

THE FIRST INTELLIGENCE PRIME MINISTER:
David Lloyd George (1916-1922)

Daniel Larsen

Among prime ministers and intelligence in the twentieth century, the towering figure of [Winston Churchill](#) certainly looms largest. Yet though Churchill is the most famous, he was not the first prime minister to engage regularly with intelligence. The first beginnings of the modern British intelligence establishment were founded decades before the Second World War, in 1909, with just two men occupying an office called the “[Secret Service Bureau](#)”. On the Cabinet that created this bureau was none other than an ambitious and temperamental Welshman: [David Lloyd George](#). The son of a schoolteacher, the energetic and intensely political Lloyd George had grown up in Llanystumdwy, a small village on the Welsh coast. From these humble beginnings, he had risen through the ranks rapidly. As [Chancellor of the Exchequer](#), Lloyd George led the populist fight for the “[People’s Budget](#)”. A few years later, he was replacing the People’s Budget with a War Budget: Great Britain was at war.

From its own humble origins, British intelligence exploded both in its size and capabilities during the First World War. As Lloyd George careened from one Cabinet post to another, intelligence activities seemed to follow him wherever he went. In December 1916, Lloyd George became the first occupant of 10 Downing Street to engage meaningfully with this intelligence—yet when he did, unlike Churchill, the result was not often to Britain’s advantage.

In these early days, there were no set rules or established procedures as to how intelligence should be treated. Importantly, the [Joint Intelligence Committee](#) (JIC) did not yet exist. Later in the century, the JIC would carefully sift and analyze intelligence before passing it to ministers. In the First World War, however, Lloyd George saw only raw intelligence—with ample opportunity for misinterpretation. During the war, Lloyd George too often responded to secret intelligence with knee-jerk actions that worsened the situation. Politics, rather than policy, often governed his use of the material. Sometimes he made choices that were deeply irresponsible. Over the course of his premiership, however, Lloyd George’s relationship with intelligence slowly matured. By his final year in office, 1922, he demonstrated judgement concerning intelligence that was better than anyone else in the government.

In May 1915, Lloyd George became Britain’s first Minister of Munitions, and he soon was involved in setting up his own intelligence agency. A few munitions factory explosions occurred later in 1915—almost certainly caused by inexperienced workmen—but Lloyd George convinced himself that non-existent German saboteurs were actually to blame. When a subordinate approached him with a scheme in to set up a small intelligence service designed to counter these imaginary saboteurs, Lloyd George jumped at it. Eventually known by the deliberately vague name P.M.S.2 (“Parliamentary Military Secretary Department No. 2 Section”), the organization slowly shifted from looking for spies that did not exist to investigating labour unrest in the munitions factories. An expensive disaster of an intelligence

organization, its concrete results consisted of “little that cannot be found in the local press” yet its reports fuelled “ignorant alarmism”. At one point, it claimed to have discovered an assassination plot against Lloyd George. While the hysteria provoked by their charges resulted in jail sentences for the “plotters”, the evidence was subsequently dismissed as “flimsy as well as farcical”.¹

In the middle of 1916, Lloyd George moved to head the War Office, and the emphasis of the intelligence he received shifted from munitions to relations with the United States. Where Churchill used intelligence to help bring the U.S. and the U.K. closer together, Lloyd George’s use of it tended instead to drive the two countries further apart. During the First World War, Britain had a great intelligence secret: from at least 1915 onwards, it had broken American codes and was reading vast numbers of confidential American diplomatic telegrams.² The U.S. was a neutral power during the early years of the war. Until the U.S. entered the war on the side of the Allies in April 1917, its main objective was to bring an end to the war through an American-mediated peace.³

