

REVIEWS

A coalition is born

David Laws, *22 Days in May* (Biteback, 2010); Rob Wilson,

5 Days to Power (Biteback, 2010)

Reviewed by David Howarth

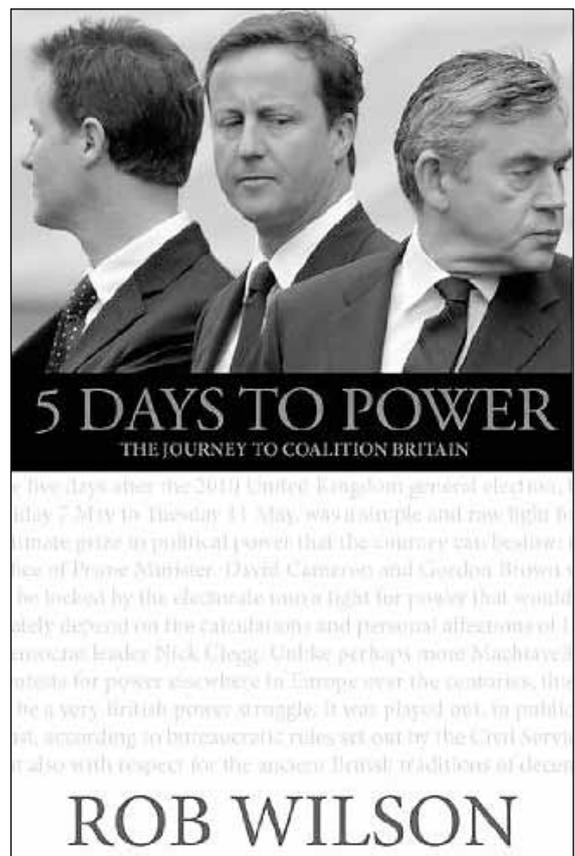
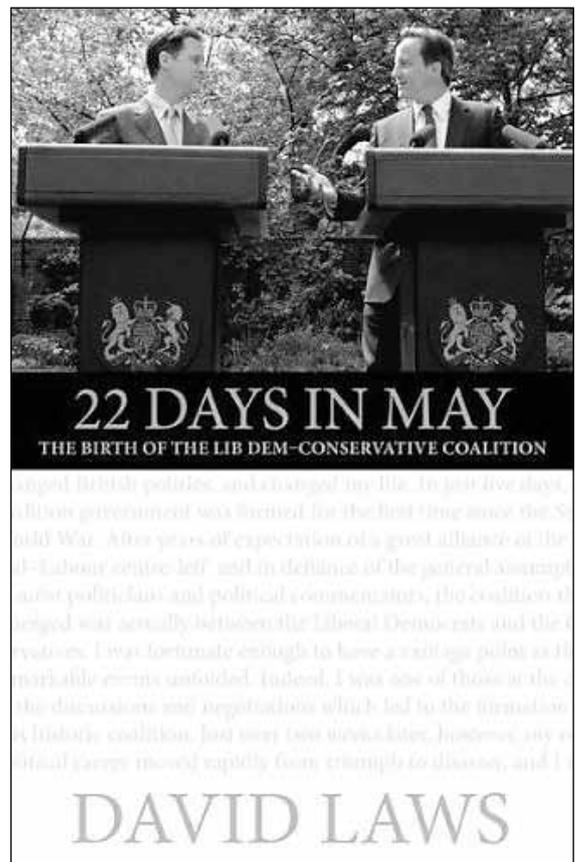
IT REMAINS to be seen whether the 2010 Conservative–Liberal Democrat coalition is a one-off curiosity or a decisive break in the pattern of British politics, and whether it marks the dawn of a new era of Liberal influence or the party's final twilight. But when writing the coalition's history becomes possible, these two instant books about its genesis by practising politicians – one a Liberal Democrat negotiator, the other a Conservative backbencher – will provide valuable information. Although published in the midst of controversy about the events they depict – not so much products of the Owl of Minerva as of Vulcan's forge – what they lose through partisanship they more than make up in immediacy of recall and access to key players. David Laws, especially, was at the centre of events, and his account is considerably enhanced by his use of contemporaneous notes taken for the Lib Dem negotiating team by the estimable Alison Suttie, then head of Nick Clegg's office.

