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A full cup: Three Acts of the British Parliament

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The University of Arizona, 1987

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A FULL CUP: THREE ACTS OF THE
BRITISH PARLIAMENT

by

Donald Edward Heidenreich, Jr.

A Thesis Submitted to the Faculty of the
DEPARTMENT OF HISTORY
In Partial Fulfillment of the Requirements
For the Degree of
MASTER OF ARTS
In the Graduate College
THE UNIVERSITY OF ARIZONA

1987

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ACKNOWLEDGEMENTS

The author wishes to thank those who assisted in the writing of this thesis. Dr. Ray Kelch, San Francisco State University, who assisted in the initial research into the topics covered by this work, and for his help in defining the area to be covered in the Thesis. Dr. Arthur Mejia, San Francisco State University, who prevented me from straying far afield during the writing of the original paper from which the thesis evolved. Dr. Charles Middleton, University of Colorado, who guided my research during a visit to his institution. Dr. Richard Cosgrove, University of Arizona, who directed and guided the writing of this thesis, without his assistance this work would not have been completed. And finally to my wife, Lynn King Heidenreich, who put up with all the late nights I spent writing, and always saw the end even when I could not, her encouragement helped me through many bad times.
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ABSTRACT

The purpose of this thesis is to examine the political background of, and inter-relationships between, three important Acts of the Liberal Government of Herbert Henry Asquith (1908-16). The thesis shows the logical progression from the budget of 1909 through the Parliament Act to the final passage of Home Rule. It also discusses that without the error made by the Unionist Lords in rejecting the budget of 1909, the Parliament bill would not have been passed. The passage of the Parliament Act allowed the Liberal party to fulfill Gladstone's desire to pass an Irish Home Rule Act despite the anger of the Unionists in both Houses of Parliament. The question of Home Rule split Britain and Ireland during its passage through Parliament. Only the war prevented the implementation of Home Rule and possible civil war in Ireland.
CHAPTER 1

INTRODUCTION

On December 4th, 1905 Arthur Balfour resigned as Prime Minister of the United Kingdom due to internal disorder within his ruling Unionist coalition. There was a growing split between the tariff reformers and the free traders within Balfour's government; he hoped that after his resignation the badly split Liberals would not be able to form a government and the King would have to call him back to lead a new government without the leaders of the two opposing movements in the Cabinet. His plan, while good, failed, and Balfour became the last Prime Minister to resign without losing an election or vote in the Commons.

On that same December day King Edward VII called in Sir Henry Campbell-Bannerman, the Liberal party leader, and asked him to form a new government. Campbell-Bannerman accepted the challenge. Balfour had not counted on the rise of the free trade issue, which split his party, reuniting the Liberal party; this made Campbell-Bannerman's job easier but did not solve all his problems. The Imperialists within the party had problems with Campbell-Bannerman's radical policies, but their leaders, Herbert Henry Asquith, Richard Haldane, and Edward Grey all agreed
within two days to enter the new government. The major players in the new government were: Herbert Henry Asquith, Chancellor of the Exchequer, and heir apparent to the Prime Minister; Edward Grey, Foreign Secretary; David Lloyd-George, President, Board of Trade; John Morley, Secretary of State for India. The old Parliament was at once dissolved and new elections held in January 1906. It took three weeks to obtain all of the results, but it soon became obvious that the Liberals would have more than a working majority, but a vast majority over all parties. The Government had gained 513 seats (400 Liberals, 83 Irish Nationalists, 30 Labor), the opposition had 157 seats (132 Conservative, 25 Liberal Unionists); thus giving the Government a majority of 356 over the Unionists, and the Liberals a majority of 130 over all parties. But these numbers are deceptive because the popular vote breakdown gave the Liberals 49% and the Conservatives 43.9% (Lloyd 1970, p. 9). It would take only a small swing in the popular vote to change significantly the size of the Liberal majority in the next election.

Early in this parliament views of the future were given by both sides. Balfour stated that even out of power the Unionists could rule the country through their permanent majority in the House of Lords; while Lloyd-George warned that the Government would not let the
people's will be thwarted forever. But Churchill seems to have seen the future best when in 1907 he said: "We have got to pass one or two good Radical budgets first. We have got to formulate and develop our policy upon the land—we have got to educate the country on the constitutional issue involved in the present position of the second chamber. The battle between the Lords and the Commons has to be fought out in Parliament first—then it will be fought out afterwards in the country. A great constitutional issue has been raised" (Churchill 1967, p. 309). Churchill was only wrong in that it was the first Radical budget, the budget of 1909, that would begin the confrontation that would finally settle the rivalry between the Liberals and the House of Lords. The conflict ended when the Lords curtailed their own veto with the passage of the Parliament bill of 1911.

The Britain of 1905 and the Britain of 1914 were not identical; during this decade the political structure of the twentieth century altered significantly. And for this reason the study of the process of change is necessary. The People's budget was not created to change British politics, but it became the vehicle for change, for from it sprang the Parliament Act of 1911 and the Home Rule Act of 1914. The purpose of this work is to show the
inter-relationship of these three Acts that so greatly affected modern British politics.
CHAPTER 2

THE BUDGET OF 1909 AND THE LIBERALS

At a quarter to three the Speaker of the House took his seat opening the day's session. For the next few minutes the house occupied itself with ordinary business as it awaited the primary attraction of the day. Finally, the Chancellor of the Exchequer entered from behind the Speaker's chair to cheers from all quarters of the House; the main event was about to occur. With the Chancellor was the dispatch box, which had become a tradition since the days of Gladstone; it contained the Government's budget for the coming year. As David Lloyd-George, Chancellor of the Exchequer, took his seat on the Treasury Bench he sat between the two men who would be his closest allies in the coming months; on his left hand sat Prime Minister Henry Asquith, on his right the President of the Board of Trade, Winston Churchill.

At 2:55 p.m. the Chancellor rose to cheers from the Government benches, for it was Budget day, April 29, 1909. Lloyd-George was about to present the most controversial and important budget of this last Liberal Government. As he spoke he looked and sounded like a tired man; and he was, for he had spent the previous few nights working hard
to put the finishing touches on his first budget speech. As he began he praised his predecessor (Prime Minister Asquith had been Chancellor in Campbell-Bannerman's Government). He then reminded the members of the report he had passed out earlier in the day, which showed the Government's financial position for the previous year, and the next year's projected financial position.

What followed was the worst speech of Lloyd-George's career. It lasted four and a half hours, and often left members with the impression that Lloyd-George did not understand what he was reading (Rowland 1975, p. 216). Even members of the cabinet stated that Lloyd-George did not really understand the nuts and bolts of his own budget. The speech itself seems not to have assisted the members in understanding the new budget. It was only when examined by the members in the following days were they able to grasp all the ramifications of the new budget (Rowland 1968, p. 215). This budget became the rallying cry for both political parties in what would become one of the most important fights in British political history; but it began life as a major problem within the party of its creation.

The budget originated in controversy. The Cabinet spent many hours hammering out every detail of the new, radical budget. The item of biggest contention in the Cabinet was the Naval estimate for the year. The Navy was
replacing its old capital ships with the new Dreadnought class. The important question was how many were needed to maintain the traditional two-power standard since the passage of the German Naval Laws. This question nearly split the Cabinet, and threatened to bring down the Asquith government. The more radical members of the Cabinet felt that the Navy only needed four ships laid down that year. The Imperialist members felt the growth in the German Navy warranted the country building six new ships. Early in the Cabinet debate Lloyd-George and Churchill, radicals, both talked of resigning if any more than four ships were authorized. Churchill was serious, and willing to ruin his career for nothing. But Lord Esher thought Lloyd-George an Imperialist at heart and willing to accept any size deficit just to get his budget to the House (Brett 1934, p. 370). In late February, it looked as if the Economists, a name given Lloyd-George and Churchill's group because of their desire to save money and not based on academic training, might win out. In response Reginald McKenna, First Lord of the Admirality, began to speak of Asquith's "weakness"; and he told Edward Grey, Foreign Secretary, he would resign. Grey told McKenna he agreed with him and if McKenna went Grey would go also. Grey then told Asquith of his conversation with McKenna and the threat to his Government from the other side
(De Mendelssohn 1961, p. 477-78). To save his government Asquith, at the end of February, proposed a compromise in which four ships would be laid down immediately, and four more if there was proved a need. The compromise held the government together; the Economists had lost, for all eight ships would be authorized before year's end.

Admiral Sir John Fisher, First Sea Lord, loved the compromise, as he saw the chance to get eight ships and not just the six he had requested. Admiral Fisher, before the Cabinet battle was over, wrote J. L. Garvin, editor of The Observer: "The beauty of it is that though six are sufficient I'm going for eight!!!" (De Mendelssohn 1961, p. 474). The compromise created two problems for the Government: where to get the money for the four additional ships, if they were to be built; and the Unionists wanted the additional ships built immediately. The conservative cry inside and outside of Parliament became "we want eight, and we won't wait" (Magnus 1964, p. 517). Admiral Fisher and Arthur Balfour, Conservative leader, worked with the conservative press to create a naval scare in which it appeared that the Germans were outstripping the British in naval building (Brett 1934, p. 378). Unionists complained that the country should not be concerned with building too many ships, but too few. The Prime Minister's personal
position was never made clear; but by July the Government commissioned the production of the additional four Dreadnoughts with hardly a whimper of dissent.

The Government not only had to pay for the additional ships, but also for the pension program established under the Campbell-Bannerman government. The previous year the national surplus covered the pension program, but Asquith had cut back the sugar duty that had created the surplus in the budget of 1908, and now Lloyd-George had to find a way to pay for this major social program (Chamberlain, p. 153).

