Lloyd George and the Appeasement of Germany,
1919-1945
Lloyd George and the Appeasement of Germany, 1919-1945

By

Stella Rudman
Photograph taken by Kurt Huhle of Hitler welcoming Lloyd George to the Berghof, Berchtesgaden on 4 September 1936. To Lloyd George’s left is Joachim von Ribbentrop, Hitler’s roving ambassador, and between Lloyd George and Hitler is T. P. Conwell-Evans, visiting professor of international relations at the University of Königsberg. By permission of Llyfrgell Genedlaethol Cymru/The National Library of Wales.
# Table of Contents

Acknowledgements ........................................................................................................... ix  
Abbreviations .................................................................................................................. xi  
Introduction ..................................................................................................................... 1  

**Part I: Lloyd George as Prime Minister, 1919-1922**  
Chapter One ...................................................................................................................... 14  
Reparations  
Chapter Two .................................................................................................................. 52  
German Disarmament  
Chapter Three ............................................................................................................... 84  
The Proposal for an Anglo-French Alliance  
Chapter Four ................................................................................................................. 103  
Upper Silesia  

**Part II: 1923-1929**  
Chapter Five ................................................................................................................... 128  
The Ruhr Crisis and the Dawes Plan  
Chapter Six .................................................................................................................... 161  
The Remainder of the 1920s  

**Part III: 1930-1945**  
Chapter Seven ............................................................................................................... 186  
The Early 1930s  
Chapter Eight ................................................................................................................. 208  
1935-1945
<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Conclusion</td>
<td>264</td>
</tr>
<tr>
<td>Bibliography</td>
<td>270</td>
</tr>
<tr>
<td>Index</td>
<td>281</td>
</tr>
</tbody>
</table>
ACKNOWLEDGEMENTS

This book originated as a doctoral thesis under the supervision of Professor Tony Lentin, who was a member of the History Department of the Open University when I began my research. It was he who first aroused my interest in Lloyd George, and I owe him a huge debt of gratitude for all the help, encouragement and advice he gave me while I was working on the thesis—and for then patiently reading the manuscript of the book. I also owe thanks to the chairman at my Viva examination, Dr Bernard Waites, and to my thesis examiners, Dr Mark Pittaway, who has since sadly passed away, and Professor Alan Sharp, for their constructive comments and suggestions for improvements.

I would also like to extend thanks to the staff at the National Archives, Kew; the University of London Library at the Senate House; the British Library; the National Library of Wales; and the Parliamentary Archives at the House of Lords; all of whose help greatly facilitated my research.
ABBREVIATIONS

CAB               Cabinet Office papers in the National Archives

Cmd               Parliamentary Command Paper

DBFP              Documents on British Foreign Policy [followed by series, volume and page number(s)]

FO                Foreign Office papers in the National Archives

FRUS              Papers relating to Foreign Relations of the United States [followed by year and volume number]

HC5               Parliamentary Debates, House of Commons, 5th Series [followed by volume and column number(s)]

HL5               Parliamentary Debates, House of Lords, 5th Series [followed by volume and column number(s)]

LG                Lloyd George papers [followed by file reference number] in the Parliamentary Archives

NA                National Archives

PPC               Paris Peace Conference

T                 Treasury papers in the National Archives

WO                War Office papers in the National Archives
INTRODUCTION

No-one could say that either the subject of inter-war appeasement or the career of David Lloyd George has suffered from neglect by historians and biographers. To many, Lloyd George's career was a tangle of contradictions, and it remains a constant source of fascination and controversy. Appeasement, too, has been the subject of continued heated debate, having been identified very early on by critics of government policy as an important ingredient in the origins of the Second World War. Yet despite the huge volume of literature produced on each of these subjects, important gaps still remain in the histories of both of them.

Appeasement

These days, when commentators and historians talk of "appeasement" they usually have in mind the attitude of most leading British politicians to the expansionist states in the 1930s; an attitude characterized by a disposition to avoid conflict with these aggressive powers through concession and negotiation, sometimes at the expense of others. The vast majority of historical studies of the subject have, understandably, been concerned with Nazi Germany, as the leading aggressor in the Second World War; and, although appeasement figured largely in the foreign policy of virtually all government leaders of all persuasions in inter-war Britain, it is equally understandable that most have focused on Neville Chamberlain who was prime minister when the war began—the very fact of which was proof that the policy had failed.¹

There are other reasons, too, why Chamberlain has been the focus of attention. Chamberlain was a very active appeaser, determined to tackle Europe's problems by coming to terms with both Mussolini and Hitler. He also single-mindedly pursued the policy after most of those around him had lost faith in it. Indeed, it was while he was at the helm that the policy became controversial, and the word "appeasement" began to acquire its now popular pejorative connotations of weakness, cowardice and immorality.