Sceptical future historians might ask whether either account is complete, but they will undoubtedly be grateful that Laws reproduces as appendices several crucial documents, including both Labour's and the Conservatives' opening bargaining positions.¹ Although he reveals no Liberal Democrat material from the post-election period, he provides enough for a decent understanding of the course of the negotiations even without commentary. Indeed, a good way to read these books is to look first at Laws' documents, then at Rob Wilson's weaving together of accounts by leading participants, before turning finally to Laws' first-person account.²

The documents establish, for example, that Labour was prepared to make early (that is, in 2010–11) cuts in public expenditure, even

though Ed Balls has claimed that the Liberal Democrats' change of position on that issue demonstrates that they had intended to go with the Conservatives all along. Laws thinks that Balls might not have read his own party's position paper, which would be consistent with Wilson's account of the catastrophically chaotic nature of Labour's conduct of the talks; but whatever the explanation, the document itself is clear.³

More generally, the documents show that Labour's offer was roughly equivalent to that of the Conservatives, even after the Conservatives matched Labour on a referendum on the alternative vote (AV) system. On constitutional reform, both offered fixed-term parliaments,⁴ recall of MPs, the Wright Committee reforms of the Commons, party funding reform along Hayden Phillips' lines, regulation of lobbyists, the Calman reforms for Scotland, a referendum on expanding the Welsh Assembly's powers and a proportionally elected Lords. There were differences: Labour, for example, offered a convention on moving to a written constitution and consideration of votes at the age of sixteen, whereas the Conservatives offered moving more quickly to individual voter registration. On balance Labour's constitutional reform offer was stronger, but on taxation the Conservative offer was stronger: guaranteed early moves towards a £10,000 personal allowance funded by increases in capital gains tax and a firm policy of prioritising further moves in the same direction. Labour offered only a review. The Conservatives also led on extra funding for schools to reflect numbers of low-income background pupils (the 'pupil premium'), but only because Labour insisted on telling schools what to spend the premium on. On green issues, the



Conservatives produced a longer list of agreed policies but the crucial difference was that Labour offered a 40 per cent 'low-carbon' target for electricity production, whereas

the Conservatives would 'seek' to increase the target for 'renewable' energy. That is, Labour offered a specific target, but one that included nuclear power, whereas the Conservatives were vaguer on the target but more helpful on nuclear. The position on civil liberties and justice was similar to that on constitutional reform. The Labour and Conservative offers greatly overlapped (restoration of protest rights, the Scottish DNA retention rules, no biometrics from children without parental consent, CCTV regulation, extension of freedom of information), but neither mentioned protection of the Human Rights Act. The Labour proposal, however, offered some progress on criminal defendants' rights, a review of short prison sentences and an 'extensive roll-out' of restorative justice. The Conservatives offered nothing on criminal justice, but were committed to the complete repeal of the identity card legislation. Labour would only agree to freeze its national identity system for one parliament.

But there is much the documents do not explain, for which one must turn to the narratives. They explain neither why the Liberal Democrats changed their stance on deficit reduction nor why what looks like a close race for a deal resulted so quickly in a decisive Conservative victory.

The Liberal Democrat manifesto position was that net public expenditure should not fall in 2010–11 and thereafter the structural deficit should be eliminated over eight years, with half achieved within four. The eventual Con–Lib agreement proposed £6 billion in spending cuts in 2010–11, with some of the proceeds ploughed back into green jobs programmes, and a 'significantly accelerated reduction in the structural deficit over the course of a parliament'. Laws explains that during the campaign, the Liberal Democrat leadership decided that since the markets would be sceptical about a multi-party government's capacity to reduce the deficit, it would have to make noises about accelerated deficit reduction, but until the crisis in Greece, they still were thinking in terms of 2011–12, not 2010–11. The Greek crisis, however, convinced them that the markets could turn on the UK unless the new

government made an immediate start on deficit reduction. They comforted themselves that the precise amount (£6 billion or 0.5 per cent of GDP) was too low seriously to affect aggregate demand, but they hoped it would work as a signal.