The expense of the Dreadnoughts and the pension program left a deficit of 15,762,000 pounds. Additional expenses of 100,000 for labor exchanges, 200,000 for development, and 50,000 for other purposes left a total deficit of 16,112,000 pounds (Rowland 1975, p. 216).

A multi-fold program was created to deal with the deficit. First, the Government would lower payments on the National Debt by 3 million pounds (Rowland 1968, p. 218). This was the only major cut, the rest would have to come from increased taxes, especially on land. The new land taxes were unpopular even among the members of the Liberal party. Many of the Liberal backbenchers sent letters to the Government asking they not be proposed for fear
of losing the Whiggish members of the party. But Lloyd-George, with Asquith's backing, stood firm and the majority of the new taxes were forced through the Cabinet.

A tax bill by itself containing the new proposals stood no chance in the upper house; the only way possible for the Government to get its tax program through the House of Lords was to include it in the year's budget. This was not an unprecedented idea; Asquith had used the budget to make minor tax changes when he was Chancellor (Oxford and Asquith 1926, p. 6).

The Lords had caused the Government problems by amending to death, or simply defeating important Liberal legislation. The defeat of the Education bills and the Licensing bill were designed to attach the Government on issues that would provoke only special interest groups within the Liberal Party. Such provocation, the Unionists hoped, would lead to disenchantment with the Liberal party and the Government. The Unionists carefully avoided confrontations on issues about which the general public would be concerned; for this reason they allowed the Trade Disputes bill, and the Labor Exchange bill, among others to pass. Thus, the Unionist Lords avoided threats to their position by a hostile public.
The method of including the new taxes in the budget bill presumably formed a safe way to ensure the passage of the taxes because the House of Lords, by tradition, could not defeat a finance bill. Yet this was not a guarantee of the Lords accepting the bill, for there was nothing in law to prevent the Lords from acting in what they felt was the country's, or their own, best interest. In the Parliamentary debates of 1688-9 the Commons passed resolutions stating they had the control of the purse of the nation. By 1910 Commons control of finance was accepted as true and right, for it had been 250 years since the Lords had tried to force the issue (Jenkins 1964, p. 199).

There had been two other major constitutional crises that eventually pitted the houses against each other, but in neither case were money bills the primary question: in 1711 it was the treaty of Utrecht, and in 1832 it was reform of parliament. The Lords did not claim the right to oppose the wishes of the nation, but they did claim the right to send a matter to the nation for a vote of the people. During April of 1909, before the introduction of the budget Unionist Lords made a number of speeches implying that if they found the year's budget unacceptable they would and could defeat it so the question could be decided by the country (Times of London 1909a, p. 7c).
While some historians argue that the idea of defeat in the Lords was not considered by the Government, it appears that some consideration had been given even before the presentation of the budget. In December 1908 Lord Riddell said Lloyd-George ridiculed the rumors of the Lords rejecting the next year's budget (Riddell, p. 10). And in April 1909 as a Tory member of the upper house stated that they (the Lords) were not prevented by anything constitutional from vetoing a budget if they felt it necessary (Times of London 1909b, p. 8e). On the eve of the budget introduction Churchill said of the situation, "Tomorrow is the day of wrath! I feel this budget is either cure or kill. Either we shall secure ample funds for great reforms next year or the Lords will force a dissolution in October" (Churchill 1967, p. 312). The Government certainly had intimations that the opposition had prepared the constitutional ground for a possible fight over a controversial budget.

The Lords were not the first problem the Government had to resolve. There was opposition among the Government's supporters and a long fight in the lower house to deal with first. The Whigs within the Liberal party, as well as the Irish and Labor parties were unhappy with the new budget. The Whigs did not like the new land taxes which affected the upper class Liberals. The Irish did not like the land,
liquor or tobacco taxes which the Irish felt hit them particularly hard. And Labor felt the budget did not go far enough on the road of social reform. But with the Liberals' large majority the disapproval of these groups was more an inconvenience than a danger to the Government. Thus, as he gave his budget speech the Chancellor had no reason to fear the lower house, but could anticipate a battle in the Lords.

As Lloyd-George opened his speech he informed the House of the three principles upon which the taxes in the budget depended. First, the taxes must be able to meet not only the present year's problems, but they should grow to meet the future needs of the country. Second, these new taxes were not to harm British trade or commerce. Third, that all should pay a share in the upkeep of the nation, and none should be exempt simply because of the size of their income level (Douglas 1977, p. 114-5).

Direct taxation was the most effective and least speculative way, according to the Chancellor, to produce the national revenues needed to meet the national needs. The first change proposed affected the personal income tax. The tax on income under 3,000 pounds was to remain the same; 9d in the pound up to 2,000; and 1s in the pound between 2,000 and 3,000. All others would pay is 2d a pound, an increase of 2d a pound. The Government also
wanted to assure further relief to those in the lowest income bracket (500 and below) by giving those families a special abatement (deduction) of 10 pounds per child for every child under 16. The abatement was given because single people should be able to live upon their income better, and they paid less in indirect taxes (Douglas 1977, pp. 116-8).

The next change was the addition of a super income tax. After discussing a number of options as to how to set up the tax the Chancellor set out his proposal of the tax on all incomes of over 5,000 pounds a year. The taxed amount would be all the income in excess of 3,000. Thus a 5,001 income would have 2,001 taxed the super rate which was 6d to the pound. The machinery for this new tax was to be independent of the old system, and the assessments were to be made by special commissioners. Lloyd-George expected this to be very lucrative source for the Government in the future but for 1910 it would only produce about 500,000 pounds (Douglas 1977, pp. 118-9).

On the topic of death duties he did not propose to increase the tax rates, only to shorten the steps between the rates. Thus the high end of the spectrum, 15 percent, would be reached at 1,000,000 rather than 3,000,000, while the rate for estates under 5,000 would remain 1, 2 or 3 percent based on the estate's value. The Chancellor
believed the change would raise 2,550,000 pounds in 1909-10 (Douglas 1977, pp. 119-20).

The taxes on the public houses were discussed next. The Chancellor proposed changing the system of taxation from one of a declining sliding scale based on 50% annual value to a flat 50% with a set minimum tax. The local houses in rural areas were accepted as fulfilling a true need and thus their minimum was to be increased by only 10s to 5 pounds a year; while many of those in urban areas were, according to Lloyd-George, a menace to society. The only reason they still existed was that they survived from the pre-1872 period. They also in many cases made profits out of proportion with their size; thus, he saw no reason they could not meet the new minimum rates: which were 10 pounds in urban areas between 2 and 5,000 in population; 15 in areas between 5 and 10,000 in population; 20 in areas between 10 and 50,000; 30 in areas between 50 and 100,000 and 35 in areas over 100,000 (i.e., London) (Douglas 1977, p. 120). This move was designed to placate the temperance and non-conformist movements within the Liberal party.

The next series of proposals were the most controversial: new land taxes. The Chancellor's new taxes did not aim at agricultural lands which were in many areas having financial problems, but at land that had some other form of value to its owner. According to Lloyd-George,
those owners who had made expenditures to improve the value of their land deserved full credit for their efforts, but where owners gained only because of the growth in a surrounding urban area they should have the unearned income on that land taxed. The Chancellor argued that the terms of agricultural tenancy, which were bad in many cases, looked good when compared to the terms of urban tenancy (Douglas 1977, pp. 120-1). These new taxes would also make investment to improve urban housing worthwhile by lowering the taxable value of improved land. To facilitate the Government's encouragement of the best use of the nation's land (through negative tax incentives), and to increase the national income the Chancellor made three proposals: to tax the unearned income on land, place a duty on undeveloped land, and initiate a reversion duty on leased land.

The levy on the unearned increment taxed the amount of the land value that was gained by simple appreciation, which occurred when the value of surrounding property went up. Thus the owner did not gain from his own enterprise, but from the enterprise of others. The amount of the tax would be 20% of increase in the value of the land. Improvements made by the owner would not be taxed. The assessments would not be retroactive, but based on 1909 values. The tax would be paid on sale of the property, or death of the
Lloyd-George felt this new land tax would only be worth 50,000 pounds in the first year, but would increase in the future (Douglas 1977, pp. 122-3).

The second land tax imposed a duty on undeveloped land. This was a tax on land that was not previously used to its best financial advantage. This tax aimed at those who accepted a low income from their land while hoping to make up the loss with a higher price in the future, in other words a land speculator. The tax would be 1/2d in the pound on the value of the land. There were exceptions such as land valued under 50 pounds an acre, agricultural lands, gardens, pleasure grounds, parks, and spaces open to the public. This new tax was to bring in about 350,000 in 1909-10 (Douglas 1977, pp. 123-5).

The last of the new land taxes was a reversion tax. The tax was on the increased value that accrued to the land during the term of a lease, and was received by the owner once the lease had expired. The tax was set at 10% of the accrued value and would amount to about 100,000 in the first year (Douglas 1977, pp. 125-6). In total the land taxes were expected to bring in only 500,000 or about 1/32 of the need; but Lloyd-George argued would that these taxes accomplish the goal of meeting the future needs of the country.
The final new taxes were what in America were called sin taxes on tobacco and liquor. The increased tax on spirits was designed not only to gain additional income but to lower consumption. The new excise tax of an additional 3s 9d per gallon was designed to force sellers to raise their prices to the consumer, and thus to drop consumption of liquor (Douglas 1977, p. 126). In spite of all these new taxes the Government fell short by 2 million pounds. Lloyd-George decided to make up the difference through an additional duty on tobacco. Thus he proposed to increase the duty on unmanufactured tobacco containing 10% or more moisture from 3s to 3s 8d a pound, with a corresponding increase in other tobacco products (Douglas 1977, p. 126).