The Meaning and Use of the word " Appeasement"

Until about halfway through Chamberlain's premiership, the word "appeasement" was almost always used positively. It was synonymous with "pacification", and, like "moderation", was taken for granted as being a good thing. When politicians talked of a desire to bring about an "appeasement" regarding any diplomatic issue they could do so with gusto and without fear of criticism. The agreement reached on the boundary between Ulster and the rest of Ireland by Britain and the Irish Free State in 1925, for instance, was hailed by the Irish Times as "this great work of appeasement".2 John Maynard Keynes wrote, supporting Winston Churchill's attitude to foreign affairs in 1933: "Apart from Russia, Mr Churchill appears, in a degree to which public opinion has done much less than justice, as an ardent and persistent advocate of the policy of appeasement in Germany, in Ireland, in Turkey".3

Lloyd George himself, in early 1922, referred proudly to his "policy for the appeasement of Europe" as his "chief objective",4 and in February 1938, Arthur Henderson Jr., a Labour MP in a Conservative-led National Government, said in Parliament: "There is no hon. Member on this side of the House who has any objection to the policy of general appeasement ...".5 The word needed no qualification. It was accepted as a noble aspiration, grounded in the virtuous ideas of concessions to the weak by the strong; the generosity of a victor to the vanquished; the remedying of just grievances; the selfless wish to arbitrate fairly in the interests of all; and the removal of the causes of future wars. The idea was invoked at the Paris Peace Conference in 1919 by critics of the peace proposals. "In our policy of European settlement the appeasement of Germany ... becomes

---

3 John Maynard Keynes, Essays in Biography (London: Hart-Davis), 1951, p. 73.
one of cardinal importance”, urged Jan Smuts.⁶ But it was also used by the Peace Treaty's authors. In the official reply to the German counter-proposals to the draft Treaty, the Allies looked forward to an "early conciliation and appeasement".⁷ A few years later, in 1925, Austen Chamberlain, noted for his relatively anti-German stance, said in the House of Commons: "We regard [the agreements made with Germany at] Locarno, not as the end of the work of appeasement and reconciliation, but as its beginning...".⁸

As W. N. Medlicott points out, the word was frequently used to express a general devotion to peace.⁹ It seemed that the choice was between war and appeasement, and, immediately after 1918, no-one in his right mind wanted war. As C. P. Scott, the editor of the Manchester Guardian, put it in one of the first public references to "appeasement" in the inter-war years: "... a wise policy will treat [Germany] no longer as an enemy to be feared and destroyed, but as a part of the Europe of which we ourselves form an integral part ... . For us the fundamental question is whether we desire a peace of appeasement or a peace of violence".¹⁰

The beauty of the concept of "appeasement" was that it suited everybody. As Neville Thompson argues, it appealed to both left-wing concepts of morality and right-wing considerations of power. It was adopted by liberals as a progressive alternative to the alignment of European nations into opposing camps. Yet, for conservatives—who were slower to adopt it, being at first determined on a harsh peace settlement with Germany—it soon came to be seen as a way of preserving the status quo—of avoiding upheaval and change. Each thought they had the superior claim to it. When conservatives took it over, they distinguished their own brand as "realistic", compared with the appeasement of their opponents which was "idealistic".¹¹

---

⁸ HC5, vol. 188, cols 419-20, 18 November 1925.
¹⁰ Manchester Guardian, 'The German Protests', 10 May 1919. (From Gilbert, Roots of Appeasement, p. 54).
Another reason for appeasement's benign image was that it was mainly invoked, not just with reference to Germany or Italy, but to Europe generally. In 1935, while Foreign Secretary, Anthony Eden described his policy as "the appeasement of Europe as a whole". Using the term thus meant there could be no accusations of robbing Peter to pay Paul. It seemed that both were intended to be beneficiaries. Often the user of the term did have other countries in mind—Lloyd George sometimes meant it to include Russia, for instance; but even when it was clear that "Europe" really meant Germany, it was seen as a well-intentioned and natural policy for Britain to pursue. A policy of mediation and pacification fitted well with the view that the British have of themselves, as the embodiment of fair play and decency.

