from six MPs to a majority in the House of Commons. It would have to go through a period of coalition." What Grimond hoped for was a re-alignment of politics, a new Lib/Lab alignment leading to a party of the left. After Labour's third election defeat in a row in 1959, he wrote: "I have always said that we should have a new Progressive Party and it would have to attract many people who at present lean towards the Labour Party. We should try and have a new alternative to the Conservatives, a radical, non-socialist alternative." In 1962, he declared: "The divisions in politics fall in the wrong place. The natural division should be into a Conservative Party, a small group of convinced socialists in the full sense, and a broadly-based Progressive Party. It is the foundations of the last named that the Liberal Party seeks to provide." Grimond believed that the ideological and economic interests behind the parties were gradually being eroded, with the decline of class conflict and the end of the ideological argument between capitalists and socialists. What kept the party system together, in his view, were the forces of inertia and patronage, as well as the absence of a clear alternative. Grimond hoped to supply that clear alternative. He wanted to recreate a progressive alliance of the type that had governed Britain in the great days before 1914. But there was a fundamental difficulty with the Grimond strategy: it did not correspond to the party's electoral profile.

From the 1950s, the party made its most spectacular by-election gains, such as that in Orpington in 1962, in Conservative seats, during a period of Conservative government, when the Conservatives were temporarily unpopular. The Liberals made no by-election gains at all from Labour between 1929 and 1969. The Liberals were a focus for disillusioned Conservatives, not for radical Labour voters opposed to their party's position on nationalisation and its reliance on the trade unions, and the disillusioned Conservatives did not seem to remain disillusioned for very long. They tended to register protest votes for the Liberals in by-elections, only to return to the Conservative fold during the General Election. These disillusioned Conservatives could certainly not be relied on as a solid block of Liberal support, still less as the nucleus of a new Progressive Party, since some of



their views were not particularly progressive, so the disillusioned Conservatives were hardly an electoral constituency from which a re-alignment of the left could be created. One could not re-align the left by winning Conservative seats. Conceptually therefore, the Liberals might be alternative to Labour, but psephologically, they were an alternative to the Conservatives.

Moreover, the strategy of re-alignment was based on the premise that the Labour Party could not win a majority on its own and would therefore need Liberal support to form a government. That seemed a reasonable prognostication after Labour's third successive electoral defeat in 1959 when the party, under the leadership of Hugh Gaitskell, seemed about to tear itself apart on the issues of nationalisation and unilateral nuclear disarmament, and then again between 1983 and 1992, when Labour was again losing elections and appeared incapable of fully modernising itself. But on both occasions, Labour did recover, securing overall majorities in 1964 and 1997, helped in part by the votes of Liberals who had won seats from disillusioned Conservatives. This seemed to render the strategy of realignment futile.

Nevertheless, Grimond ended the period of Liberal decline and reversed it. The Liberals, under his leadership, moved forward under each Conservative Government, and then back again under Labour when the Conservatives were the main opposition, but the backward move still left them in a better position than they had been before. 1955, the last Election before Grimond became Leader, proved a low point in Liberal fortunes. In 1959, its vote doubled, and in 1964, it nearly doubled again. By 1979, its vote was six times what it had been in 1955. Now, although Grimond's search for re-alignment proved abortive, hopes of an agreement between the two parties were resurrected during the period of the Lib-Lab Pact of 1977-78, secured under the leadership of Grimond's successor as Liberal Leader, David Steel.

Then, after Labour's election defeat in 1979, there was an even greater opportunity, with a breakaway from the Labour Party in 1981, the formation of a new party, the Social Democrat Party, SDP, which formed an alliance with the Liberals. This breakaway had been foreshadowed by Roy Jenkins, the first Leader of the SDP and a former Labour Chancellor of the Exchequer and leadership contender, who, in 1979, had called for what he described as "strengthening of the radical centre", a reiteration of the Grimond strategy. The SDP, formed in 1981, was led by four ex-Labour Cabinet Ministers: Jenkins himself, Shirley Williams, David Owen and Bill Rodgers. At the beginning, there were hopes that this new alliance formed with the Liberals might sweep all before it. In November 1981, one opinion poll put it at 50% and an Economist cover heralded the new alliance as "Her Majesty's Opposition". But it was not to be. The Conservatives recovered, partly as a result of the Falklands' factor following the victorious Falklands War in 1982, but probably more, in my opinion, as a result of economic improvement, slow though it was, while Labour held together. In the General Election of 1983, the Liberal/SDP Alliance did perform remarkably well, securing 25% of the vote, by far the best performance for a third party since 1929, and, in England, it secured a higher vote than Labour. Overall, they were two percentage points behind Labour, which gained 27% of the vote. But the Alliance was cruelly victimised by the first-past-the-post system, which rewards parties such as Labour, whose vote was concentrated in the traditional working-class areas and in Scotland, rather than parties whose support was more evenly spread, as was the case with the Alliance. The Alliance won just 23 seats for their 25% of the vote, while Labour, with 27% of the vote, won 207, a graphic illustration of the working of the electoral system. The Alliance won numerous second places, but that was no good, and the election resulted in a Conservative landslide.