In favour of the Liberal Democrat policy shift, as Jacques Attali pointed out in a contemporaneous book, much read across the Channel but entirely ignored here,⁵ sovereign debt crises depend more on confidence than on the numbers. Nevertheless the UK's numbers looked solid. The debt was overwhelmingly held domestically and in sterling, and the refinancing timetable was, by international standards, comfortable.⁶ Moreover, the decision crucially depended on an imponderable issue of comparative irrationality, namely on whether financial markets are more easily moved by symbolic gestures than the real economy. As another contemporaneous economic analysis pointed out, in the real economy much turns on Keynes' 'animal spirits' – the confidence entrepreneurs need to make investments.⁷ Expectations of public spending cuts would dampen those spirits.

To make a new judgment on the balance between raising confidence in the financial markets and lowering it in the real economy in the heat of an election campaign, and to put it into operation immediately thereafter is, to say the least, courageous. According to Wilson, the Liberal Democrat leadership took no external advice about the issue, or about the separate issue of accelerated deficit reduction. Both the Treasury and the Bank of England would have reinforced the acceleration view, given half a chance,⁸ but that view is built into their nature. Others took very different positions on the optimal path, from the NIESR's moderate caution to David Blanchflower's jeremiads. The puzzle is not that the party took one view or another, but that it did so on the fly without consulting specialists. Has the party of Keynes lost touch with economics as a discipline?⁹

On the second question, how the Conservatives won the race so easily, the basic chronology is tolerably clear and agreed by Laws and Wilson. The Conservatives got in first, opening negotiations the

day after the election with David Cameron's 'big, open and comprehensive offer', a move the Liberal Democrat team had anticipated. Nick Clegg, citing his commitment to talk first to the party with the better mandate, fended off an attempt by Gordon Brown to bulldoze his way into the process, although contacts with Labour started secretly. The Conservatives treated the Liberal Democrats with considerable respect ('as grown ups', Wilson reports), whereas Labour treated them as inferiors, tending to didacticism. Nevertheless, the Liberal Democrat–Conservative negotiations stalled on electoral reform, and the Conservatives moved to offer a confidence and supply arrangement instead of full coalition. Negotiations with Labour then intensified, but the stumbling block was the immensely unpopular Brown's personal position. The Liberal Democrats did not want, in Laws' (or rather Vergil's) words to be 'chained to a decaying corpse',¹⁰ and put pressure on Brown, very much resented by some in Labour, to go. After much misunderstanding about his intentions, Brown eventually announced his resignation as Labour leader.

Just before Brown's announcement, the Liberal Democrat parliamentary party somewhat bizarrely decided that it preferred a coalition with either party to a confidence and supply agreement. Laws' explanation of that decision, which had fateful effects, was that the parliamentary party came to believe that confidence and supply agreements delivered less power than coalition but no escape from blame for unpopular government policies. If that was the real reason, it was extraordinary. Coalition does mean more influence to shape decisions than confidence and supply, but it is far worse in terms of blame. That is precisely why the choice is so difficult: it is a choice between policy and politics.

The parliamentary party might have been influenced by historical parallels with 1924, which ended very badly for the party, and the Lib–Lab pact of 1977–78. But 1924 did not see a confidence and supply agreement between the Liberals and a minority Labour government or any sort of stability arrangement. The lesson of 1924 is that there are very great risks in taking the option

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of doing nothing and treating each issue on its merits, especially the risk of an early election in which the party nearest to an overall majority (the Conservatives in 1924) has a strong argument that a majority would restore stability. The whole point of confidence and supply agreements is to avoid the 1924 situation by ensuring that the government does not fall over some random event. Confidence and supply agreements also reduce incentives for the opposition to act opportunistically (in the fashion of Labour's attempts to bring down the Major government by voting against the Maastricht Treaty) by confronting the opposition with the reality that the government will not fall whatever the opposition does.