The pivotal time, when attitudes to appeasement began to turn negative, was late 1938 when, despite the Munich agreement, Hitler's demands grew more strident. Having once been about a strong nation granting concessions to a weaker one, appeasement now began to seem more about yielding to blackmail and robbing the weak and friendly to pay the strong and hostile. Only now did politicians seriously begin to question its legitimacy, efficacy and implications, and to highlight the difference between good and bad appeasement. In early 1939 Leopold Amery wrote: "The wider issue [between Germany and other countries] will not be averted, but only brought far closer by any policy of Danegeld masquerading as appeasement or restitution". Also in early 1939, Eleanor Rathbone, an independent MP, defined appeasement as "a clever plan of selling your friends in order to buy off your enemies—which has the danger that a time comes when you have no friends left, and then you find you need them, and then it is too late to buy them back". Appeasement as a policy was now becoming a matter of embarrassment, and the label "appeaser" was being used as an insult rather than a plaudit.

13 A few prominent politicians were uneasy about the Government's attitude before this. Sir Austen Chamberlain, despite talking positively of appeasement in 1925, had always been sceptical of its merits. Clement Attlee denounced it unequivocally on 21 October 1937: "The policy of this Government throughout, right on from 1931, has always been to try and appease the aggressors by the sacrifice of weaker States, but the more you yield to the aggressor the greater his appetite". HC5, vol. 327, col. 76.
By June 1939, even Chamberlain was avoiding using the term which had once been his watch-word. This highlights an obvious complication with debates on appeasement. The word itself is used to mean very different, even opposing, things. Whereas most reserve the label "appeasement" for the dealings with Hitler in the late 1930s, others make a sharp distinction between this and the rarefied notion of appeasement of earlier years. Sir Martin Gilbert argues, for instance, that the appeasement of Munich was not really appeasement at all, but "a distortion of all that appeasement stood for", being "dictated by fear and weakness".

The evolution of attitudes to appeasement during the inter-war years has been echoed by British historians looking at the period in retrospect. It means that attempts to look at appeasement in the pre-Nazi era in a critical way, or to try and separate its noble from its misguided aspects, have been rare. Although it is generally accepted that British leaders in the post-Great War period attempted to deal with "the German problem" by appeasing Germany rather than by strengthening links with France and other former allies, historians have been happy to assume that this was sensible and honourable, and therefore uncontroversial. Indeed, Gilbert's *The Roots of Appeasement*—one of the few historical accounts which examines the development of appeasement throughout the entire inter-war period—treats the appeasement of the 1920s and early 1930s in precisely this way, describing it as "a noble idea, rooted in Christianity, courage and common sense". In recent years, some critical attention has been paid to appeasement's germination in the highly charged atmosphere of the Paris Peace Conference. But apart from this, historians have usually focused on the time when the chickens were already coming home to roost. Having seen how appeasement was hatched at Paris, we need to know more about its development in the intervening years, beginning with Lloyd George's post-war period in office from 1919 to 1922.

---

16 National Archives, FO 371/22973, C8300/15/18. (From Parker, *Chamberlain and Appeasement*, p. 292).
Historiographical Assessments of Appeasement

Despite the unpopularity of appeasement in 1939, some writers, for example the historian E. H. Carr, continued to argue the merits of attempting to appease Hitler because Germany still had legitimate grievances. However, most early appraisals were highly critical, lambasting British governments of the late 1930s for failing to provide Britain with a defence against the aggressors and for not joining other nations—particularly France and Russia—in standing up to them.

This view was reinforced by a very influential early study of the Second World War's origins written by Winston Churchill. As noted earlier, Churchill had once been applauded for his appeasing attitude, but by 1938 he had become one of appeasement's leading critics. Looking back in 1948, he identified a series of missed opportunities—beginning with Hitler's unopposed re-occupation of the Rhineland in 1936 and culminating in the failure to ally with Russia in 1939—when resistance to Nazi aggression could have prevented—or at least curtailed—the war.