Once the Chancellor had finished outlining his proposal he thanked the House for its indulgence and fired the opening shot of the debate. As he warned the House:

I am told that no Chancellor of the Exchequer has ever been called on to impose such heavy taxes in a time of peace. This, Mr. Emmot, is a war budget. It is for raising money to wage implacable warfare against poverty and squalidness. I cannot help hoping and believing that before this generation has passed away we shall have advanced a great step towards that good time when poverty and wretchedness and human degradation which always follow in its camp will be as remote to the people of this country as the wolves which once invested its forests (Douglas 1977, p. 127).
After Lloyd-George sat down the former Chancellor, Austen Chamberlain, rose to make the traditional opposition response to the budget address. As he spoke he felt out of place for he, like almost all of the members of the House, did not understand the majority of the budget speech. So the address that signaled the opposition's opening shot of the debate was a statement of generalities. The beginning of the debate over specifics would have to wait for another day. The Unionist leader's hopes began to grow when Liberal members admitted the Chancellor did not always understand the clauses he talked about. The next day the Unionists began to prepare for their assault on the budget by creating four committees out of 40 members (Chamberlain 1936, p. 176); slowly the Unionist leaders became confident that the new budget was weak and they could make the Government sweat during the debate, even if they could not defeat it. During the debate Unionist leaders felt that Lloyd-George did not always give direct answers to direct questions, and often used irrelevant arguments. To the Unionist leaders he was out of his league (Chamberlain 1936, pp. 178-9) and this presented them the perfect opportunity to attack the Government.

Soon after the budget's introduction, Lloyd-George asked his Unionist friend and member of Parliament, F. E. Smith, about the possibility of a budget rejection by the
House of Lords. Smith answered that he believed their Lordships would not be such fools as to veto it (Campbell 1983, p. 198). Lloyd-George it seems, unlike most other members of the Government, considered the Lords veto of the budget at least possible.

During the summer of 1909 the debate continued without the House taking its normal recess. The debate soon spread out from Parliament to the country, with both a Budget League (headed by Winston Churchill) and a Budget Protest League (a Unionist organization) formed to take their cases to the public. During these early months Lloyd-George had stayed in London guiding the budget through the Commons; but on July 30th Lloyd-George left the House to make a speech at Limehouse. Up to this time Lloyd-George's speeches had been for the most part quiet and diplomatic. But the old radical Lloyd-George (pre-1906) returned at Limehouse to make a firebrand speech against the Lords. He complained, "Oh, these dukes, how they harass us!" (Rowland 1975, p. 220). He then described a lord, "he has one man to fix his collar and adjust his tie in the morning, a couple of men to carry his boiled egg to him at breakfast, a fourth to open the door for him in and out of his carriage, and a sixth and seventh to drive him" (Churchill 1967, p. 314). Finally he asked the audience who would run the country "the King and the Peers? Or,
the King and the People?" (De Mendelssohn 1961, p. 489).
The King was offended, by both the characterization of the Lords, and at being drawn into a political struggle. Lloyd-George wrote to the King explaining the reason for his attack and assured the King that his response was justified in light of the personal attacks against him. The King did not agree, feeling that a minister of the crown should be above such actions. The relationship of Lloyd-George to the King would not improve soon, for on October 9th at Newcastle Lloyd-George would give another speech attacking the Lords. As he stated, "a fully equipped Duke costs as much to keep up as two Dreadnoughts, and they are just as great a terror, and they last longer . . . . The Lords may decree a revolution, but the people will direct it" (Rowland 1975, p. 222). For Lloyd-George after Limehouse there was no turning back, for the fight with the Lords was joined in full measure.

By September of 1909 many Unionists were spoiling for a fight with the Liberals. Because of the Government's large majority there was little chance of an election before the end of the Parliament in 1913 under normal circumstances; but now they had an issue on which many Unionists felt strong enough to chance even rejection in the Lords and all the constitutional issues it would raise.
They now felt they might defeat the Government in the next election under the banner of tariff reform.

Even within the Liberal party there were elements opposed to the budget. Lord Rosebery, a former Liberal Prime Minister, opposed what he thought were socialist ideas in the budget. Rosebery gave up his Liberal association after resigning the party leadership because he saw himself as out of touch with the rest of the Liberal party (Oxford and Asquith 1926, p. 278), though asked, he would never rejoin the mainstream liberals. In September Austen Chamberlain heard rumors that Rosebery wanted to move the rejection of the budget by the Lords, but this did not come to pass.

In spite of all this activity no one was sure what the upper house would do when it received the budget. Lord Rosebery was the speaker most awaited by the other members; as a leading nonaligned Lord his counsel might sway uncommitted members. Lord Morley, a Liberal Minister, believed Rosebery would suggest that the budget was not a budget at all; but merely a licensing and land bill tacked on to a budget (Brett 1934, p. 406). Thus, the Lords had the right to reject it. When Rosebery spoke on the 12th of September he opposed the bill, but said nothing he had not already made public. He left open the major question of whether the Lords should reject the budget or not. According to
Esher, Rosebery had a great opportunity to influence the House but lost it through his lack of resolution (Brett 1934, p. 408). It would not be long before the House had its course set, and the battle between the Lords and the Liberals joined.

By the end of September Arthur Balfour, the Unionist Party leader, had decided that the Lords should reject the budget. But he did not want to appear to tell the Lords what to do, so Liberals could not argue that the Lords were the servants of the Unionists in the inevitable election campaign. Yet even this policy was not universally accepted; Lord Esher thought rejection a bad policy that would start an unnecessary fight in which the Lords could only lose. Lord Balfour and a few others shared Esher's view, but to no avail.

As the Government became convinced the Lords would reject the budget the activity in the Commons began to change. The Government went from desiring quick passage to slowing down the process while it reassessed its position and prepared for an election (Chamberlain 1936, p. 182). The important question was when would the election be held? The Unionists hoped for January elections so that a new voter register and increased unemployment might assist in their bid to turn the Government out. Unionists felt the Liberals wanted December elections in order to negate the
Unionist's advantages (Chamberlain 1936, p. 184), but it turned out that the Unionists received what they wanted.

By October the King hoped to protect his own position by preventing a constitutional crisis into which he might have to intervene. He asked Lord Esher to inform him of any precedents for the King dealing directly with opposition party leaders. Esher informed the King that there were three such precedents: 1) In 1832 William IV called on Tory leaders to tell them of the possible use of his prerogative in order to ensure the passage of the Reform bill. Then Prime Minister Lord Grey had full knowledge of the meeting. 2) In 1869 Queen Victoria talked to both the Archbishop of Canterbury, and opposition leader Disraeli to support the passage of the Irish Church bill. Gladstone was kept fully informed of the Queen's actions. 3) In 1884 Queen Victoria sent for Lord Cairns and the Duke of Richmond to arrange the passage of the year's Reform bill. Gladstone knew and approved of the Queen's actions. Esher concluded such actions were constitutional as long as the Prime Minister approved and was kept informed of all that happened in the meeting (Brett 1934, p. 413). When the King asked Asquith about such a meeting, Asquith quickly agreed that a meeting between the King and the opposition Leaders was a good idea. Balfour and Lord Lansdowne were at first reluctant for such a meeting, but did agree
to meet with the King. While pleasant and informative the meeting had no effect in preventing the impending crisis. The opposition leaders had a party that wanted to fight the budget, and any other course threatened a revolt in the ranks.

With a crisis looming the government had to decide what its policy toward the Lord's veto would be. One possible solution suggested in Cabinet was the granting of the King's prerogative to the Prime Minister of the day for use in conflicts with the Lords; but this idea died quickly. The idea of asking for a promise by the King to create peers if the Government was returned was also rejected as not appropriate at the time; especially since the King had made it clear he would not consider the use of his prerogative to create peers until after a second election specifically on the topic of the Lord's veto (Douglas 1977, p. 41).

On November 30, 1909 the Lords rejected the second reading of the 1909-10 budget by a vote of 350 to 75. The Government quickly passed resolutions in the Commons condemning the Lords' actions, then went to the King to ask for a dissolution of Parliament and new elections. The election date was set for January 8, 1910. The issues were simple for the Liberals, the Budget and the Lord's use of
their veto, while the Unionists strove to present Tariff Reform as their alternative to the Lloyd-George budget.

The January election returned the Liberals to power but with a much reduced majority. Now instead of a majority over all parties they had only two more seats than the Unionists (275-273), and were now dependent on the Irish and Labor parties to stay in power. The Government would now have to pay a price to pass the budget: removal of the Lord's veto and eventual Home Rule for Ireland.

The Irish had voted against the budget during the previous session, but now would be needed to support the Government. The question was would the Government be willing to pay the price? And would the Irish trust the Government enough to trade their votes? The Irish wanted the question of the Lords' veto handled before they voted on the budget. The Irish also wanted concessions in the budget that would reduce the effect on Ireland from the new taxes on land and liquor. But Asquith decided early in the new Parliament the 1909 budget had to be passed as it was and if the Irish did not like it they could vote against it (Cosgrove and McCartney 1979, p. 297). The Irish would not accept that answer, so something had to change if the Government was to survive.

These were dark days for the Government. At one point Churchill felt they would not be able to survive
beyond a couple of weeks because of the Irish demands (Cosgrove and McCartney 1979, p. 281). There appeared a growing feeling in Ireland to break the alliance with the Liberals and resume the fight for Home Rule alone. Yet Redmond and Dillon saw this as their best chance for Home Rule. They understood that by themselves or with the Unionists in power Home Rule had no chance of passage. Thus, while they could make a lot of noise and create some heat for the Liberals, they could not afford to vote the government out.