There was another Conservative landslide in 1987, when the Alliance fell back slightly by one or two percent of the vote, while Labour recovered, securing 31% of the vote. Labour had clearly reasserted itself as the main party of the left, and the Alliance was, for all practical purposes, dead. The bulk of the SDP then decided to merge with the Liberals to form the Liberal Democrats, and the first Leader of the Liberal Democrats was Paddy Ashdown, who renewed the Grimond strategy of re-alignment. As the 1992 Election approached, Ashdown made it clear that his party would not prop up John Major if the Conservative Leader failed to retain his overall majority. This allowed Major to claim that a vote for the Liberal Democrats was equivalent to a vote for Labour, and it seemed that some Conservative-inclined Liberal Democrats swung to the Conservatives late in the campaign to avoid the dangers of a Hung Parliament and an unstable Labour-Liberal Democrat Government led by Neil Kinnock.



Nevertheless, the Liberal Democrats continued to seek an accommodation with Labour, and indeed, the impetus towards re-alignment seemed to accelerate after Labour's fourth election defeat in 1992, when it once more began to appear Labour might never be able to win a general election on its own. In 1993, even before Tony Blair became Leader of the Labour Party, he, the leading moderniser in the Labour Party, and Ashdown had agreed on the need for good relationships between the parties. After John Smith died in 1994, and Blair succeeded the leadership, then, in Ashdown's words, "The relationship took off and we worked very closely together, coordinating our campaigns, including attacks on Major at Prime Minister's Questions, and coordinating our campaigns to a much greater extent than anyone has ever realised." In a speech at Chard in 1992, Ashdown called, as Grimond had done, for "a new forum for those wishing to see a viable alternative to Conservatism", and this speech fitted in with developing sentiment amongst Liberal Democrat voters. Until 1992, the British Election Survey showed they had seen themselves, since 1974, as close to the Conservatives, except for the time of the 1979 Election, held in the aftermath of the Lib-Lab Pact., but from 1992, Liberal Democrat voters came to be more evenly split and then closer to New Labour.

In May 1995, Ashdown declared that: "It should surprise no one when we say that, if the Conservatives lose their majority in Parliament and seek our support to continue in office, they will not receive it. People must know that, if they kick the Tories out through the front-door, we Liberal Democrats will not allow them to sneak in through the back."

By 1997, two-thirds of Liberal Democrats preferred Labour to the Conservatives, and in the election of that year, 43 of the 46 Liberal Democrat MPs won their seats by defeating Conservative challengers where Labour was in third place. The Liberal Democrats had clearly become an anti-Conservative, not an anti-Labour Party. On the day of the election, Blair seemed to welcome re-alignment, saying: "I am absolutely determined to mend the schism that occurred in the progressive forces in British politics at the start of the century". But Blair won too large a landslide to make re-alignment possible. He admittedly did his best to implement what Ashdown called "the project of re-alignment". Indeed, it appears Blair went so far as to propose a merger of the two parties. As Prime Minister, he established a joint Labour-Liberal Democrat Cabinet Committee on Constitutional Reform, a remarkable constitutional innovation, and an Independent Commission on Electoral Reform under Roy Jenkins, promising to hold a referendum on its recommendations. In 1998, the Jenkins Commission reported in favour of limited proportional representation, but it soon became clear that important sections of the Labour Party were opposed both to proportional representation and to the project, and no referendum was held. In 1999, Ashdown, despairing of the possibility of re-alignment, resigned as Liberal Democrat Leader, and under his successor, Charles Kennedy, the Joint Cabinet Committee gradually atrophied and ceased to meet. But Ashdown, although like Grimond and Steel, he had failed to secure re-alignment, could claim some success for the project in that he had helped secure coalitions between Labour and the Liberal Democrats in the Devolved Administrations in Scotland and Wales, as well as proportional representation for elections to the European Parliament.