In 1961 A. J. P. Taylor's highly controversial study of the war's origins—in which he hailed the Munich settlement as "a triumph for British policy"—paved the way for a more sympathetic look at appeasement. Five years later there came Gilbert's flattering assessment of pre-Munich appeasement (although he, himself, had only recently come to this charitable view). As new documentary evidence gradually became available, complex interpretations based on military, economic and social, as well as political, factors began to appear. Arguments were put forward that Britain's situation was so constrained in the 1930s that her leaders had

few foreign policy choices. The defence of the Empire had to be considered as well as that of Europe; British and Dominion public opinion was adamantly against war measures; economic problems restricted rearmament; a strong Germany was needed as a barrier to Bolshevism; and the Soviet Union could not be trusted as an alliance partner.26 Against this background, it was argued, it seemed sensible to try to accommodate Germany by modifications to the Versailles Treaty. Within this revisionist framework, a few historians actually showed positive support for the continuation of appeasement. John Charmley, for instance, in 1989, argued that Chamberlain’s was "the only policy that offered any hope of avoiding war—and of both saving lives and the British Empire".27

More recently still, counter-revisionist interpretations have emerged which echo, in more muted and balanced tones, some of the sentiment of the earliest critics. Again these are mainly concerned with the late 1930s. R. A. C. Parker, for instance, in Chamberlain and Appeasement, maintains that Chamberlain did have a choice. He argues, correctly in my opinion, that, instead of trying to negotiate with Hitler, Chamberlain should have joined France in a policy of containing Germany, and, instead of shunning co-operation with Russia, should have tried to forge an anti-Nazi alliance with her.28

Lloyd George

Lloyd George's very individual and dynamic style, his colourful personality, his powerful oratory, his bluntness, his tactical manoeuvring and his maverick approach to party politics caused contemporaries to view him with a changing mixture of reverence, contempt, suspicion and perplexity. Historians and biographers have been equally confounded, and the enormous challenge of trying to pin him down, let alone classify him in relation to other modern British political figures, has resulted in a mountain of literature. Most of this has, however, concentrated on his relationship with the Liberal Party, his domestic policy, his role in the Great War, or his subsequent involvement in the Peace settlement. Furthermore, the most detailed and analytical studies have concentrated on his early career, the multi-volume appraisals by Bentley Gilbert and John

---

28 Parker, Chamberlain and Appeasement, pp. 344-47.
Grigg taking the story up only to 1916 and 1918 respectively. The one detailed study of his foreign policy, by Michael Graham Fry, has so far only covered the period up to 1916.

Apart from Kenneth Morgan's book, *Consensus and Disunity*, few major studies have given substantial attention to Lloyd George's post-war period as prime minister. Even fewer have focused on his continuing contribution to European policy from 1923 onwards, a period referred to by at least one biographer as his "twilight" years. Peter Rowland's biography of Lloyd George covers foreign policy beyond 1919, but, as Rowland has managed to squeeze his subject's whole life into a single volume, there is little room for detailed analysis or reflection. The only appraisal devoted to some of the later years—John Campbell's *The Goat in the Wilderness*—has been mainly concerned with Lloyd George's domestic policies and rivalries.

As Campbell points out, although he never returned to office after 1922 Lloyd George remained very active in politics for another twenty years. He was still an influential force, almost until his death in 1945, engaging in fierce debate on important questions, especially those involving Europe. At times there were possibilities of a return to the Cabinet, and he was still thought—usually with dismay by his successors—to be capable of shaping both public and political opinion.

The career of Lloyd George beyond 1919 is therefore important to a study of British inter-war policy not only because, for several years after he fell from power, governments were formed as a reaction to him and prospective leaders chosen because they were different from him; but also because he was a co-creator of the treaty that underpinned relations with Germany in this period, a treaty that fertilized the ground in which appeasement was to thrive and whose enforcement and revision were at the heart of Britain's European policy. There is obviously much more that needs to be said about Lloyd George's later career, particularly about his ideas on Europe.

---

29 There is, however, a forthcoming major study by Michael G. Fry, *And Fortune Fled: David Lloyd George, the First Democratic Statesman, 1916-1922* (Peter Lang, 2011).


Lloyd George at the Paris Peace Conference, 1919

The arguments, aims and achievements of Lloyd George and those who engaged in debate with him during the Paris Peace Conference, as well as the Versailles Treaty itself, form a crucial foundation and reference point for what was to come. Although this study focuses on the period after the signing of the Treaty, as an essential starting point its early chapters include brief accounts of the main points of contention leading up to the Treaty's creation. For this reason a brief historiographical survey is included here.