On 25 September 1916, the American ambassador in Berlin dispatched a telegram to Washington with a message from the German Government. Germany was “anxious to make peace”, and the Germans urged the U.S. President, [Woodrow Wilson](#), to make an “offer of mediation” to end the war. A message requiring the “utmost secrecy”, the Germans were adamant that any mediation offer must appear as the “spontaneous act of the president”. Berlin must appear as if it had nothing to do with it. British intelligence, however, decrypted this message,⁴ and Lloyd George received a copy. This intelligence convinced him that the Americans and Germans were working together against the British. Distrusting his Cabinet colleagues to take a hard enough line against the Americans, Lloyd George acted without consulting them. Promptly giving an [interview](#) to an American newspaperman, Lloyd George addressed Wilson all but by name and demanded that he butt out—publically declaring that “there can be no outside interference at this stage”. “The fight”, Lloyd George announced, “must be to a finish—to a knockout.”⁵ Lloyd George pointedly had a copy of the interview delivered directly to the White House.⁶

In reality, Lloyd George had merely gratuitously offended the American president. President Wilson was in the middle of his re-election campaign, and his government had decided to make no further peace

¹ Nicholas Hiley, “Internal Security in Wartime: The Rise and Fall of P.M.S.2, 1915-1917”, *Intelligence and National Security* 1/3 (1986), 395-415; Christopher Andrew, *Secret Service: The Making of the British Intelligence Community* (London: Heinemann, 1985), 195-197.

² Daniel Larsen, “British Intelligence and the 1916 Mediation Mission of Colonel Edward M. House” *Intelligence and National Security* 25/5 (2010), 682-704.

³ See Daniel Larsen, “War Pessimism in Britain and an American Peace in Early 1916”, *International History Review* (forthcoming).

⁴ Berlin to Washington Decrypt, 25 September 1916, HW 7/17, UK National Archives, Kew; cf. *Papers Relating to the Foreign Relations of the United States, 1916 Supplement: The World War* (Washington: Government Printing Office 1929) [henceforth FRUS 1916], 55.

⁵ See, for example, *The Times*, 29 September 1916, 1. The link between the interview and the decrypt is best established in A.J.P. Taylor (ed.), *Lloyd George: A Diary by Frances Stevenson* (London: Hutchinson, 1971), 114.

⁶ Roy Howard to Edward House, 28 September 1916, House Papers, 63:1991, Yale University Library, New Haven.

moves until after the election.⁷ Many of Lloyd George's colleagues—including the [Foreign Secretary](#)—were furious with him, but Lloyd George played the decrypt like a trump card. “I wonder whether you are still of the same opinion after reading M.I.1’s secret information?” he replied smugly to the Foreign Secretary, apparently attaching the decrypt to his letter.⁸ The decrypt seems to have protected Lloyd George from any rebuke.⁹

Nor was Lloyd George very careful about keeping this great intelligence secret. When challenged about his interview in parliament, Lloyd George even obliquely referred to the decrypt in defending himself. “I do not withdraw a single syllable”, he [declared](#), “*It was essential. I could tell the hon. Member how timely it was.*”¹⁰ The reference set the press atwitter. “Members pricked their ears and waited for revelations from secret history”, noted the *Daily Mail*, “but Mr. Lloyd George had only whetted their appetite without satisfying it.”¹¹ Perhaps most worrisome, however, was the American coverage of the interview. A [large headline](#) on page two in the *New York Times* blazed that Lloyd George “Defends ‘Fight-to-a-Finish’ Interview, But Can’t Disclose How Timely It Was”.¹² Lloyd George was fortunate that the American government took no notice.