In February Lloyd-George conducted private talks with members of the Irish party in an attempt to placate them with possible compromises on the budget. One possibility they discussed was an amendment of the liquor taxes in the 1910-11 budget, but the Cabinet would not accept the idea of amendment to the present budget. Asquith went as far as to tell the King that the government might be defeated on the budget because they were not willing to buy Irish votes by amending the budget (Jenkins 1964, p. 209). According to Asquith the Irish would have to vote their consciences on this issue, but they would have reason to support the government.

For all the Government's talk of not caring, some concessions were made to the Irish, but not in the budget. In late February 3 resolutions were introduced and
eventually passed regarding the Lords' veto power and the length of parliaments. The first said the Lords should have no power over financial bills; the second that their veto would be restricted over other bills; and third that parliaments would only last five years (Oxford and Asquith 1926, p. 96). These resolutions passed the Commons, but were not binding upon the Lords. Then on April 14th the Parliament Bill was introduced into the Commons as a compilation of the three earlier resolutions. The attention of the parties was now turned to the new issue of the Lords' veto, and the budget would sail through both houses to final passage.

On April 19th the budget was re-introduced into the Commons and passed quickly with only token opposition. The Lords took only a single day before sending the budget to the King who on April 29, 1910, a year to the day after its introduction, gave the Royal assent.

The passage of the budget into law did not end the drama that had begun a year before, but was simply the first act in a play that would continue over the next 16 months and would permanently change the relationship of the players to each other. When the crisis was finally over the Lords would lose their power over the Liberals, and the Irish have their chance at Home Rule.
The December 1905 resignation gamble by Arthur Balfour, the Unionist Party Leader, failed when Sir Henry Campbell-Bannerman was successful in pulling together his badly split party to form a minority government. The split within his own party over tariff reform, and the new unity of the Liberals, to defend free trade, came together to assist the Liberal Government in the months that followed. When the King dissolved the Parliament and set a new election for January 1906, the Unionists were in disarray and not prepared to fight an election. The results of the election surprised both parties when the Liberals won one of the most lopsided majorities in Parliamentary history. They began the session with a majority of 356 over the Unionists, and 130 over all parties.

The size of the Liberal majority did not keep them from becoming increasingly despondent as the Unionist controlled House of Lords worked its will over Liberal legislation. The Unionists developed a strategy of slowly grinding the Liberals down by defeating selected parts of the government agenda. Their plan was so effective that by the
end of 1908 the Liberals were feeling impotent both in and out of Parliament. The feeling was strong enough that three members of the Cabinet considered the dissolution of Parliament a good idea (Riddell 1934, p. 13). But Prime Minister Asquith would not hear of it, the Parliament had four years left and he wanted to go as far as possible. He believed that they might still have a chance to deal with their traditional foe, the House of Lords.

The House of Lords was a conservative body of men who either through heredity or nomination had acted as the Upper House of the British Parliament for centuries. In theory they were equal in power to the House of Commons. Their conservatism showed in their being a bane to every Liberal government to hold power, yet during Conservative administrations they seldom troubled the government. This support for the Unionists allowed Balfour to say during the campaign of 1906 that the Unionist coalition would "still control, whether in power or in opposition, the destinies of this great empire" (Oxford and Asquith 1926, p. 44). No one doubted Balfour because the Unionists had a majority of about 500 in the Lords many times more than needed to defeat any Liberal legislation they chose.

Yet the Lords' power was limited by tradition, which in British politics is as powerful as law. Convention limited the power of the Lords over finance bills, and ever
since the Commons debates of 1688-9 the Lords had not seriously challenged the idea that finance was the sole domain of the Commons. Any interference by the Lords in the Government's finances constituted a breach of the Constitution, and might create a crisis that would allow the government to attack the Lord's veto. For the new Liberal government the House of Lords would be their biggest obstacle.

The government of Sir Henry Campbell-Bannerman started the new Parliament in 1906 with a full agenda. Over 50 minor items passed into law with little notice. They were also able to get through Parliament some major legislation, in particular the Trade Disputes Act (Oxford and Asquith 1926, p. 47). Yet the majority of the government's major programs were not as fortunate. The education bill of 1906 was so badly amended by the Lords that the government decided not to pursue the question when compromise attempts failed; the plural voting bill was not even given the courtesy of amendment, but was defeated outright by the upper house (Oxford and Asquith 1925, pp. 48-50). Their Lordships selectively defeated legislation, vetoing only those bills that would not create a national uproar, and thus avoid giving the government an issue to use in an election.
Before the 1907 session Campbell-Bannerman decided to make it clear that his government intended to deal with the Lords' veto. The method he chose was through a resolution laying out his plan for the new relationship between the houses. His plan would do two important things: one, it would give the Lords only a suspensory veto over legislation; and two, would shorten the length of parliaments from seven to five years. It passed the Commons on June 24, 1907, by a vote of 423 to 127, but was not presented to or binding on the upper house (Rowland 1975, p. 189).

Another important piece of legislation was Asquith's budget of 1907 in which for the first time the budget included a change in the tax structure. The change involved the first differentiation between earned and unearned income, the former being taxed at a lower rate (Oxford and Asquith 1926, p. 66). But in spite of these achievements the Lords had been effective enough in disheartening the government by vetoing major portions that the 1907 session ended early.

During 1907 three other plans for dealing with the Lords' veto were presented by members of the Government. One, called the Ripon plan, actually emerged from a Cabinet Committee. The Ripon plan called for a joint session when the two houses disagreed with a limited number of peers sitting with the Commons (Weston 1968, p. 511). The second plan Lord Rosebery presented; it called for all peers to
elect 200 of their number to the House, while the bishops
would elect eight of their number to the House. The only
peers not having to be elected would be those in important
government positions (Ogg 1946, pp. 340-1). Churchill also
proposed a plan. His idea was to include privy councillors
in the Lords to balance "the frivolous, lethargic, unin-
structed or disreputable elements" in the Lords (Churchill
1967, p. 310). Churchill's idea never got beyond his
initial proposal, while the Ripon plan died from lack of
support by Campbell-Bannerman. The Rosebery plan was
introduced into the House of Lords but it sat ignored by
the Unionist majority until 1910, and by then it was too
late to prevent the Liberal victory. But it would take
until 1910 before the Liberals would have their chance to
deal with the Lords' veto.

The House of Lords was successful in making 1908
another bad year for the Liberal government's attempts at
reform. Their attempts to pass an education reform bill as
well as their Licensing bill, which had been promised by
the government in 1907, were both defeated by their Lord-
ships. Still, the Liberals did not ask the King for a
dissolution of Parliament. They had decided to bide their
time hoping the Lords would continue "filling the cup"
(Jenkins 1964, p. 172), to the point where the people would
no longer stand for the Lords interference with their
elected government. But the government paid a price. Their inability to move the party program continue to affect the party not only in Westminster but throughout the country the Liberals lost a number of by-elections in 1908, in what was a natural correction of the political balance, but it seemed to have taken the fight out of Liberals.

Another problem developed early in 1908 when Campbell-Bannerman's health began to fail. On April 6th 1908 Campbell-Bannerman resigned, two days later H. H. Asquith became Prime Minister. Asquith made few changes, but the important ones were: David Lloyd-George replaced Asquith at the Exchequer, Winston Churchill replaced Lloyd-George at the Board of Trade, and the move of Morley to the Lords. Because of the late date the new Prime Minister introduced his own budget for 1908. A new item in the budget was the money for old age pensions. The pensions would come from a 4 million pound surplus, but the surplus would cover only that year. The budget also included a reduction in the sugar duty to lower the cost of sugar to the public, but it also made financing the 1909 budget harder. In the opinion of Austen Chamberlain, Asquith had made the work of Lloyd-George impossible because of Asquith's tenure as Chancellor of the Exchequer (Chamberlain 1936, p. 153). As the session ended the upper House
rejected the major proposal of the year, the licensing bill. The Commons passed it by 237 votes while the Lords rejected it by an almost equal number. The Unionist Lords continued their assault on the Liberals.

As the year ended and 1909 approached the government had to deal with problems other than the Unionists. The first, and most pressing, was the knowledge that 1909's budget would have a large deficit due to large Naval estimates and liberal social programs. The fear of the growing German Navy created a desire in some to spend money on more Dreadnoughts. The Cabinet had to find ways to pay for both their social programs and national defense. Another problem was the unpredictable Irish leader John Redmond. Some of the Liberal leadership were afraid that Redmond would move Irish Home Rule in the Commons and thus split the Liberals, many of whom supported the idea (Riddell 1934, p. 10). The combination of events made the situation seem bad enough for some cabinet members to favor an early dissolution, so they would either receive a new mandate or give up power to the Unionists.

On December 11, 1908, Asquith pronounced the Liberal agenda for the next session. In that speech he put the Lords on notice. The major legislation for 1909 would be the national budget, but the primary issue of the party
would be the Lord's veto. The two issues would become bound together (Magnus 1964, p. 516). Later in December Lloyd-George ridiculed rumors of the Lords possibly rejecting the budget when asked about them by Lord Riddell. Many suspected the budget would include new taxes, and among Unionists, but Lloyd-George doubted the Lords would be foolish enough to reject the finance bill (Riddell 1934, p. 10).