Two documents printed by Laws, a pre-election Liberal Democrat draft confidence and supply template and the Conservative offer of a confidence and supply agreement of Monday 10 May, both recognise the importance of the creation of stability. They stipulate that they are to subsist for four years and that they are predicated on the introduction of fixed-term parliaments. (One might mention in passing, however, that both suffer from the defect of imposing no constraint on what the government counts as a vote of confidence, which was precisely the problem with the Campbell Case vote in 1924). Crucially, Laws informs us that the parliamentary party consciously considered the 1924 option of taking each issue as it comes as a distinct option – different from confidence and supply – and (probably sensibly) rejected it.

As for the Lib–Lab pact, there is an enormous difference between an agreement at the start of a parliament and an agreement halfway through, in which the junior partner effectively takes responsibility for the existing government's record in office. In any case, the pact was not the disaster many thought it was at the time. The Liberal Party's poll ratings before the pact were in the 10–12 per cent range. At the 1979 election, the party reached 14 per cent.

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Subsequent events surrounding tuition fees and control orders illustrate the point that there is a trade-off between influence and popularity, a trade-off in which coalition leans towards influence and confidence and supply towards popularity. A Conservative minority government would very probably have proposed policies much worse, in Liberal Democrat terms, than those proposed by the coalition, and would probably have made a deal with Labour to get them through parliament. Labour, after all, introduced tuition fees and commissioned the Browne Review to justify raising them, and its position on anti-terrorism legislation was by far the most authoritarian of the three parties. The Liberal Democrats would thus have escaped much of their current opprobrium, but only at the cost of seeing worse policies put into effect.

One suspects there were other reasons for the decision to reject confidence and supply, although Laws gives away little. One possibility is that those who favoured an alliance with Labour, believing the Conservatives could not offer an electoral reform referendum, purported to prefer full coalition to confidence and supply as a way of excluding the Conservatives from the game, whereas those who favoured the Conservative option believed that ruling out confidence and supply would put sufficient extra pressure on the Conservatives to make a credible offer on electoral reform. Tellingly, Laws reports that during the meeting, Nick Harvey sent him a note saying that the Conservative whips had been asking their backbenchers whether they might accept an AV referendum as the price of coalition, information Laws passed immediately to Nick Clegg. As Laws says, 'This was helpful confirmation ... that the ice on the Conservative side was thawing.' It also improved the odds on going for broke.

Meanwhile, in circumstances that remain controversial among Conservative backbenchers, some of whom accuse David Cameron of misleading them that Labour was about to offer the Liberal Democrats AV without a referendum, a

proposal only subsequently put to Labour by Chris Huhne and summarily rejected, the Conservatives leadership persuaded its parliamentary party to accept an AV referendum. The Liberal Democrats, having ruled out confidence and supply, then faced a straight choice between coalition with Labour and coalition with the Conservatives.

Most controversy surrounds what happened next. The Liberal Democrat negotiators met the Labour team for the first formally acknowledged time. As Laws reports it, the meeting was a disaster. Peter Mandelson, leading for Labour, was serious and engaged, but Laws 'detected an element of distance' in him. Laws concedes that another Labour negotiator, Andrew Adonis, was 'committed, professional and thoughtful', and clearly pushing for a deal. The problem was the other three Labour participants: Ed Miliband, Ed Balls and Harriet Harman. Miliband rubbished the Liberal Democrats' energy and climate change policy, stressed the indispensability of nuclear power and declared the Lib Dem target of 40 per cent renewables by 2020 'pie in the sky'. Balls complained that the Liberal Democrat £10,000 personal allowance policy was unaffordable (while admitting to an attempt at sharp practice by inserting into Labour's document a misleading promise to increase the personal allowance for pensioners to £10,000), contradicted Labour's own position paper on 2010–11 cuts and kept insisting that any economic issue had to be referred to Alistair Darling, the Chancellor of the Exchequer, who was not part of Labour's team. As Wilson reveals, Darling was an opponent of any deal. Balls also sabotaged discussion of constitutional issues by claiming that Labour's chief whip believed that inducing Labour MPs to vote for an AV referendum would be difficult, despite Labour's manifesto. Harriet Harman managed to throw into doubt Labour's commitment to another proposal in its own paper, the Wright Committee reforms of Commons procedures. The paper conceded reforms 'based on' Wright. When Chris Huhne asked whether that meant Wright 'in full', Harman replied, 'Well, we wouldn't want to throw everything into chaos.'