Lloyd George also recklessly used this intelligence for his own political purposes. In November 1916—less than three weeks before he became prime minister—Lloyd George was trying to win back the support of the [Manchester Guardian](#) (the predecessor to today’s *Guardian*). Lloyd George’s interview had gravely offended its [editor](#), who supported a compromise peace. Without disclosing the source of his information, Lloyd George played fast and loose with the intelligence. He tried to convince the editor that the interview was only a “calculated” response to a serious threat of German-American cooperation against the British. Lloyd George told the editor that he “had positive and documentary evidence” that the Germans had made “a proposal to Wilson that he should propose mediation”—a move that at this time would have been disastrous for the British. Lloyd George promised that he was merely trying to head off this threat and intimated that he had not really meant what he said.¹³

In reality, he was merely telling the editor what he wanted to hear. Lloyd George then promptly went to a meeting of the Cabinet, where a belated challenge to Lloyd George’s interview was finally made. This time, Lloyd George stood vigorously behind what he had said.¹⁴ The newspaper editor, however, was

⁷ See *Official German Documents Relating to the World War* (New York: Oxford University Press, 1923), 984; Buenos Aires to Stockholm German Decrypts, 8, 10 September 1916, ADM 223/745, UK National Archives, Kew;

⁸ Lloyd George to Grey, 2 October 1916, Lloyd George Papers, E/2/13/6, Parliamentary Archive, Westminster.

⁹ See War Committee Minutes, 3 October 1916, CAB 22/53, UK National Archives, Kew. The interview never came up.

¹⁰ *Parliamentary Debates*, 86 H.C. Deb. 5 s., 134-136. Emphasis added.

¹¹ *Daily Mail*, 12 October 1916, 6, c. 4.

¹² *New York Times*, 12 October 1916, 2.

¹³ Trevor Wilson (ed.), *The Political Diaries of C. P. Scott 1911-1928* (London: Collins, 1970), 235.

¹⁴ John Vincent (ed.), *The Crawford Papers: The Journals of David Lindsay Twenty-Seventh Earl of Crawford and Tenth Earl of Balcarres, 1871-1940* (Manchester: Manchester University Press, 1984), 366.

fooled. He gave Lloyd George the paper's support—which played some role in Lloyd George successfully becoming Prime Minister shortly thereafter.¹⁵

In his early months at Downing Street, the intelligence that most interested Lloyd George continued to be intercepted communications. As Prime Minister, he would generally leave the main intelligence organizations responsible for counterintelligence and espionage—[MI-5](#) and [MI-6](#)—to their own devices.¹⁶ Within days of assuming the office, two more decrypts crossed his new desk, again revealing communications between the American embassy in Berlin and Washington. These decrypts helped to further convince Lloyd George that Germany and the U.S. were conspiring together. One of the decrypts consisted of two selectively chosen quotes from two American telegrams: the U.S. had requested Germany's “practical co-operation” and Germany had in reply promised it wholeheartedly.¹⁷ These quotes were misleading. In their full context, the U.S., in [asking](#) for Germany's “cooperation”, was primarily venting its *exasperation* about Germany's *failure* to cooperate.¹⁸

Lloyd George was never given the context, however. Once more led astray by intelligence, Lloyd George again wanted to take a hostile line against the president. Wilson's subsequent [peace note](#) of 20 December enraged Lloyd George, who believed that Wilson was coordinating with Berlin. Privately, Lloyd George denounced the American note as a “German move”. “They *knew, absolutely knew*”, Lloyd George spat, “that it was put forward at the inspiration” of Germany. He said flatly that it was “impossible” to give the note anything but a swift snub.¹⁹ Fortunately, cooler heads eventually prevailed. Lloyd George was wisely talked out of giving the Americans an angry response.²⁰ Still, Lloyd George remained deeply mistrustful of Wilson, convinced that Wilson's note was a “pro-German move”. “The government”, Lloyd George insisted, “had positive evidence of this.”²¹

The most reckless move Lloyd George ever made, however, came a few months later, when he frankly admitted to the American ambassador in London, Walter Page, that he had secretly been reading his dispatches. In February 1917, Page went to Downing Street with a [long message](#) from Washington. As soon as Page finished some short introductory remarks, Lloyd George was unable to restrain himself and

¹⁵ Wilson, *Political Diaries of C. P. Scott*, 235ff. See also J. M. McEwen, “The Press and the Fall of Asquith”, *Historical Journal* 21/4 (1978), 863-883.