The finance bill for 1909 was controversial and the attack on the budget began with the introduction of the Naval estimates. In these the Unionists believed they had found an issue with which to pester the government. On March 16th Balfour stunned the House when he questioned the Naval estimates by asking whether the government did enough, but not giving in to recrimination, it was a statesman like performance. The Unionists felt Asquith was prepared for attacks from his own radicals but unprepared for their attacks, leaving him very uncomfortable (Chamberlain 1936, pp. 159-60). On March 21 Balfour made his move when he called for a vote of censure against the government on the Naval estimates. Balfour hoped to force Asquith to pledge to build the four additional Dreadnoughts as soon as possible. Fearing Asquith may outmaneuver him Balfour moved without warning his colleagues. Chamberlain feared that the idea would rally even those Liberals opposed
to the estimates to their leader's side (Chamberlain 1936, pp. 162-4), which in the end it did. Balfour and the Unionists would continue to attack the Naval estimate and then the Budget, and now that they were on the offensive they did not intend to give it up. The Unionists had help outside of Parliament in Admiral Fisher and J. L. Garvin, who, through Garvin's newspaper, created the Naval scare of 1909 in an attempt to force the early construction of the second four ships. It is impossible to know if Asquith intended to build the ships all along or gave into pressure when he authorized the second four in July 1909. We do know Admiral Fisher did win, for he asked for six ships, but he was given eight. The next problems for the government was how to pay for them.

The Cabinet had to figure out how to pay for the ships, pensions, and other social programs. It was the question of new income that would occupy most of the Cabinet time until late April of 1909. The Chancellor's proposals were so controversial entire sessions would be spent on one topic. The Cabinet had to meet as many as three times a week in order to have the budget prepared in time for its presentation on April 29th. After all the Cabinet debate there was only one major deletion from the Chancellor's original taxation proposals (Jenkins 1964, pp. 196-7). Lloyd-George may have lost on the Naval
estimates, but he won on taxes. Before the budget was introduced Churchill informed friends that the Lords would be given the fright of their lives (De Mendelssohn 1961, p. 485). But they would have to wait until after the Budget speech before they understood what Churchill meant.

The budget was introduced on April 29 by what all present called the fiery Lloyd-George's most boring speech. The length and the inconsistency of the speech made it difficult for listeners to interpret the budget from hearing the speech, and left members wondering what he had said. The next day the Unionists organized into committees to study the budget and prepare to fight. While the budget was not popular with some liberal Lords the it was acceptable to the majority of the party in the Commons. The Government's problem would not be having to find sufficient votes for passage in the Commons; but, getting past the Parliamentary maneuvering of the Unionists in the Commons, and passage by the Unionist House of Lords.

The budget debate moved from the Parliament to the country with both sides creating committees to press their cases with the public. The more the Unionists looked at the budget the more they believed it vulnerable. In the early months the Unionists attacked the budget in the Commons with a great deal of success. The Unionists believed the populace opposed the tax on tobacco, and this would
assist them in their fight with the Liberals (Chamberlain 1936, p. 180). While the Unionists continually attacked the budget the question of rejection was yet to be taken seriously.

In July the possibility of rejection was addressed by Lord Lansdowne, Unionist leader in the Lords, when he said that the House of Lords would "not swallow the Finance Bill whole without wincing" (Jenkins 1964, p. 199), neither he nor Balfour foresaw the Lords rejecting the bill. As the summer continued the attack on the budget became increasingly intense. The pressure on the upper house to reject the budget because of Unionist party interest groups grew. Lord James of Hereford described these interest groups as; "The agents, the organizations and the Licensed Victualler's." He also described their desire for rejection of the budget: "they all demand it. They know nothing of, and care nothing about, constitutional law" (Jenkins 1954, p. 100). By the end of the summer the interest groups had won, Lansdowne and Balfour had lost, and the rejection of the budget was almost assured.

The change in policy by the Unionist leaders was complete by autumn when Balfour informed his party that he could not continue as leader if the budget was not rejected by the Unionist Lords (Chamberlain 1936, p. 182). The government now realized the possibility of rejection and on
September 8 the Cabinet met to discuss what to do if the Lords rejected the budget. The Cabinet agreed that if it happened the voting register up-date should be accelerated to secure the earliest possible election. While the Government prepared for rejection, Asquith told the country that amendment or rejection were out of the question, for anything less than passage was unconstitutional.

The King, hoping to prevent a crisis, had an audience with the Opposition leaders. The meeting failed because the King could not convince Balfour and Lansdowne to have the Lords pass the budget. The budget had yet to get out of the Commons, but its fate was already decided.

The budget was in committee stage for 42 parliamentary days, in the House of Commons for over six months, and required over 550 divisions before being passed to the House of Lords. Finally, on November 4 it was sent to the Lords. On November 25 the budget was taken up by the Lords. The debate lasted five days with all of the important members making speeches about the budget, but the most prophetic was from Lord Reay who, when describing the consequences of not passing the bill, warned the House: "oligarchies are seldom destroyed and more frequently commit suicide" (Jenkins 1954, p. 102). Other members tried to warn the House about getting into a fight they could not win, but those who counseled passage were ignored. On
November 30 the debate ended and the division took place on the motion to read the bill for a second time. The motion failed, 75 members voting for the Government to 350 for the Opposition.

The Commons returned on December 2nd the House passed a resolution condemning the Lords for rejecting the budget, then adjourned. The Government then went to the King to ask for a dissolution and new elections. The Government request was quickly granted and the elections were set to begin January 14, 1910.

The central themes of the January election for the Liberals were the budget and the Lords' veto. The Unionists' theme proclaimed tariff reform as an alternative to the budget (Chamberlain 1936, p. 182). As they entered the campaign the Liberals seemed confident of an easy victory, for Lloyd-George thought it might even be as big as 1906. If Lloyd-George was right, some believed he would become the new party head because of the victory. But as the returns came in it became obvious that the traditional balance in British politics had returned. The Liberals went from a majority to a plurality; from a margin of over 130 seats over all parties to only two over the Unionists (275 to 273). The Government remained in power, but was now dependent on the Irish (87 seats) and Labor (42 seats) parties to stay there.
The election results put the Asquith government in the unwanted position of dependence on an Irish vote that would demand Home Rule. On February 12 the Prime Minister had an audience with the King in which the King concluded that Asquith was "in a very 'tight place'" (Magnus 1964, p. 548). In an attempt to assist the Prime Minister, the King arranged to have Lord Knollys secretly see Balfour's secretary, John Sandars, to find out if he was willing to assist in passing the budget; this would divide the government from its Irish allies who would demand Home Rule. Balfour informed Lord Knollys that it was impossible for the Unionists to change their position (Magnus 1964, pp. 548-9).

By the 18th of February 1910 the government seemed on the verge of collapse over the Irish issue. They did not feel they could give in to the Irish demands, but knew they could not rule without them. Churchill complained that the government was becoming involved in a dispute with its supporters (Churchill 1967, p. 324). As a method to solve the problem Churchill suggested to Asquith a pragmatic approach to the Irish question: "If the budget is to be the 'first act' that means the first completed controversial business of the new parliament. Nothing prevents the 'first step' being taken to lay the veto policy before parliament at any time or in any form you may
consider convenient" (Churchill 1967, p. 325). This method both kept Asquith's promise to pass the budget first, and placate the Irish by dealing with the veto question. Asquith chose this course of action.

On the 21st the King opened the new session of Parliament and in his speech told the country the budget would be the first order of business. Asquith's opening speech announced that resolutions would be introduced into the Commons dealing with the question of the Lord's veto and would become a bill during the session. From the opening of parliament Lloyd-George negotiated possible future amendments to the taxes in the budget to cut their effect on Ireland. But these would have to pass apart from the budget, for Asquith had promised the budget would pass untouched. To Redmond the new taxes were not important, the only question was the Lord's veto, "no veto, no budget" (Rowland 1975, pp. 231-2). Redmond rose to attack the Government's activities, but neither the Unionists or his own party took him seriously (Chamberlain 1936, p. 203), he needed to keep the Liberals in power if Home Rule was to become law.

The Irish power plays left the government feeling it might not survive much longer. Unionists began to hope for possible defeat of the budget in the Commons: the
people's budget defeated in the people's house would have justified the Lord's action back in November. Yet it would amount to a hollow victory if it happened because the Unionists did not believe they could take office. The financial mess and their being in the minority would recreate the disastrous Government of 1885 that allowed the split Liberal party to reunite and win the 1886 election (Chamberlain 1936, p. 206). If Asquith resigned he had to be forced back into office and take his medicine, which the Unionists hoped would be the final devastation of the Radicals in the Liberal party. In spite of early threats of a Cabinet split the Government was re-united by the end of the month; they would stand or fall together. They agreed they would not be kept in power by the Unionists (Chamberlain 1936, p. 212), thus if their Irish allies turned their backs the government would resign, but they quietly received help from the Unionists which assisted them to survive and gain confidence in their ability to continue in power.

The Unionist position was not enviable. They believed they had to ensure the Government was kept in power. There was not enough time, if they did take power, to create a new budget and new estimates; thus, they would have to push through modified versions of those estimates already proposed by the Liberals and which they had voted
against (Chamberlain 1936, p. 216). They felt they had to make sure, for the time being, that Asquith had no excuse to resign. That meant the Unionists had to make sure the Government did not lose on any divisions. The Unionist activity became so obvious that one member of the Irish party complained that the Unionists only voted against the Government when they were sure the Government would win (Chamberlain 1936, p. 214). Once the Cabinet reunited, and looked willing to accept the loss of the Irish votes the Unionists had to consider alternative governments. Chamberlain suggested two possibilities. First was a government of permanent Under-Secretaries, supported by both front benches, the other was a Rosebery government with Asquith and Balfour selecting the ministers (Chamberlain 1936, p. 210). Yet as February ended there was still little chance of the intentional defeat of the government as both major parties wanted to avoid going back to the electorate. By the first of March things would be different.

