1a: A changing political landscape

Overview

Between 1918 and 1979, the political landscape of Britain changed significantly as a result of the challenges it faced from war, economic and technological changes and the desire for greater social equality. While the period from 1918–45 saw the decline of the Liberal Party and growth of Labour as the second major party, it also saw the Conservatives in government for most of the time, whether in their own right or as part of a coalition.

In the years after the Second World War a political consensus developed in which the major parties tended to agree on principles such as economic intervention and the maintenance of social welfare. This may have been fading by the 1970s but was finally ended by the election of the Conservative government of 1979, which greatly supported the movement of free market forces.

This chapter explores the changing political landscape of Britain in the twentieth century and how the country’s political parties attempted to deal with the external and internal challenges that faced them through the following sections:

1. Changing party fortunes, 1918–31
2. The National Government, 1931–45
3. The rise of consensus politics and political challenge, 1945–79

1 Changing party fortunes, 1918–31

Britain emerged from the First World War victorious but economically damaged. During the war Britain amassed £3.2 billion of war debts, mainly to the USA. This, together with the loss of world markets due to disruption to British trade, and the growth in the USA’s economic power would present British governments with serious economic problems, which would in turn shape the course of British politics.

This section explores the fortunes of Britain’s three political parties: the Liberal, the Conservative and the Labour Parties.

The political landscape in Britain was changed by the First World War (1914–18) and in the two decades after the end of the conflict the Liberal Party, which had been dominant before 1914, went into decline. The demise of the Liberals coincided with the growth in the popularity and size of the Labour Party. This new political party, which had emerged from the trade union movement, was based on working-class votes. The Conservative Party, which had been part of the wartime coalition, was electorally the most popular party of this period forming the government for much of the 1920s and dominating a National Government coalition during the 1930s.

Note it down

In this section your notes should focus on how the fortunes of the parties changed during the interwar period. You could use bullet points to make notes on:

- Changes in party support and electoral outcomes
- Factors influencing party fortunes (e.g. economic conditions, international events)
- Key figures and events in party history
• the status of the three main political parties in 1918
• how the Liberal Party declined in support and influence
• how the Labour Party developed
• the work of the first Labour government and the reasons for its collapse
• the reasons for Conservative domination between 1924 and 1929
• the changing political landscape between 1929 and 1931.

The Liberal Party in 1918

The Liberals believed in free trade and a limited role for government. They were a party of social reform. From 1906 onwards they had implemented state pensions, unemployment relief and the beginnings of state-provided healthcare.

In the decade before the First World War the Liberal Party had dominated British politics, and had faced growing unrest over the issue of Home Rule in Ireland, the women’s suffrage movement and an increasingly militant trade union movement. All three growing conflicts were interrupted by the outbreak of war, preventing the Liberal government from being overwhelmed by them. However, after 1918, not only did the problems of Ireland and trade union unrest return, but the appeal of the Liberal Party to its traditional voters, the middle classes and the artisan working class, began to decline. Even though the party had introduced major social reforms in housing and national insurance, the perceived party of social reform in Britain became the Labour Party.

The experience of the war had deeply divided the Liberals:

• Many opposed the growth in the power of the state, particularly on the issue of conscription.
• The war had resulted in a coalition with the Conservative Party from 1915 onwards. In 1916, when David Lloyd George became prime minister, many Liberal MPs believed he had abandoned the principals of the party and had become too close to the Conservatives.
• In the election of 1918 Lloyd George campaigned against the many members of the Liberal Party who stood in independent opposition to him. This split the party’s vote (see Table 1, page 17) and they were never to recover.

The Labour Party in 1918

The Labour Party had evolved from the Labour Representation Committee of the Trades Union Congress (TUC), which the TUC set up in 1900 as the main organising body of the trade union movement. As a result, the party was closely tied to the unions who saw it as a useful tool in advancing working men’s pay and conditions through getting union-backed MPs into Parliament. In 1906 the Labour Party had nearly one million affiliated members, and returned 29 MPs to Parliament.

The party had 40 MPs after the 1910 General Election and after 1911 it became much easier for working-class politicians to be elected to Parliament when the Liberal government allowed wages for MPs. This meant that politics was no longer solely an activity for people who were already independently wealthy. The Representation of the People Act in 1918 saw the British electorate triple in size from 7.7 to 21.4 million, leading to a dramatic expansion in the party’s voter base.
The Conservative Party in 1918

The Conservative Party had been associated with the landed gentry in the nineteenth century, but electoral reform had forced the party to change and attract new supporters. By the end of the First World War the Conservatives presented themselves as a party of the middle classes and those members of the working classes who aspired to ‘better’ themselves through property ownership.