¹⁶ See Christopher Andrew, *The Defence of the Realm: The Authorized History of MI5* (London: Allen Lane, 2009), 53-159; Keith Jeffery, *MI6: The History of the Secret Intelligence Service 1909-1949* (London: Bloomsbury, 2010), Chs. 2-7.

¹⁷ Hardinge to Lloyd George, 14 December 1916, U.S. Decrypt, 9 December 1916, Lloyd George Papers, F/3/2/1, Parliamentary Archive, Westminster; U.S. Decrypt, 9 December 1916, HW 7/17, UK National Archives, Kew.

¹⁸ *FRUS 1916*, 70-71.

¹⁹ Wilson, *Political Diaries of C. P. Scott*, 253. Emphasis added.

²⁰ See Sterling Kernek, “The British Government's Reactions to President Wilson's ‘Peace’ Note of December 1916”, *Historical Journal* 13/4, 721-766.

²¹ C. P. Scott Diary, 31 January 1917, C. P. Scott Papers, John Rylands University Library of Manchester.

broke in with a long speech that “answered every question [Page] had prepared to ask him”—leaving the ambassador somewhat bewildered.²²

When Page later returned to Downing Street with another message from Wilson, Lloyd George simply could not resist the temptation to show off and confessed that he had already seen Wilson’s message. A startled Page accepted Lloyd George’s explanation for this. Wilson’s message, Lloyd George lied, had “got[ten] out at Washington somehow”. Page concluded that they must have been “telegraphed here by someone in the British Embassy or in the British spy service”.²³ The explanation was plausible. Washington leaked even more than it does today.²⁴

Again, Lloyd George’s luck held. The intensely anglophile Page feared that this revelation might cause yet more Anglo-American tension. Washington’s leakiness notwithstanding, Wilson *hated* leaks, particularly concerning his own personal communications—so much so that Wilson actually insisted on deciphering his most sensitive diplomatic telegrams personally, trusting only his wife to help him.²⁵ Page’s revelation probably would have triggered an investigation, with potentially explosive consequences. Page, who had fought so hard to get the U.S. on the British side, decided that he would keep this information to himself.²⁶

Around the same time, the greatest intelligence coup of Lloyd George’s premiership was in motion. In January 1917, British intelligence had intercepted what would become known as the “Zimmerman telegram”. Germany had offered a secret alliance to Mexico, promising it three American states if Mexico declared war on its northern neighbour. The British worked deftly to expose this telegram to the Americans. The decision-making on this, however, was made entirely by British intelligence and the Foreign Office. Lloyd George probably was informed about it, but he appears to have had no hand in how it was released.²⁷

When published, the telegram provoked widespread outrage in the U.S. Because of this, along with Germany’s declaration that their submarines would sink any American merchant ships found near Allied waters, the U.S. decided to go to war with Germany in April 1917.²⁸ Despite the U.S. having joined the war, it seems that interception of American communications continued. With the U.S. and Great Britain

²² *Papers Relating to the Foreign Relations of the United States, 1917, Supplement 1, the World War* (Washington: Government Printing Office, 1931), 41.

²³ Unsent draft of a letter from Page to Wilson, February 1917, Page Papers, 1090.5, Diary 1917, Harvard University Houghton Library, Cambridge, Massachusetts.

²⁴ Rachel West, *The Department of State on the Eve of the First World War* (Athens: University of Georgia Press, 1978), 75.

²⁵ Baker, *Life and Letters*, Vol. 6, 52-53; Andrew, *Secret Service*, 108; Weber, “State Department”, 573-574.

²⁶ See Page to Wilson, 22 February 1917, Wilson Papers, Reel 86, Library of Congress, Washington, DC.