As March began the Unionist press called for the Unionists to defeat the Government as soon as possible, even while expressing an understanding as to why they did not; by this time the Unionists in parliament had another problem to worry about, defusing the question of the Lords' veto. On March 2nd Rosebery attended a meeting with the
Unionist leadership to discuss the idea of reforming the upper house. Rosebery espoused the need for an elective element to the House of Lords, such as his earlier proposal for peers to elect 200 of their number to the House. Lord Curzon, and Austen Chamberlain agreed with Rosebery. Balfour also seemed generally favorable. Lord Lansdowne and Lord Salisbury did not like the idea (Chamberlain 1936, p. 220). In spite of Lansdowne's and Salisbury's feelings, the group agreed to act and the Rosebery plan would become the basis for their proposal.

In the meantime the government's three resolutions on the House of Lords were passed by the Commons and Easter recess taken. By the end of the Easter recess any hope the Unionists had of defeating the government had vanished, Redmond and the Nationalists had cast their lot with the Liberals. On April 14, 1910 the Parliament Bill, which was based on Campbell-Bannerman's 1907 resolutions, was introduced in the Commons to howls and cries from the Opposition benches and loud cheers from the Government side. Asquith now took the place of Lloyd-George as the most attacked member of the Government by the opposition. The battle had passed from the budget to its child, the Parliament Bill.

The Parliament Bill redefined the relationship of the two houses. There were three important features to
the bill. First, the Lords could no longer veto financial bills; second, parliaments would last only five years; and third, they would have only a suspensory veto over all other legislation. This last aspect was the most important, for if the Commons passed a bill in three successive sessions the bill would become law without the Lords' consent. It was this feature that made the passage of Home Rule possible.

The political scenery upon which both sides made their calculations changed dramatically. While the Prime Minister sailed towards the Mediterranean on vacation he was informed of the King's sudden illness. He headed back toward England but before he returned he was informed that King Edward VII had died. Some in the country blamed the government and the crises it caused for the death of the King, but it had no effect of the Government. For the next few weeks politics took a vacation and the parties had a chance to reevaluate their positions. Both parties realized that to put the young and politically inexperienced King into the middle of a constitutional crisis was unwise. Also neither side wanted to seem unreasonable when the new King presented his idea of a constitutional conference to resolve the crisis. The idea first came from the Master of Elibank, a member of the Government, who
convinced his friend George, Prince of Wales, to talk to his father about calling for one; but the idea fell through when Churchill made it public (De Mendelssohn 1961, pp. 532-3). The new King was still sold on the idea and called for the parties to come together. Neither party really thought anything could be accomplished, but neither side wanted to be accused of playing politics with the young King. Thus, during the summer of 1910, both sides came together and tried to work out a compromise.

The conference lasted from June 17th until November 1910, and eventually became two sets of talks: official and unofficial. The official talks between the parties were by agreement to be unrecorded and undisputed outside the participants. These talks had promise as neither Asquith or Balfour wanted to face another election that year (Jenkins 1864, p. 215). Asquith brought a version of the Ripon plan to the table, for he preferred this to his own Parliament Bill, but it was quickly rejected. The Unionist proposal was for the bill to be divided into three categories: financial, ordinary, and constitutional. On the first two areas the two parties agreed. On financial bills the Lords would give up their veto if the bill was certified by the Speaker of the House. On ordinary bills there would be a joint session of the two houses, but the details were never worked out. They even agreed on
many aspects of the constitutional issues, but agreement broke down over the question of Home Rule for Ireland. The Liberals wanted to make passage of a Home Rule bill possible, while the Unionists, particularly Lansdowne, an Irish landlord, wanted to prevent it (Jenkins 1964, pp. 214-5). This difference was unresolvable and thus the official conference failed.

The unofficial talks, on the other hand, were about the idea of a coalition proposed by Lloyd-George. Lloyd-George proposed the idea of a coalition to F. E. Smith, and asked him to speak to his party leaders. His idea was to create a center coalition from both parties that could survive an attack from either party's extreme wings. The policies would also be moderate, with a strengthened navy and limited tariff reform for the Unionists. The Irish question would be solved by the creation of a federal system with all the areas of the United Kingdom obtaining regional parliaments. Lloyd-George also had a tentative Cabinet with himself as Chancellor of the Exchequer, but he proposed that if it would be easier to form a Government without him he would step aside (Rowland 1975, pp. 240-2). The idea sounded good to the young firebrands, Smith and Churchill, until Churchill found out he was not included in the proposed Government. The idea was never taken seriously by Balfour or A. Chamberlain who
thought it unworkable. Asquith was not initially informed of the plan, but once he was he gave Lloyd-George his blessing since he did not think the Unionists would be interested. The unofficial talks having fared no better, the conference ended in failure.

In November 1910 the Prime Minister informed the King of the conferees inability to come to a solution and asked the King for a dissolution of Parliament. The King refused until the Parliament Bill had been presented to the Upper House; if it was rejected the dissolution would be granted. On the 14th Esher wrote a memo to the King explaining why the Parliament Bill would be the lesser of two evils. He felt the proposed joint session, in which 100 Lords joined the Commons, would give radical governments too much power to increase their legislative output. The Parliament Bill would rarely be used, except in cases the government considered very important, since the bills to come under the Parliament Bill would have to be introduced in the first half of a Parliament. This process might actually increase the influence of the Lords at the price of some power, while not altering its nature (Oliver 1938, pp. 31-2). The question of the Parliament Bill was not voted on by the Lords, debate was adjourned so they could put forward the Rosebery plan as their alternative to the Parliament Bill (Oxford and Asquith 1936, p. 117).
In spite of his opposition to the Parliament Bill Lansdowne saw no alternative but passage if the government was returned in the next election. Lord Esher sent Lansdowne a note in which he proposed shortening Parliaments to three years as a compromise both sides could live with. With only three year parliaments only those items proposed during the first year of a Parliament could be passed under the bill without another election in between (Oliver 1938, p. 35). This idea may have been acceptable to both sides, but it was never taken further.

The Liberals had another problem to deal with: they needed a guarantee of the King's willingness to use his prerogative to create peers if the Lords rejected the Parliament Bill in the next Parliament. Asquith was reluctant to take this course which would mean the creation of almost 500 Lords. He was also hesitant to ask the King to guarantee its use; thus when he first asked about a dissolution the topic was not mentioned. But eventually the Cabinet agreed to ask not only for the guarantees if the Government was returned; but also that they remain secret so to avoid any political backlash before the election. On November 16th, 1910 under pressure from the Government and on the advice of his secretary, Sir Francis Knollys, the King reluctantly gave the Government the assurance it
wanted (Jenkins 1964, pp. 218-21). Now the Liberals had to win the election.

December of 1910 brought the second election of the year for the country with results that were almost identical to January. The Liberals and the Unionists were both returned with 272 seats while the Irish and Labor made small gains. The Government was returned with a majority of about 120 seats. Esher now informed the King that if he refused the advice of a Ministry returned with such a majority, he would bring the crown's prerogative into the conflict. The King could put moral pressure on Asquith to accept a reasonable compromise, but he could not reject his final advice. As long as the King acted on the advice of his Ministers he could do no wrong, but if he acted contrary to the advice of his ministers he would become open to political attack that would destroy the monarchy. Balfour also saw no alternative ministry as possible, thus the King would have to take his minister's advice (Oliver 1938, pp. 40-1). With the King's advisors and the Unionists' leadership agreeing the King had no choice but to use his prerogative if the Prime Minister so advised him the passage of the Parliament Bill seemed assured, but some in the Lords refused to abandon the fight.

The Parliament Bill was reintroduced on February 22, 1911. It passed quickly and sent to the Lords by a
vote of 362 to 241. The Lords sent it to committee on June 28th with six days it was amended beyond recognition (Jenkins 1964, p. 226). The bill in its new form was sent back to the Commons. Seeing that the peers would not willingly give up their power, Asquith informed the King on July 14th that he would have to use his prerogative to end the crisis. As a last effort to avoid using his prerogative the King asked Asquith on July 19th to make his guarantees to the government public (Hardy 1970, p. 345). On July 20th Asquith wrote both Lansdowne and Balfour to inform them of the King's agreement to create the peers needed pass the Parliament Bill. Four days later at a meeting of the Unionist peers Lansdowne told his colleagues that they could no longer put up effective resistance to the bill. The next day Balfour agreed with Lansdowne's assessment (Oxford and Asquith 1926, pp. 112-3). Within days a question arose over how many peers would be created by Asquith, would it be only sufficient to pass the Parliament Bill or enough to give the Liberals a permanent majority. If it was only a small number of peers would be created then the price of again rejecting the Parliament bill might not be too high for the diehard Lords. But the idea of limited creation of peers was never considered by the government, Asquith's list of possible peers was 249 names long (Jenkins 1964, pp. 227-9). In spite of
disruptive activities during a speech by the Prime Minister, and a failed vote of censure against the government the Lords amendments to the Parliament Bill were rejected on August 8 by a majority of 106, and the Bill was sent back to the Lords (Oxford and Asquith 1926, pp. 113-4).

Yet it was apparent that a number of peers, who were known as diehards, would vote against their leadership. The fire of the diehards was accidentally fanned by Lord Crewe who, when speaking for the bill, talked of the King's natural and legitimate reluctance to create so many peers. This gave some the idea that the Government was bluffing and would not go through with mass creation of peers. To correct this misconception Lord Morley read a statement from the King on August 10 which said: "If the bill should be defeated tonight his majesty will assent to the creation of peers sufficient in number to guard against any possible combination of parties in opposition by which the Parliament bill might be exposed a second time to defeat" (Hardy 1970, p. 265). Lansdowne told his parties member that if they intended to vote against the bill to stay home, he had no desire to see his house flooded with new members. Only after the final division, set for August 11, would it be known if enough Unionists took Lansdowne's advice.
On August 11 the vote took place and the outcome was still in doubt when Lord Stamfordham, representing the King, entered the House of Lords to discuss the bill with the Archbishop of Canterbury in an attempt to win over the bishops. After a lengthy discussion Stamfordham emerged from behind the throne smiling, the bishops would vote with the government (Riddell 1934, pp. 22-3). When the final count was taken the totals were 131 for the government to 114 against; the Bill passed by 17 votes.