Debates on the Paris Peace Conference and the Versailles Treaty have been almost as multi-faceted and apparently contradictory as the conference and the treaty themselves, and so have accounts of Lloyd George's contribution to them. Even when historians agree on aspects of his activities, they disagree on their merits. Most, for instance, agree that while at Paris Lloyd George was ever mindful of public and parliamentary opinion back home; but, where some have criticized him for succumbing to such forces at a time when emotions were highly-charged, others have praised him for trying to fulfil the wishes of those he was there to represent. 33 On the whole, verdicts range between two extremes. At one he is the voice of liberalism, moderation and justice, with consistent, far-sighted objectives; at the other he is an opportunist "who had come to worship success for its own sake ... and to make it the first and last determinant of his actions". 34

As Alan Sharp has suggested, the apparently ambiguous nature of Lloyd George's activities during the Peace Conference has provided evidence for his determination both to penalize and to conciliate Germany, leaving both his supporters and his detractors feeling they have a strong, if rather convoluted, case to argue. Sharp himself is led to surmise that Lloyd George's improvisations, designed to overcome immediate political difficulties, were at the expense of long-term aims, his belated conversion to moderation being that of "an arsonist claiming credit for calling the fire brigade". 35

Keynes, who had been part of the British delegation at Paris, in his extremely damning assessment of the Peace Settlement, was highly critical of Lloyd George as one of its authors. Lloyd George, he argued, had been

33 Morgan, Consensus and Disunity, p. 148.
34 Morgan, Consensus and Disunity, p. 132; Lentin, Guilt of Germany, p. 154.
unprincipled and irresponsible in his quest "to make Germany pay", tricking President Woodrow Wilson into betraying many of his original aspirations for a just and liberal settlement. Yet Harold Nicolson, while sharing Keynes's despair over the punitive attitude to Germany, applauded Lloyd George for "fighting like a little terrier" to alleviate the terms once he appreciated their full severity. Recently too, Ian Packer has argued that, through his ability to think on his feet and do deals, Lloyd George should be applauded for managing to keep negotiations going in extremely difficult circumstances, while also securing a minimum set of objectives for Britain. All these assessments contain some truth. Although, in some respects, Lloyd George was harsh on Germany in 1919 and always kept British interests in mind, he also fought for a peace that he thought Germany would be willing to accept, and one that would prevent anarchy descending over central Europe.

Lloyd George's Post-War Premiership—European Policy, 1920-1922

Sharp argues that Lloyd George's "petty opportunism" continued beyond 1919. He rightly cites the very important example of Lloyd George's cynical offer of a guarantee to France, which, reneged on at Paris, was later offered and dropped again to suit immediate negotiating needs. In contrast, one of Lloyd George's most unequivocal defenders, Kenneth Morgan, praises him for battling to reduce German reparations to reasonable proportions while also attempting to allay French security fears. Morgan maintains that Lloyd George sought to "give Britain a creative role of leadership, appropriate for a major victorious power which was not, like France, paralysed by the impact of physical catastrophe and the Pétain mentality, and which had not, like the United States, defaulted on its international responsibilities". This, as I hope to show, is not only an unbalanced portrayal of France, but also a rose-tinted view of Lloyd George, who, as time went on, showed decreasing concern for French security. Gilbert in The Roots of Appeasement takes a similar view to Morgan, emphasizing Lloyd George's "moderation", and nominating him as the pioneer of appeasement (in its most noble sense), whose valiant attempts to conciliate Germany were generally hampered by French

38 Packer, Lloyd George, p. 66.
39 Morgan, Consensus and Disunity, pp. 370-71.
intransigence. Both of these interpretations assume, wrongly I believe, that acting as "honest broker" between France and Germany was the best policy for Britain to pursue immediately after the Peace Conference.

Carole Fink distinguishes between what she sees as Lloyd George's appeasement aims and those of subsequent leaders, arguing that rather than concentrating solely on Germany, Lloyd George's prime aim was to bring Russia into European affairs in order to restore European unity and revive Britain's prosperity, using Germany as an accessory. Although Lloyd George certainly had a positive and pragmatic attitude to Soviet Russia from an early stage, it is wrong to suggest that Germany was not his main target. Fry also raises the point about Russia. He maintains that Lloyd George's aim, to "ultimately embrace Russia" as well as Germany, meant that he had a "superior vision for Europe" and never, therefore, joined the ranks of the appeasers. This is another example of how the term "appeaser" has come to mean a very specific, usually damning, thing. It also implies that appeasing any nation other than Germany was not appeasement. Lloyd George certainly tried to appease Russia as well as Germany but this did not mean that he did not "join the ranks of the appeasers".