Naturally, Andrew Adonis took a different view: 'Your people must have been at a different meeting,' Wilson reports him telling Paddy Ashdown after accounts of the Liberal Democrat team's assessment of the encounter reached the media. Adonis, and, allegedly, Balls concluded at that point that the Liberal Democrats were not serious about Labour and had already decided to opt for the Conservatives, a conclusion that, whatever its accuracy, soured all further contacts between the parties. Laws claims that the Liberal Democrat team, though sceptical about whether the parliamentary numbers added up for the Labour option, genuinely tried to reach a deal and concluded only after the meeting that Labour was so divided, or so interested in leadership ambitions, that it lacked the party discipline necessary to make any agreement work, an impression confirmed the following day when Labour ministers and backbenchers queued up to tell the media that Labour should spurn the Liberal Democrats and go into opposition.

Laws' interest in laying the blame for the breakdown on Labour is obvious, but so is Adonis' in the opposite direction. A more charitable explanation is that thirteen years of being patronised and treated with contempt by Labour politicians had sensitised the Liberal Democrats to interpret Labour's characteristically caustic behaviour as deep hostility and lack of respect, whereas Adonis, more accustomed to Labour's aggressive style, concentrated on the positive text he had presented. Another factor might have been that Labour, believing that the Liberal Democrats much preferred a Labour alliance to a Conservative one, wrongly assumed that it needed to give very little to secure a deal.

More important, however, is that, whatever the Liberal Democrats' motives, authority in the Labour Party had, objectively, broken down in the wake of Brown's resignation. Brown was both the main barrier to the negotiations and the only source of authority capable of bringing them to a successful conclusion.

The rest is a forced endgame. Further talks between Labour and the Liberal Democrats were more positive in tone but doomed by each side's assumption that the

other was not serious. The Liberal Democrats reverted to the somewhat surprised and relieved Conservatives and raced to complete the coalition agreement before Gordon Brown worked out that the game was up and made his last move – precipitate resignation as a way of making the new government look chaotic on its first day. The negotiating teams finished their work just as David Cameron left for Buckingham Palace. That night saw the dénouement: the Liberal Democrat parliamentary party and Federal Executive, with only a single dissenting vote, endorsed the deal, thus easily clearing the bar set by the so-called triple lock procedure, originally imposed by the party conference in 1998 to discourage Paddy Ashdown's attempts to forge a coalition with Blair's majority government.

Three themes arise from this tale. The first is the importance of pace. In the Lib Dem team, both Andrew Stunell, drawing on his local government experience, and Chris Huhne – an early advocate of full coalition and thus anxious to allow sufficient time to negotiate a complete programme for government – both favoured giving the negotiations time to develop. Laws, however, supported by Danny Alexander, favoured a rapid pace and an early conclusion, for two reasons. First, Laws was afraid of the media and thought that any attempt to refuse to feed them their favourite diet of constant activity and instant decision would damage not only the party but also the very idea of cooperation between parties. Laws even feared headlines that the Lib Dem team had gone to get some sleep, in consequence of which he himself seems to have taken very little rest. Secondly, Laws, and Nick Clegg, feared the markets. Clegg in particular believed that, in the absence of rapid agreement, 'the markets would go nuts'. From Wilson's account we learn that the Civil Service, in the form of the Cabinet Secretary, Gus O'Donnell, also expected meltdown in the markets failing an agreement by the Monday morning. The Laws view prevailed, with profound effects.