The aftermath of the 2010 Election, which resulted in a Hung Parliament, provided a further possibility for re-alignment. Paddy Ashdown spoke on the radio on the Tuesday morning after the Election, arguing that Labour and the Liberal Democrats could form a Government and dare the smaller parties to vote them out, though he later changed his mind and came to support the Conservative-Liberal Democrat Coalition. The trouble was, the parliamentary arithmetic did not favour a coalition of the left. The Conservatives had 307 seats, Labour 258, and the Liberal Democrats 57. Labour had lost its parliamentary majority and was 49 seats behind the Conservatives, so it seemed to many that Labour had lost the Election, and indeed, the party had lost 94 seats, the largest loss of seats by any Government since 1931. The Liberal Democrats had lost five seats, from their high point of 62 seats in 2005, and so an arrangement between Labour and the Liberal Democrats would appear as a losers' coalition, a means of sheltering two parties that had been rejected by the voters. The parliamentary arithmetic seemed to point not to a Liberal Democrat-Labour Coalition but to a Conservative-Liberal Democrat one, which is what occurred. There is an irony in all this: in 1997, Labour had been strong to make re-alignment feasible; in 2010, it was too weak – the middle point had never been reached.

The Liberal Democrats joined a Coalition with the Conservatives in 2010. They were in government for the first time since 1945 and, in peace-time, since 1932. But the decision proved fatal to them as a party. Tony Blair said,



presciently: “If you have attacked Labour from the left for 13 years, and then enter a coalition with the Conservatives, you have questions to answer.”

During the election campaign, the Liberal Democrats had in fact opposed the main plank of Conservative economic policy, which was immediate and drastic cuts in public expenditure. Even so, survey evidence indicated that though, before the Election, most Liberal Democrats would have preferred an arrangement with Labour, they did strongly endorse the Liberal Democrat-Conservative Coalition. An Ipsos MORI poll on 12th/13th May 2010 asked: “Do you think that Nick Clegg was right or wrong to form a coalition with the Conservatives?” Of those who had said they had voted Liberal Democrat, 74% thought he was right, and only 22% thought he was wrong.

There was ideological sympathy, as well as personal chemistry, between Nick Clegg, the Liberal Leader, and David Cameron, because Clegg belonged to the Orange Book wing of the Liberal Democrats rather than its social wing. Now, the Orange Book was a volume of essays published in 2004 on future Liberal Democrat policy, in which Clegg and some of his allies contributed, and one of the essays was called “Reclaiming Liberalism” by Clegg’s ally, David Laws. He quoted, with approval, Jo Grimond, who, by 1980, had abandoned his earlier views on a realignment to the left and declared that “...much of what Mrs Thatcher and Sir Keith Joseph say and do is in the mainstream of liberal philosophy”. Laws then went on to ask how it was that, over the decades up to the 1980s, “...the liberal belief in economic liberalism was progressively eroded by forms of soggy socialism and corporatism”. There had been, he said, “...a progressive dilution of the traditional liberal beliefs in the benefits of markets’ choice, the private sector, and capitalism. We must,” Laws insisted, “reject nanny state liberalism”, and this was the central theme of the Orange Book. The social wing of the Liberal Democrats, which had been dominant before Clegg became leader, had looked to the left and to re-alignment. The Orange Book Liberal Democrats, by contrast, believed the party had become too statist in its approach and that, as a Liberal Party, it ought to give more emphasis to the market, which provided for a widening of choice and a greater freedom of the individual.

Nick Clegg then was an unusual Liberal Democrat Leader, more sympathetic to market economics than his predecessors, Sir Menzies Campbell, Charles Kennedy, Paddy Ashdown, and David Steel. Under any of them, a coalition with the Conservatives would have been much less likely, and indeed, Charles Kennedy cast a solitary vote in the parliamentary party against it. To his critics, Clegg seemed to have little understanding of the ethos or traditions of his party.

During their abortive negotiations after the 2010 Election, Gordon Brown warned Clegg against entering into a coalition with the Conservatives. “The Tories”, he told him, “will destroy you and they will pull us all apart on Europe”. That was a prescient warning.

In addition, the Liberal Democrats alienated the social base that they had so painfully constructed since the 1970s, a social base of middle class public service professionals and students. The Liberal Democrat 2010 Manifesto had promised the abolition of student fees and Liberal Democrat MPs gave a personal pledge in support of this promise, but in the event, the Conservative-Liberal Democrat Coalition tripled student fees. It did not help much when Clegg confessed that he had never really believed in the promise in the first place.