The passage of the Parliament Act ended one crisis for the government, but its passage meant the beginning of another that would lead the country near to civil war. The Liberals now had fulfilled Gladstone's desire, and could pay their debt to the Irish by passing Home Rule. The Unionists had only one card left to play to prevent Home Rule, the Orange card, and its threat of civil strife. For the next three years Home Rule would pose the major political question for the United Kingdom.
CHAPTER 4

THE IRISH AND THE HOME RULE ACT OF 1914

The causes of the Irish and the Liberal party were bound together by Gladstone's conversion from imperialism to support of Home Rule for Ireland in late 1885 and it was never a happy relationship. Gladstone would try twice to get Home Rule through the Parliament, and twice it ended his administrations. Yet eventually this relationship would be responsible for the downfall of the Lords. None of these results were necessary. Lord Salisbury, the Conservative leader, had decided to deal with the question if the Conservatives won the 1886 election (Stansky 1979, p. 156). Gladstone liked the idea of the Tories taking on this difficult problem. Parnell and the Nationalist Irish leadership decided that to support the Conservatives was their best course of action. A Conservative government would have fewer problems guiding Home Rule through both the Commons and the Lords. But with the admission, in December 1885, by Herbert Gladstone that his father intended to deal with Home Rule if Lord Salisbury did not, Gladstone was left with few options for he was now publicly committed to Home Rule. Salisbury decided to pull back
from this unpopular question, gladly leaving it to the
Liberals to deal with (Stansky 1979, p. 157). Gladstone's
first attempt to pass Home Rule came about during the short
administration of February-June 1886. The Irish Nationalists
held the balance of power and left the Government little choice in the matter. To keep Irish support
Gladstone introduced a Home Rule Bill only to see it defeated in the Commons. In the process Gladstone's party was split, with Joseph Chamberlain creating the Liberal Unionist party, and the new party voted with the Conservatives. The defeat brought in a Conservative Government headed by Salisbury, with his nephew, Arthur Balfour, as Irish Secretary. The policy of this government was to kill Home Rule with kindness. They hoped by improving conditions for the Irish that the desire for Home Rule would be quelled. They passed the Irish land act of 1887, which was a version of Parnell's tenant relief act. (Shannon 1976, p. 234). Many in the country underestimated Balfour, thinking him not strong enough to handle the Irish, but before long the Irish considered him ruthless; by the end of his reign he would be called "Bloody Balfour" (Shannon 1976, p. 236). Conservatives considered Balfour's administration of Ireland very effective for he controlled Ireland with a strong hand. While Salisbury wanted to "kill home rule with kindness," (Shannon 1976, p. 234)
Balfour used force to protect the peace and the social order. Balfour also appointed Edward Carson Crown counsel beginning his rise to leadership of the Ulster protestants.

The majority of the Liberals hopes for reunion of their two factions, so during 1887 Harcourt attempted to reconcile the Gladstone and the Chamberlain factions at a series of "Round Table" conferences. John Morley, who had been Gladstone's chief Secretary for Ireland, announced early on that he was willing to pay the price of a party split in order to obtain Home Rule (Shannon 1976, p. 233). Unfortunately for the majority, the conferences were doomed to fail because neither side would give up their position on Home Rule. Even with the commitment of the mainstream Liberals, after the failure of the conferences, to Home Rule it was not on the horizon.

On his in 1891 death Parnell left a badly split party that would not for ten years unite itself. For the next 19 years the Irish MPs would be more spectators than players in the political game. During this same period the Liberals were able to reconcile, minus the Liberal Unionists, behind Gladstone and returned to power again in 1892. This time Gladstone had Home Rule as a major emphasis for his administration. As Morley noted, "the Irish are our masters, and we had better realize it at once" (Shannon 1976, p. 244). The Irish were the margin of
power for the Liberals, for them and for Gladstone Home Rule was the important issue in the 1893-4 government. Thus, Gladstone introduced the second Home Rule bill. The bill took up all of the Parliamentary time from March to September 1893, but after many close fights the Commons passed the bill by 43 votes. But Home Rule was killed again, this time by the House of Lords by a margin of 378 votes. Gladstone wanted to fight an election over the question of Home Rule, but his Cabinet realized that it was not a popular enough issue, and that the Government would most likely lose (Stansky 1979, p. 169). After Gladstone's resignation in 1894 Lord Rosebery became Prime Minister, but his government was not long in power, resigning in 1895. Over the next 10 years the Liberal party could not pull all of its parts into a coherent whole, and thus spent the entire period in opposition. Both the Liberals and the Irish needed leaders who could move their constituencies.

The Liberals found theirs in Sir Henry Campbell-Bannerman, a radical of high principle. He made his name politically when he came out against the Government's treatment of the Boers during the Boer War. The Irish, after splitting over Parnell, united finally behind John Redmond. He was a man who could wait for the time when Irish votes were needed by the Government. Some Liberals feared the possibility of the Liberals being dependent on
Irish votes. Herbert Gladstone expressed their fear in 1901: "The Irish intend to make the Liberal party dependent on their support—the British electors will never trust us as long as we are . . . The only way out is to be independent, by which I mean that I would not support the taking of office dependent upon the Irish vote" (Cosgrove and McCartney 1979, p. 283). But the Irish had their own problems.

Irish unity did not last, for in 1903 William O'Brien resigned from the Party over disagreements with Redmond, but he soon returned. On another occasion Tim Healy, a leader in the Nationalist party, noted that if not for O'Brien's activities Dillonites would have removed Redmond from the party chair (Healy 1929, p. 475). Yet, through all of this Redmond controlled the majority of the Nationalist party, and would eventually be the man with whom the Liberals would have to deal.

With the Liberal return to power in 1905 the Irish were, for the time being, left out in the cold. While the Irish radicals liked Campbell-Bannerman, they did not like what they saw in the Government's lineup. They saw Asquith and Henry Fowler as unsympathetic to Home Rule. On the other hand, Loreborn, Grey, and Haldane were thought as at least friendly to their cause. The Irish saw the Government wanting to bury Home Rule if not forced to deal with
it (Healy 1929, p. 475); this view was not unfounded. After the 1906 election the Liberal majority was large enough that even in opposition the Irish could not affect the Government. In an attempt to placate the Irish, without dealing with Home Rule, Campbell-Bannerman's policy was that Ireland would be given more local government gradually, and would fight a future election over the issue of Home Rule. The Irish Devolution bill was the result of this policy and the Irish did not take the bill, and did not regard it as a substitute for Home Rule (Shannon 1976, p. 391).

The Irish could not stop the Government, but could act to remind the Liberals of their commitment to Home Rule, as in the case of Birrell's Education Bill of 1907. The Irish worked to obstruct the bill as much as possible in the Commons when Lloyd-George told Healy: "We shall give Ireland Home Rule, and must ask you to allow England her local freedom" (Healy 1929, p. 476). Fortune seemed to smile on the Irish parliamentarians, for in January 1908 they re-united the Nationalist Party. It was a reunion of necessity because they needed all of their strength in order to protect Irish economic interests as well as to make a strong case for Home Rule. Yet, it was not an easy reunion, for Dillon did not want Healy to return to the
party. In spite of their internal problems the need for the appearance of unity, if Home Rule was to be gained, won out.

The Irish realized Home Rule would not come in 1909 if, as Healy believed, the Budget would take all session if it included taxes, and he was right (Healy 1929, p. 484). The Irish felt no stake in the Budget of 1909; for that matter the many Nationalists were opposed to a number of the bill's provisions, especially those creating new liquor taxes, increased licensing fees for public houses and the increased death duties. The Irish split again over the budget as the Redmond and his supporters backed the Liberal budget, giving the impression to the more radical Irish that Redmond was in the Liberals' back pocket (Healy 1929, p. 488). The O'Brienites opposed the budget, arguing that the death duties would unfairly hit the Irish farmers, and the Licensing fees unfairly affected the Irish vintners (Healy 1929, p. 486). The O'Brienites could not the budget but they did at least alarm the Redmondites.

With the defeat of the budget in the Lords, the Government's resignation, and new elections a new hand was dealt to the Nationalists. After the election of January 1910 the Liberals were unable to form a Government without the help of the Irish, leaving the Irish with the Liberals in the palm of his hand. Once again the internal problems
hurt the Irish as O'Brien again broke with his party taking 11 others with him to become independents. They were willing to go into opposition if they did not receive concession on land and liquor taxes in the 1909 budget, and Home Rule in the very near future (Rowland 1968, p. 247). Fortunately for the Liberals this was not the position of the Irish leaders. While the O'Brienites saw this as an opportunity not only to take care of Home Rule, but to deal with the provisions of the budget they did not like; Redmond attacked those Irish who asserted they should use their power to gain anything but Home Rule (Healy 1929, p. 492). To Redmond the passage of Home Rule was more important than the effects of the Budget. Redmond was afraid of pushing the Liberals too far, and thus losing the power the election had given them to make the Liberals act on the Lords' veto and Home Rule. To ensure the official party position reflected this view Redmond called an Irish Parliamentary conference, but he did not invite the O'Brienites (Healy 1929, p. 492). In spite of this action the O'Brienites were willing to continue to vote with the majority of the party. On March 30, 1910, O'Brien informed Lloyd-George that his people wanted to Wyndham Act passed and modifications to the Budget; Healy added that the Irish had to be united to win Home Rule (Healy 1929, p. 495). Healy hoped his statement would encourage the Government to
consider their requests. The O'Brienites also hoped that Redmond would push for their suggested changes; when he refused O'Brien denounced him in the Commons (Chamberlain 1936, p. 203), but that was as far as it could go, if they wanted Home Rule. Now more than ever they had to stick together and use their power to keep the Liberals on course.