**Lloyd George and European Policy beyond 1922**

Just two important episodes involving Lloyd George in this period have received particular scholarly attention. These are his meeting with Hitler in 1936 and his support for a compromise peace during the Second World War. Both are discussed at length in this study. Antony Lentin, having examined both episodes, points to obvious errors in Lloyd George's judgement of Hitler and his policies, but shows some sympathy for his highly controversial attitude to peace talks with Hitler in 1939/40. He argues that, given Hitler's particular admiration for the Great War leader and Lloyd George's shrewdness and experience in negotiation, Lloyd George might well have succeeded in striking a bargain with the Führer. This is a reasonable supposition, but it begs the question of how Britain could have co-existed with a pan-European Nazi empire. However, Lentin does show that, contrary to popular and convenient belief, many senior

---

40 Gilbert, *Roots of Appeasement*, pp. 49, 80.
commentators and politicians, sharing Lloyd George's fear that Britain could not win the war, also contemplated a deal with Hitler as the lesser of two evils. In an earlier account, Paul Addison also contributed the very persuasive point that Lloyd George's demand for a "compromise peace" was part of a final plot to return to power; that the British people, turning from what Lloyd George thought was "the illusory policy of victory", would see him as a realistic alternative to Chamberlain and even Churchill.

Lloyd George and the Appeasement of Germany

It is clear that important aspects of both appeasement and Lloyd George's career during the inter-war years remain to be considered, and the main aim of this study is to shed light on some of them. It will focus on the development of Lloyd George's policy and attitude towards Germany (and, as a corollary, his attitude to other powers, particularly France), and illuminate his ideas for the long-term economic restoration and pacification of Europe. As well as looking at his policies while Prime Minister, it will examine—through his speeches, published articles, memoirs, private correspondence and activities—his attitude to events and strategies on Europe beyond 1922, when he was unshackled from the burdens of office. It will also compare his views with those of other contemporary government leaders and opinion formers. In this way, by using the brilliant but flawed instrument of Lloyd George as a refracting prism—first as a policy-maker and then as a highly articulate critic of the policy of successive governments—new strands of light will be teased out, and more will be revealed about the continuing development of appeasement. Possible alternatives to British policy will also be illuminated—but in ideas conceived at the time, rather than by historians in hindsight.

---

This first part focuses on four important aspects of the 1919 peace settlement which illustrate Lloyd George's early approach to appeasement. They are: reparations and disarmament—two of the most important and relevant issues; the dispute between Poland and Germany over Upper Silesia—which provides an example of a territorial question involving the appeasement of Germany; and the proposal for an Anglo-French alliance, which is of particular importance because, in casting a special light on Lloyd George's attitude to France—an attitude which was heavily influenced by France's policy toward Germany, it contributes greatly to explanations of his attitude to Germany.
CHAPTER ONE

REPARATIONS

The Paris Peace Conference and Before

From the beginning of the debate about peace terms reparation was recognized as a central issue, both from a moral and a material point of view. An enormous bill had been run up during the Great War, and the general view was that Germany should pay a large portion of it.

Generally, there were early signs that Lloyd George did not favour letting Germany off lightly. At a War Cabinet meeting in August 1918, for instance, he declared that "Germany had committed a great crime, and it was necessary to make it impossible that anyone should be tempted to repeat that offence". The peace terms "must be tantamount to some penalty for that offence". Two months later, he expressed an antipathy for an armistice which would end the war before it touched Germany:

At the first moment when we were in a position to put the lash on Germany's back she said, "I give up". The question arose whether we ought not to continue lashing her as she had lashed France. ... It was not vengeance but justice.