Wilson reveals that the Conservative leadership, too, wanted rapid progress, but largely because, having a much better grasp of

political dynamics than the Liberal Democrats, their first priority was to lever Brown out of Number 10 as quickly as possible. They realised that as soon as Cameron was established in Downing Street, everything, including market sentiment, would change. The Conservatives were therefore determined to create a level of momentum Labour never matched. Labour's chaotic negotiating style was made to look even worse because Labour was so far behind. A bad start in a 1500m race is unimportant. In a 100m sprint, it is disastrous.

The second theme is the difficulty negotiators find in revising their background assumptions. The Liberal Democrat negotiators seemed able to change only one of their assumptions at a time, when, in fact, large numbers of them proved unjustified. The Liberal Democrats held three central assumptions at the start of the negotiations: that, absent any agreement, the markets would 'go nuts' on the Monday morning; that the Conservatives would call a second election in the autumn if the parties agreed anything less than full coalition; and that the Conservatives would offer nothing substantial on electoral reform. All three were shown to be false by midnight on Monday 10 May, but only one of them, the third, had any effect on the party's position.

The dreaded markets barely flickered, although neither Laws nor Wilson notices. The bond markets changed very little even when uncertainty was at its highest – at most an upward interest movement of one-tenth of 1 per cent on some short-term gilts. Sterling remained rock steady against both dollar and euro. The FTSE 100 opened 81 points higher than its Friday close and then rose more than 140 points. Presumably traders had already anticipated all the risks. Even more striking, the average interest rate on UK treasury bills at the tender the day after the election was lower than at the first tender after the coalition agreement, the exact opposite of what the Liberal Democrats and the Cabinet Secretary expected.

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that coalition with anyone was better than confidence and supply. It is striking, therefore, that Wilson maintains that the Conservative leadership had no intention of calling a second election in the autumn of 2010. Wilson reports Patrick McLoughlin, the Conservative Chief Whip, telling backbenchers that the Conservatives would be unlikely to win such an election. The financial situation meant that the government had no choice but to embark on cuts in public expenditure. Especially after the Conservatives' campaign rhetoric about a possible sovereign debt crisis, anything else might prove ruinous. But a cuts programme would inevitably revive Labour.

Liberal Democrat MPs might be forgiven not reading the *Financial Times*, but some did suspect that the Conservatives would shun an early second election. Laws records thinking, during the first substantive negotiating session with the Conservatives, 'Nor could we assume that the Conservative leadership would relish the prospect of a second general election in just a few months, given their failure to secure an overall majority in circumstances which they must have considered to be unusually favourable.' There was no follow-up to that thought, perceptive though it was. In contrast, Liberal Democrat reaction to the Conservative concession of an AV referendum was immediate and positive.

Some might see here evidence of predetermination to choose the Conservative coalition option. Another explanation, however, is that the Liberal Democrats suffered from the common cognitive bias of 'focusing', namely the error of putting too much emphasis on a single characteristic of a situation, to the exclusion of other relevant characteristics, a bias the negotiations themselves set up when discussions between the parties focused heavily on voting reform.

The third theme is surprising: the extent to which the negotiations concentrated on policy to the exclusion of institutional questions. One might have expected more time spent on how the parties would sort out responses to unforeseen events and how they would fill gaps. Perhaps the inexperience of both the Conservatives and the Liberal Democrats led them into the

journalists' error that government is about 'initiatives' and 'announcements' rather than the grind of prioritisation. The real difference between confidence and supply and full coalition, for example, depends on institutional detail. Some versions of coalition give the junior party as little practical power as standard confidence and supply agreements.¹¹

Lack of interest in institutional questions led to a misunderstanding of the practical position of a Labour–Liberal Democrat coalition. Some on the Liberal Democrat side, including the leader, seemed to think that such a government's lack of an overall majority would constantly frustrate spending decisions. But parliament authorises expenditure through bills that set only maximum amounts. Spending cuts require no parliamentary approval. Moreover, no one except ministers can propose increases in expenditure, so that no need would arise to make deals on votes to reverse cuts. The only exception – important but politically manageable with a Conservative opposition – is expenditure that arises out of individuals' statutory rights, such as benefits and pensions.