The Government had won: it would maintain the Irish alliance and get their votes on the budget. There was a price: first, the Liberals had to deal with the Lords veto, and then they had to pass Home Rule.

The Parliament Bill contained the method chosen by the Government to deal with the Lords veto, and to allow them to pass Home Rule despite the opposition of the Lords. This bill was not popular among the Irish MPs, since it required a bill to be passed in three sessions by the Commons before it could become law despite the Lords. Healy believed that because of the time needed for passage Home Rule would never become law. Still, the Irish had little choice but to support the bill if there was to be any chance at Home Rule, and support the bill they did. From the introduction of the Parliament Bill on the Liberals had little concern about losing the Irish votes.

The second election in December 1910 once again returned the Liberal Government but left the balance of
power in the hands of the Irish. The Parliament Bill then became law, as described in the previous chapter. Yet, in its moment of victory the Nationalist party and Home Rule were dying. The Nationalists were no longer the party of the Irish radicals; they were replaced by the growing Sinn Fein movement, which wanted an independent country (Shannon 1976, p. 380). If Home Rule failed now the Nationalist party and Home Rule would be dead, overtaken by the desire for independence.

The Home Rule bill received its third reading the first time in January 1913 by 110 votes, it was rejected by the Lords 17 days later. The 1912 session was prorogued on March 7th, and the 1913 session began on March 10th. On the 7th of July the Home Rule bill passed the Commons for the second time, and on the 30th it failed in the Lords again.

A new factor in the Irish question was the organized Protestant Ulstermen who would no accept living under a Catholic majority. The Ulstermen felt they had little choice but to threaten the Government with a civil war in order to prevent Home Rule. Asquith was shaken by the threat of war, but would not budge from Home Rule for a united Ireland, even though some of his ministers would have been willing to partition off Ulster. Before the
Home Rule bills second reading on its third passage through the Commons Asquith tried to gain a compromise to prevent civil war. He was willing to allow Ulster to vote for a partition from Ireland that would last for six years. Redmond accepted this idea as the best solution the government could offer; but permanent partition was out of the question (Oxford and Asquith 1926, p. 163). To the Unionists the idea of temporary partition was not acceptable. Sir Edward Carson, an Ulster MP, said: "We do not want a sentence of death with a stay of execution for six years" (Oxford and Asquith 1926, p. 164).

The Ulsterman, feeling they had little choice, not only threatened civil war, they prepared to back up the threat. The Catholics also anticipated for what appeared to be the inevitable civil war. The Ulstermen had friends among the Unionists who were willing to create a civil war in order to preserve the union of Britain and Ireland. Still they hoped more for the simple solution to the problem, end of Home Rule or at the very least the permanent exclusion of Ulster.

The nation was also split over this issue and that split extended to the Army with many Protestant, Irish-born officers resigning in order to avoid the coercion of Ulster. In the Curragh mutiny of March 1914, 58 officers from the Third Cavalry Brigade resigned rather than go North, as
well as all but two officers from the 5th Lancers (Dangerfield 1935, p. 343). For the first time in over 200 years members of the Army had refused to take orders from the government. After the resignations of Generals French and Ewart, for initialising an unauthorized section of a memorandum to Army officers in which they state the government had no intention of using force in Ireland, this added section was cancelled by the Cabinet, Asquith decided to take the war office himself. In doing so he told the Army: "The Army will hear nothing of politics from me, and in return I expect to hear nothing of politics from the Army" (Oxford and Asquith 1926, p. 170). Asquith's move succeeded in quelling the Army, and ending the mutiny.

There would be one more attempt to prevent civil war in Ireland, for the King called another conference in July 1914 with members from all of the parties involved (Liberals, Unionists, Irish Nationalists, and Ulster Unionists). The conference lasted four days and as Asquith described it:

The discussions were carried on in a courteous and friendly spirit, and with a real desire to find a way to agreement ... The possibility of defining an area to be excluded from the operation of the Government of Ireland Bill. The Conference being unable to agree either in principle or in detail upon such an area" (Oxford and Asquith 1926, p. 175).
Unfortunately this too failed as the parties could not agree on the boundaries of Ulster. While the Government prepared to enforce Home Rule on the Ulster population, Ireland prepared for civil war.

As August 1914 began war in Europe was on the horizon and the Government knew that the United Kingdom would become involved. The day Britain entered the war John Redmond told the House of Commons, "We offer the Government of the day that they may take their troops away, and that, if it is allowed us in comradeship with our brethren in the North, we will ourselves defend the shores of our country" (Dangerfield 1935, p. 424). The House cheered him but he knew his political career was over, he also knew Home Rule was dead.

On September 18, 1914 the Home Rule Act received the royal assent. But on that same day the Suspensory Act received the royal assent, and suspended Home Rule until the end of the war. Asquith pledged to the Commons that the Home Rule bill "should not come into operation until Parliament should have the fullest opportunity by an Amending Bill of altering, modify or qualifying its provisions in such a way as to secure any rate of general consent both in Ireland and the United Kingdom" (Oxford and Asquith 1926, p. 177).
During those Autumn days of 1914 the Irish Nationalist movement and Home Rule died. The Nationalists had not been able to deliver Home Rule after all those years allied with the Liberals. In spite of the victory over the Lords the English still ruled the affairs of Ireland. The death of the Nationalist party was slow for they would represent the Irish in Parliament through the war, but the Sinn Fein, by the end of the war, would became the representative of Irish hopes. All they would settle for was a nation and in 1922 they would get it.
CHAPTER 5

CONCLUSION

The House of Lords' rejection of the 1909 Budget made possible two of the most controversial acts of the early 20th century, the Parliament Act of 1911 and the Home Rule Act of 1914. If the passage of these bills would have occurred anyway we can never know. But we can know that opportunities were missed by the Unionists to end the crisis. The Liberals miscalculated the popularity of their budget, and the Irish missed the chance to gain much more from the Liberals than home rule. This was not a crisis of brilliant strategy, but one in which the party who made the fewest and recovered fastest from their mistakes won.

The Unionists misplayed their hand. They had hoped to win the election after defeating the budget, but failed. Unionist F. E. Smith thought it might have been better to pass the budget rather than give the Irish the balance of power. With the Irish in the game the attack on the Lords veto became paramount if the Government was to stay in power. With the veto out of the way Home Rule became only a matter of time.
The Unionists also had the opportunity to remove the Government after the January 1910 election, but decided to keep them in power hoping to brake the Liberal radical wing. This decision was also mistaken. While a Unionist Government would not have lasted very long before being defeated in the House of Commons they could have called for another election in the summer and fought as the incumbent government. This would have at least delayed the crisis, and possibly ended it if they had won. A Unionist victory was not impossible. The disenchantment that had developed with the Liberals to carry out their program even with the large majority, coupled with the inability to carry on the government business even after a second election victory would have hurt the Liberal chances in a second 1910 election. The Unionist delay in action, while understandable, bought the Liberals enough time to pull their party together and then to solidify the Irish alliance, time to make solid their weak grip on power. This decision may very well have sealed the fate of the Lords.

The Unionists missed one other opportunity to save the power of the Lords when they were unable to compromise on the question of Ireland. Asquith at the constitutional conference was willing to accept a plan that called for joint sessions for ordinary bills, and exclusion
for financial bill. But the Unionists were unwilling to accept the provisions that would allow the passage of Home Rule; because of the desire to prevent Home Rule this chance to save the Lords power was lost and the passage of Home Rule assured.

The Liberals had not intended to begin a constitutional crisis with the introduction of the budget, they were simply hoping to ensure the passage of their taxes to pay for their social reforms. But by the end of 1909 they realized that the budget was better defeated than passed. Churchill believed that the budget would not be popular after passage, but in defeat it was a great weapon against the Lords. The Liberals survived their mistakes, the most notable was the belief that the January 1910 election would give them a 1906 type majority; and thus, they were not ready to deal with the need to have the Irish as allies. This mistake gave the Unionists the missed opportunity to take power, but once the situation was corrected the Liberals were safe in power, the Unionists would not get another chance at power until 1916.

The Irish Nationalists' leader, John Redmond, also made mistakes. He could have gotten more from the Government to keep their support after the January 1910 election than they did. Redmond traded the Lord's veto for the budget, straight up. He did this because he feared losing
Home Rule if he pushed the Liberals too far, but his view seems to have been unfounded. Asquith was interested in staying in power; thus he probably would have accepted the compromises that were being negotiated by the O'Brienites and Lloyd-George on the Irish taxes in the budget. But as it was he got nothing, except limiting the Lord's veto, for in the end the Liberals did not deliver Home Rule; but their promise of Home Rule kept the Irish in the Liberal camp well into the war.

The crisis of 1909-11 was not a planned attack on the House of Lords, but a series of miscalculations by all parties. The Liberals made the fewest mistakes, and recovered from theirs faster than the other parties. The House of Lords was not beaten as much as it killed itself. They began a battle they could not win when they rejected the budget and in the process gave their enemies a weapon to beat them. The Parliament Act was created to prevent the Lords from permanently derailing the government's program, and had been a Liberal dream since Gladstone. Home Rule was a top Liberal priority, both because of the Irish and their own party policy. By rejecting the budget the Lords started a chain of events that led them where they did not want to go. Lord Reay was right when he told the Lords: "Oligarchies are seldom destroyed and more frequently commit suicide."
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