On reparations especially, there were no indicators that Lloyd George intended to appease Germany. In his "war aims" speech to trade unions on 5 January 1918, while seeming to suggest that he was not in favour of demanding a war indemnity, he stressed that "this great breach of the public law of Europe must be repudiated, and, so far as possible, repaired". At the Armistice the Americans expected peace to be made on the basis of the Fourteen Points enunciated by President Wilson to Congress in January 1918. On the issue of reparation, they could afford to

1 Lentin, Guilt of Germany, p. 18.
2 National Archives, CAB 23/7, WC 459/9, 15 August 1918.
3 CAB 23/14, WC 491B, 26 October 1918.
Reparations

be particularly philosophical, as their own war losses had been relatively small. There were to be "no punitive damages", and, although three of the Points stipulated the restoration of territory damaged by German armies, nothing else was said on reparation. Lloyd George thought something more specific was required. On 4 November 1918 he and his secretary, Philip Kerr, concocted a proposed paragraph to supplement the Fourteen Points. This stated that the Allied Governments "understand that compensation will be made by Germany for all damage caused to the civilian population of the Allies by the invasion by Germany of Allied territory". On reflection, however, they decided that this was insufficient. No provision was being made for Britain's losses, because her territory had not been invaded. Yet she had sustained heavy damages, such as in civilian shipping. They therefore altered the words "the invasion by Germany of Allied territory" to "the aggression of Germany by land, by sea and from the air". This reference to German aggression later found its way into the treaty itself, in article 231—the notorious "War-Guilt" clause—an important obstacle to a rapprochement between the Allies and Germany in the 1920s. Wilson and the other leading Allied representatives approved Lloyd George's addition, and, subject to that stipulation, it was agreed with Germany, under the Pre-Armistice agreement of 5 November 1918, that peace would be concluded in accordance with the Fourteen Points.

As far as the Americans were concerned, the Allies were now bound by this agreement. There could be no claim for war costs beyond the liability for civilian damage. Lloyd George seemed happy with this. Indeed, he told the Belgian Prime Minister that he thought "it would be a mistake to put into the Armistice terms anything that will lead Germany to suppose that we want a war indemnity".

But he was ruling nothing out. Once the Armistice was signed, and with the announcement of a British General Election three days later, his tone began to change. The peace settlement with Germany was a major item on the hustings, and it was clear that the British electorate, encouraged by the press—particularly the Northcliffe press—expected more from Germany than just compensation for civilian damage. Furthermore, the Lloyd George Liberals were campaigning on a joint platform with the Conservatives, most of whom shared the desire for an unappeasing peace, and William Morris Hughes, the Australian Prime

---

5 Lentin, Guilt of Germany, pp. 11-12.
7 Lentin, Guilt of Germany, p. 12.
Minister, was angrily complaining that the Dominions were not to be given adequate compensation for the great sacrifices they had made.

All this sharpened Lloyd George's awareness of the fact that the British Empire, whose war costs had been greater than those of any other belligerent, was set to get a rather paltry share of the spoils compared with France and Belgium. This would be unfair—and impossible to explain to British voters. ⁸ Britain had borrowed heavily from the USA during the War, and the Americans were showing no signs of waiving the debt. Unless Britain could get huge sums from Germany, she would be encumbered with debts for decades, whereas Germany, not having any equivalent debt, would get off lightly. Perhaps a claim for total war costs was justified after all! At a War Cabinet meeting on 26 November Lloyd George proposed that a committee, chaired by Hughes, be set up to consider the feasibility and magnitude of a claim. Unencumbered by hard evidence on which to base their calculations, the committee quickly produced a figure. The total cost to the Allies, to be re-paid by Germany, was £24,000 millions. (The official Treasury estimate, produced by Keynes, of what Germany should pay was £2,000 to £3,000 millions). Practicalities, such as Germany's capacity to pay, were given low priority. Not unreasonably, the committee argued that, as the war had cost the Allies a huge amount, and given that somebody would have to pay, it seemed fair that it should be Germany rather than her victims. ⁹

Lloyd George appeared to agree. In an election speech in Bristol on 11 December he not only announced the amount recommended by the committee, but he also came close to denying any practical limitations. "You may find" he suggested "that the capacity [to pay] will go a very long way". ¹⁰ The Germans would be asked to pay to their last farthing. "We will search their pockets for it". ¹¹

Many historians have argued that the picture of Lloyd George promising to "make Germany pay" at this time does not represent the "real" Lloyd George. Some have criticized his attitude as briefly yielding to populism to secure victory. Others have played down the punitive-sounding rhetoric in his election speeches, arguing that, given the

---

⁸ Lentin, Lost Peace, p. 15.
¹¹ He added this later at an overflow meeting. [Peter Rowland, Lloyd George (London: Barrie & Jenkins, 1975), p.470].
situation, he was quite restrained, and soon reverted to "normal".  

But, actually, allowing for the inevitable razzmatazz of the campaign, the Prime Minister's stance at election time was not very different from that that he would take during the Peace Conference. Making Germany pay was one of those demands that he saw as "not vengeance but justice". There was no serious suggestion of appeasement where reparations were concerned.