In the General Election of 2015, the Liberal Democrats were destroyed. They fell from 57 seats to eight. In 2017, they staged a mild recovery and secured 12 seats, but they remained an irrelevant force in the House of Commons. Oddly enough, they remain a powerful force in the House of Lords, a body to which they are opposed, having almost one-eighth of the peers, half the number of Labour peers and two-fifths of the number of Conservative peers. In the Commons, the Liberal Democrats suffer from the absence of proportional representation; in the Lords, they benefit from it.

The Liberal Democrats had hoped, in Government, to reform the Lords and secure other constitutional reforms. They failed. In 2011, a referendum was held on the alternative vote system. The alternative vote is not a system of proportional representation, and indeed, it had been dismissed before the 2010 Election by Clegg as “a miserable little compromise”. Nevertheless, he urged people to vote for it, and it was the most that he could



secure from the Conservatives, who campaigned vigorously against any change. The referendum was lost by a vote of two to one, on a derisory turnout of 42%. Oxford, Cambridge, Camden and Islington voted for the change, but few others. House of Lords reform, though put forward by the Government, ran into the sands owing to Conservative Backbench opposition and half-hearted Conservative ministerial support.

The General Election of 2015 left the Liberal Democrats in their worst position since 1970 when they had won just six seats. All the progress they had made in the intervening years, through the Lib-Lab Pact, the Liberal-SDP Alliance, the joint talks between Ashdown and Blair, all this seemed to have been reversed. Three times, in the 20th and 21st Centuries, the Liberals had entered into peacetime coalitions with the Conservatives, and each time, it had proved disastrous. From 1918 to 1922, they had been in coalition with the Conservatives under Lloyd George, and that had ended their role as a party of government. In 1931, they entered the Conservative-dominated National Government, and that ended their role as a party of opposition. The 2010 Coalition ended their role as a third party.

Once the Liberals were in decline in 1922, they'd find themselves impotent under normal circumstances when one party had a working majority in the Commons. They could only exert influence, so it would seem, in a Hung Parliament or a situation such as that of 1964-66 or October 1974, when the Government in office enjoyed but a small majority and was fearful of being forced to the country before it was ready to face the voters. So, the strength of the Liberals seemed dependent less upon their own efforts than upon the weakness of the other parties. But the trouble was that, as the Liberal-SDP Alliance was to find, to campaign for a Hung Parliament is not a particularly inspiring electoral cry.

Margaret Thatcher had said, in 1978, "You cannot run for a Hung Parliament". She was not quite right when she added, "How do people vote for a Hung Parliament?" In many constituencies, a voter could help to secure a Hung Parliament through tactical voting, but this would sometimes require voting not Liberal but for another party. One would have had to vote Labour in 1983 and Conservative in 1997, in many constituencies, so the Liberal Democrats could not really campaign for a Hung Parliament because this would entail telling electors in some seats not to vote for the party's own candidates. Even when Hung Parliaments did occur, as in 1924, 1929-31, 1974, and 2010-15, the Liberals did not, in practice, seem to be able to exert leverage very successfully. In such situations, a minority party has to decide whether to ally with the Government or the opposition. Whatever choice the party makes would annoy one group of supporters: if the party allies with the Conservatives, voters on the left would be alienated; if allied to Labour, voters on the right would be alienated. David Steel was once asked, in a television interview, which of the two major parties he preferred. He said he felt like Cinderella being asked to choose between the two ugly sisters. This was a skilful reply to a probing interviewer, but hardly resolved the dilemma. The fundamental problem was that, under the first-past-the-post electoral system, as one Liberal had presciently noted as early as 1917: "There are only two sovereign words when an issue is raised, and those words are "yes" and "no". Our leaders are apt to avoid saying yes and no and they are apt to try to reconcile the two." Significantly, in the immediate post-War period, two of the children of Lloyd George defected in different directions: Gwilym Lloyd George became a Conservative and was Home Secretary in Anthony Eden's Government; Megan Lloyd George, on the other hand, joined the Labour Party.

But even if the Liberals did join an alliance or coalition with another party, that, might compromise liberal independence. The Liberals existed, after all, to achieve certain liberal aims. Might not cooperation with one of the two illiberal parties compromise those aims rather than helping to achieve them? The party had to choose, therefore, not just between left and right, but between cooperation and independence. These have been the dilemmas which Liberals and Liberal Democrats have wrestled with since 1918. It cannot be said that they have been successfully resolved - probably they cannot be resolved.