Admittedly, the government needs a majority for votes on Appropriation Bills as a whole (they are in practice unamendable), but such votes are precisely the stuff of confidence and supply agreements with minor parties. The difficulty for a Labour–Liberal Democrat minority government would have come in steering through tax increases, not spending cuts. But the effect would have been to push policy in the direction of a more bond-market-friendly split between tax and spending. Gordon Brown seems to have grasped the point early on, although his appalling interpersonal skills meant that he failed to persuade Nick Clegg. Paddy Ashdown, after advice from Chris Rennard, seems to have grasped it a day later, which explains his sharp shift on coalition with Labour, but most Liberal Democrats remained in thrall to their initial assessment.

Lack of institutional imagination also seems to have contributed to what has proved so far the worst decision made during the negotiations, although lack of political will was probably more important: that Liberal Democrat

MPs could abstain if they disagreed with the government's response to the Browne Report on higher education. As we now know, only five Lib Dem MPs abstained on the votes to increase fees to £6000–9000. Twenty-eight voted with the government and twenty-one voted in accordance with their individual pledges to the electorate to oppose any increase.¹² Student demonstrations raged outside parliament and the party's opinion poll ratings plunged to near Thorpe crisis levels. The decision was made during the final scramble. It failed to specify how the government was to come to its decision on how to respond to Browne, thus begging the only question that mattered. Labour's 10 May offer suffered from the same fault – it offered a 'national debate' on Browne's recommendation with no way of distilling that debate into a decision, but at least it omitted the abstention proposal. How that proposal was made remains unexplained in both Laws and Wilson. It certainly appears, however, that the abstention idea had already been used to finesse another difference between the parties, namely favourable treatment for marriage in the tax system, and it was used a third time later in the document to deal with nuclear power. The three cases are, however, fundamentally different: most Liberal Democrat candidates had not made public pledges to vote against marriage tax breaks or nuclear power national planning statements, and had not highlighted their positions in election literature.

Greater interest in institutional matters might have helped generate mechanisms better suited to the political circumstances (e.g. proposing public all-party talks on Browne before issuing a White Paper, to put Labour on the spot rather than the Lib Dems). But Laws admits that he opposed the Liberal Democrats' policy on fees, and Wilson quotes internal Liberal Democrat pre-election documents in which the negotiating team agrees not to die in a ditch for it. One suspects that the leadership thought the negotiations provided an excellent opportunity to abandon a policy it never wanted, but underestimated, massively, its political importance.

One might question how far these errors mattered in the end.

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Even if Liberal Democrat negotiators had given themselves more time, properly discounted the risk of an early second election and taken care to compare the deals offered to them as a whole, the fundamental problem would have remained that, without a permanent leader, Labour fell apart to the extent that it was incapable of making any deal stick. It was not even clear how it would decide to accept or reject any deal. There is an important lesson here. Unless we can discover how to bind a leaderless party to a coalition deal, it is incompatible to call for a party leader to resign and still to expect the party to negotiate a coalition.

But that still leaves the choice between full coalition and confidence and supply with the Conservatives. More time, better estimation of the risks of a second election and careful consideration of a greater range of institutional arrangements could have produced a different outcome. It may be, however, that the Liberal Democrats would have chosen full coalition anyway, consciously sacrificing their poll ratings, and even their entire future as a party, in exchange for greater influence. But at least they would have made that choice with their eyes open.