²⁷ See Barbara Tuchman, *The Zimmerman Telegram* (London: Constable, 1958); David Paull Nickles, *Under the Wire: How the Telegraph Changed Diplomacy* (Cambridge: Harvard University Press, 2003), 137-160.

²⁸ See, for example, Patrick Devlin, *Too Proud to Fight: Woodrow Wilson’s Neutrality* (London: Oxford University Press, 1974), Ch. 20; Arthur S. Link, *Wilson: Campaigns for Progressivism and Peace 1916-1917* (Princeton: Princeton University Press, 1965), Chs. 7-9.

now fighting on the same side, however, opportunities to dramatically misread this intelligence and cause major rifts mostly disappeared.

Instead, Lloyd George's main use of intelligence during the final year and a half the war, it appears, was to deploy it against his own military advisers. They disagreed over strategy: the military leaders believed that the British should focus on the Western Front in France. Lloyd George, however, wanted to move soldiers to launch offensives in other theatres. Making use of an “extensive network of personal contacts”, Lloyd George created “an unofficial personal intelligence service”. Using this network and other intelligence sources, Lloyd George worked to advance his strategic ideas. Ultimately, however, Lloyd George succeeded only in diverting important resources from the Western Front just as the Allies were launching their powerful, successful 1918 counterattacks there that would win the war.²⁹

As the Germans retreated and opened armistice negotiations, President Wilson dispatched his close personal advisor, Colonel Edward House, to Paris for important pre-armistice negotiations. As they conducted these crucial, secret negotiations, Lloyd George was reading every single one of House's and Wilson's telegrams.³⁰

In the aftermath of the war, Lloyd George was largely content to leave intelligence matters to others. In 1919, Lloyd George established a governmental “Secret Service Committee”—on which Churchill, with his ravenous interest in intelligence, was a member. Lloyd George, however, was not part of the committee, and he largely left it alone.³¹

The one area, however, where he did engage with intelligence was concerning the new Soviet Union. During 1920 and 1921, the Soviets engaged in protracted negotiations with the British over trade. The Soviet negotiating delegation was deeply involved in subversive activities, and British intelligence was systematically deciphering their communications with Moscow. When Lloyd George took charge of the negotiations, vast numbers of decrypts of Soviet telegrams came to him. The cables showed ever growing attempts by the trade delegation to encourage revolution in Britain. They also revealed the Soviets' sheer contempt for the British leader. Soviet leader Vladimir Lenin called Lloyd George a deceiving “swine” without “scruples or shame” and ordered the Soviet delegation to “gull him three times as much”.³²

Lloyd George responded to these decrypts in a much more mature and responsible way than he had at the outset of his premiership. He was not particularly bothered by the personal abuse and responded to the decrypts, one leading historian has written, with “coolness and objectivity”. Lloyd George correctly assessed their propaganda as harmless. The decrypts, he wrote, gave the British an “undoubted

²⁹ Kieran West, “Intelligence and the Development of British Grand Strategy in the First World War”, Unpublished PhD Thesis, University of Cambridge (2010), Ch. 9-12. Quoted at page 230. See also Brock Millman, *Pessimism and British War Policy 1916-1918* (London: Frank Cass, 2001).

³⁰ Bullitt Lowry, *Armistice 1918* (Kent, London: Kent State University Press, 1996), 84, 126.

³¹ Andrew, *Defence of the Realm*, 108-109.

³² Andrew, *Defence of the Realm*, 144; Andrew, *Secret Service*, 262. For a full discussion, see Richard Ullmann, *Anglo-Soviet Relations, 1917-1921: The Anglo-Soviet Accord* (Princeton, Princeton University Press, 1972), Ch. 7.

advantage”, giving “insight into [Soviet] interests and policy”. If they expelled the delegation or used the decrypts to expose Soviet activities, “that source of information would be cut off”.³³