***

In January 1919 Allied representatives met in Paris to produce the peace treaties. The conference was dominated by "the Big Three"—Georges Clemenceau, the French Premier, President Wilson and Lloyd George. In February a Reparations Commission was set up. The British delegates were Hughes and Lords Cunliffe and Sumner—all of whom favoured extracting huge amounts from Germany. This was the first indication that, even though his premiership was secured, Lloyd George did not intend to take an appeasing line regarding reparations. The three men argued that claims for total war costs were admissible despite the wording of the Armistice Agreement. Wilson was adamant they were not. Although the French were initially enthusiastic for a war-costs claim, Lloyd George was soon telling the War Cabinet, "the British were standing alone in this matter". Clemenceau was more concerned to obtain priority for the repair of damaged territory and to get coal from Germany. He also realized that inflating the bill would reduce France's share of anything that Germany actually paid. Indeed, the reason that Lloyd George wanted war costs included was the very reason that it was not in French interests to include them; he was determined to get as big a share as possible for Britain of whatever Germany paid.

On 21 February, an American delegate, John Foster Dulles, suggested a compromise solution to the indemnity problem. The actual claim should

---

12 See, for example, Dockrill & Goold, Peace without Promise, pp. 46-48; Erik Goldstein, 'Great Britain and the Home Front', The Treaty of Versailles: A Reassessment After 75 Years, ed. by Boemeke, Feldman & Glaser (Cambridge University Press, 1998), pp. 147-66; Morgan, Consensus and Disunity, pp. 40-41.

13 Lentin, Lost Peace, p. 17.

14 Lord (Walter) Cunliffe was the Governor of the Bank of England until 1918, John Hamilton, 1st Viscount Sumner, was a Law Lord.

15 Gilbert, Roots of Appeasement, pp. 79-80; Dockrill & Goold, Peace without Promise, p. 54; CAB 23/9/534/1, 19 February 1919.

be limited to Germany's capacity to pay, but her theoretical responsibility for total war costs should be stated in the Treaty.\textsuperscript{17} Lloyd George supported the idea but thought it inadequate. While Wilson was ill in bed in early April he and Clemenceau seized the opportunity to "beef up" the statement, to incorporate an acknowledgement by Germany of her liability. The famous "War-Guilt" clause (Article 231) was born.

There were two reasons why Lloyd George insisted on including this clause. One was political. He did not want to reveal to the British people any signs of a willingness to compromise on reparations. His wish for Germany to publicly accept moral responsibility for the war was founded on his belief that this would make it more difficult for Germany to avoid her commitments. As he explained, British public opinion needed reassurance that Germany was going to pay for all the loss she had caused. "We must say that … Germany recognises her obligation … ."\textsuperscript{18} The other reason reflects a very anti-appeasing attitude. There was an element of vengefulness and retributivism in his thinking. "The terms", he later declared in the House of Commons, "are in many respects terrible terms to impose upon a country. Terrible were the deeds it requites".\textsuperscript{19}

**The Fontainebleau Memorandum**

Meanwhile Lloyd George was under great pressure from several members of the British delegation at Paris to be more conciliatory towards Germany. Kerr, together with Sir Maurice Hankey, the Cabinet Secretary, and Sir Henry Wilson, the Chief of the Imperial General Staff, were warning that, unless the terms were mitigated, Germany would see the treaty as grossly unfair. She might then refuse to sign and be driven to Bolshevism.\textsuperscript{20} On 22 March Lloyd George withdrew with these advisers to Fontainebleau for the weekend to think seriously about how to achieve a lasting peace with Germany, and, more to the point, how to create a Peace Treaty which Germany would be prepared to sign. The result was a manifesto for appeasement which became known as the "Fontainebleau Memorandum". It called for a peace based on pacification, moderation and the avoidance of new reasons for conflict. This, Lloyd George argued, would produce a peace treaty, which even if severe, would be so clearly just that Germany herself would accept it and live by it.

\textsuperscript{17} Sharp, *Versailles Settlement*, pp. 86-87.
\textsuperscript{18} Lentin, *Guilt of Germany*, pp. 66-67.
\textsuperscript{19} HC5, vol. 117, col. 1213, 3 July 1919.
\textsuperscript{20} Lentin, *Lost Peace*, pp. 73-74.