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- 1 They are: a pre-election Liberal Democrat draft 'confidence and supply' agreement for use with either other party, the Conservatives' and Labour's opening proposals from Saturday 8 May, the Conservatives' draft of a 'confidence and supply' agreement from the following Monday, their later written offer of a referendum on electoral reform, Labour's revised coalition offer of the same day and the final coalition agreement between the Conservatives and the Liberal Democrats of the evening of Tuesday 11 May.
- 2 There is also a case for reading Laws' narrative before Wilson's, if only for

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the dramatic effect of learning how wrong certain people were at various points of the negotiations. The best example is Laws' account of Paddy Ashdown's desperate attempts to enlist a globetrotting Tony Blair to intervene with Gordon Brown to persuade him to facilitate Lib–Lab negotiations. Only when we turn to Wilson's account do we learn that Blair opposed any deal with the Liberal Democrats and told Brown so. Any parallels with 1997–98 are far from coincidental. As Conrad Russell once remarked about Paddy Ashdown's relationship with Blair, 'Love is blind.'

- 3 See Laws' Appendix 5, paragraph 1.4.3. 'Reallocate a proportion of any identified in year 2010–11 savings to the promotion of growth and jobs.' Notice only 'a proportion'.
- 4 Interestingly until the very last stage of the negotiations with the Conservatives all parties seem to have agreed to four-year fixed terms. The idea of a five-year fixed term appeared very late – possibly as a knock-on effect of agreeing a five-year deficit elimination timescale.
- 5 J. Attali, *Tous ruinés dans dix ans?* (Paris: Fayard, 2010) at pp. 127–130.

- 6 See UK Debt Management Office, *Annual Report 2009–10*.
- 7 G. Akerlof and R. Shiller, *Animal Spirits* (Princeton NJ: Princeton UP, 2009)
- 8 The Liberal Democrat negotiating team declined opportunities offered by the Cabinet Secretary to be browbeaten by officials, but only because they were in no further need of persuasion.
- 9 One explanation is that many of leading Lib Dem MPs were themselves economists by background, with a bias to the City rather than the universities (Laws, Huhne, Cable, plus PPE graduate Alexander). Perhaps they felt that consultation with mere academia was unnecessary.
- 10 Aeneid Book VIII, lines 485–499. As Vergil says, this is 'tormenti genus'.
- 11 The two parties later negotiated a set of institutional arrangements whose main characteristic is that they place an immense burden on the leader of the Liberal Democrats, a burden that seems incompatible with his retaining substantive departmental responsibilities.
- 12 Three were absent: Martin Horwood, Chris Huhne and Sir Bob Smith.

Lloyd George and Wales

J. Graham Jones, *Lloyd George and Welsh Liberalism* (National Library of Wales, Aberystwyth, 2010)

Reviewed by Kenneth O. Morgan

AS VOLTAIRE might have said, if John Graham Jones did not exist he would have had to be invented. As head of the Welsh Political Archive established at the National Library of Wales in 1983, he has become an irreplaceable figure in the scholarly life of Wales. He has a unique knowledge of the rich collections under his care (many of them housed in Aberystwyth as a direct result of his own energy and initiative) and he has been a generous adviser to other scholars working on the archival riches deposited in that monumental Cymric Parthenon overlooking the tranquil waters of Cardigan Bay. Travelling to this Welsh copyright library is a lengthy business, demanding a large volume to while away the time on David Davies' Cambrian railway as it

meanders through mid-Wales. But a meeting with the deeply learned, if deceptively modest, Dr Jones is always *vaut le détour*. For the first time, after selflessly helping other scholars for three decades, he has branched out with a major work of his own. It consists of twenty-eight chapters – all of them essays that have been previously published in local Welsh historical journals save for one that appeared in this journal. The focus is on Welsh politics between the late 1880s and the 1940s. In itself, this is a fascinating theme, on which previous scholars have written during the resurgence of modern Welsh history over the past half-century. But since the main emphasis is on episodes in the career of David Lloyd George, that ever-present magnet for legions of authors from Beriah Gwynfe Evans