While Lloyd George approached the intelligence with cool detachment, the decrypts outraged his Cabinet colleagues—including Churchill—and British intelligence leaders. Horrified by the Soviets’ secret activities, they demanded action. The intelligence official in charge of the organization responsible for intercepting foreign messages went so far as to claim that “even if the publication of the telegrams was to result in not another message being decoded, then the present situation would fully justify it”.³⁴

With the temperature rising within the government, Lloyd George was persuaded to publish a small number of intercepts in August 1920, taking precautions to limit the intelligence damage. Someone within the government, probably an incensed intelligence officer, leaked further decrypts to a few newspapers the next month. Despite intelligence officials urging further releases, it seems that Lloyd George convinced the Cabinet not to publish any further decrypts.³⁵ A “calmer period” in relations between the Soviets and the British followed. Lloyd George eventually succeeded in negotiating an Anglo-Soviet trade agreement, which was concluded in 1921.³⁶

In the spring of 1922, however, Soviet subversive activity was again on the upswing.³⁷ Yet before this again reached the point where it was considered a crisis, Lloyd George was engulfed in scandal. He had been caught selling honours and seats in the House of Lords. In the summer of 1922, his colleagues abandoned him and he was forced to resign.³⁸

In Lloyd George’s absence, further evidence of Soviet subversion led the government to make the unwise decision to publish large numbers of Soviet decrypts. The Soviets responded by introducing much stronger codes that the British could not break. As a result, this important source of intelligence simply “dried up”.³⁹

Lloyd George’s slowly acquired discretion continued even out of office. Churchill included a number of references to the British government’s decryption abilities when he published his *The World Crisis* in the 1920s.⁴⁰ Lloyd George, by contrast, makes little mention of intelligence in his *War Memoirs*, with the exception of the briefest possible account of Zimmerman Telegram, disclosing nothing that was not already public knowledge.⁴¹

³³ Andrew, *Secret Service*, 267.

³⁴ Ullmann, *Anglo-Soviet Relations*, 289; Andrew, *Secret Service*, 266-269.

³⁵ Andrew, *Secret Service*, 268-270.

³⁶ Ullmann, *Anglo-Soviet Relations*, Ch. 10; Andrew, *Secret Service*, 285.

³⁷ Andrew, *Secret Service*, 291.

³⁸ See, for example, Roy Hattersley, *David Lloyd George: The Great Outsider* (London: Little, Brown and Company, 2009), Chs. 34-36.

³⁹ Andrew, *Secret Service*, 291-296.

⁴⁰ Winston Churchill, *The World Crisis* (6 vols, London: Thornton Butterworth, 1923-31).

⁴¹ David Lloyd George, *War Memoirs of David Lloyd George* (London: Odhams Press, 1933-1936), Vol. I, 988.

Lloyd George's experiences represent the possible uses of intelligence in their rawest, most primal form. Later prime ministers would have the benefit of established institutions and procedures to help them make sensible use of the intelligence they receive. During the First World War, however, everyone was simply making it up as they went along. Intelligence was a novelty. For ministers, it existed as a source of captivation, but primarily it served merely as tool for furthering existing agendas.

Yet the way in which Lloyd George used intelligence was—like later prime ministers—a reflection of his own personal style and personality. Lloyd George approached intelligence in the same way that he approached everything else—with a keen eye for politics. Lloyd George was not as interested in intelligence as have been other prime ministers, nor did he often use intelligence particularly well. Certainly Churchill outranks Lloyd George in both respects. Yet, unlike any of his predecessors, intelligence formed an important part of Lloyd George's premiership. For that reason, he rightfully earns the distinction of called being Britain's first intelligence Prime Minister.

Find Out More

Secret Service: The Making of the British Intelligence Community by Christopher Andrew (Heinemann, 1985)

Defence of the Realm: The Authorized History of MI5 by Christopher Andrew (Allen Lane, 2009)

MI6: The History of the Secret Intelligence Service, 1909-1949 by Keith Jeffery (Bloomsbury, 2010)