Voting rights

The extension of voting rights had been ongoing throughout the nineteenth century with Reform Acts in 1832, 1867 and 1884. Pressure for full democracy increased in April 1917 when the USA joined the war. US President Woodrow Wilson had made spreading democracy a specific war aim and this put extra pressure on the government to extend the franchise. They did so in March 1918 with the Representation of the People Act. It ensured that:

• Nearly all British adult men over the age of 21 had the vote.
• Women over the age of 30 were enfranchised if they owned property or were a member of a local government register or married to a man who was.

The Representation of the People Act was followed by another in 1928, when women over 21 were given the vote on the same terms as men. Finally, in 1969, a further Representation of the People Act extended the vote to everyone over eighteen years of age.

The Conservatives had been part of David Lloyd George’s wartime coalition from 1915 to 1918 and continued to support him as prime minister until 1922.

After 1918 a large proportion of their votes came from newly enfranchised property-owning women and the party actively encouraged their engagement with Conservative ideas.

The decline of the Liberal Party

In 1918, at the end of the First World War, the Liberal government had been in power since 1906. However, within four years of the end of the conflict the Liberals were a politically spent force and would never again form a government in the twentieth century.

Elections

The two elections in 1918 and 1922 were important events in understanding the decline of the Liberal Party.
By 1918 Liberal leader and Prime Minister, Lloyd George, had effectively split the party. The election of 1918 was fought between the ruling Liberal–Conservative coalition and the Labour and Liberal opposition parties. Table 1 shows the outcome.

**Table 1: United Kingdom general election results, 1918**

<table>
<thead>
<tr>
<th>Party</th>
<th>Votes (millions)</th>
<th>Share of the vote (%)</th>
<th>Seats</th>
<th>Increase in seats</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coalition Liberal</td>
<td>1.4</td>
<td>12.6</td>
<td>127</td>
<td>0*</td>
</tr>
<tr>
<td>Conservative</td>
<td>4.14</td>
<td>38.5</td>
<td>332</td>
<td>+60</td>
</tr>
<tr>
<td>Labour</td>
<td>2.25</td>
<td>20.8</td>
<td>57</td>
<td>+15</td>
</tr>
<tr>
<td>Liberal</td>
<td>1.39</td>
<td>13.1</td>
<td>36</td>
<td>-235</td>
</tr>
<tr>
<td>Other</td>
<td>1.61</td>
<td>14.9</td>
<td>105</td>
<td></td>
</tr>
</tbody>
</table>

* This was the Coalition’s first election so while it appears as if they had not lost seats, the Liberals overall had experienced huge losses.


The Liberal–Conservative coalition won a landslide victory. However, the Conservatives within the coalition were far the more popular political party, with over three times as many votes cast for them than for the Coalition Liberals. The effect on the opposition Liberals was catastrophic. They experienced a collapse in their vote, partly caused by the popularity of Lloyd George’s coalition and the promise of social reform, and partly as a result of the rise of the Labour Party.

**David Lloyd George**

The immediate cause of the Liberal’s decline were the actions of David Lloyd George. In 1918 Lloyd George was a national hero. He was credited by much of the country as the ‘man who won the war’, and as the tough negotiator who would be able to represent Britain at the Paris Peace Conference. He was a man of humble origins from north Wales and had made it clear that he was an enemy of privilege and no friend to the House of Lords, an unelected body of hereditary peers that sat at the apex of Britain’s class system.

Consequently, the news in June 1922 that he had been involved in a scandal selling knighthoods and peerages was deeply shocking. In the past, titles had been sold by government ministers to their supporters in industry for large donations, but it was done in a discreet and largely unnoticed fashion. Lloyd George’s trade in titles was run from a private office he established, and knowledge of the operation was widespread. During his six years as prime minister (1916–22) he sold 1,500 knighthoods and nearly a hundred peerages.

Several titles were freely given away to Fleet Street newspaper magnates, such as Lord Beaverbrook, so that they would turn a blind eye and not report the practice. When the 1922 honours list was announced there were several people on it who had criminal convictions for fraud and the press finally published the story. Lloyd George himself called the honours system corrupt, but the scandal did immense damage to his credibility. His decision to go to
war with Turkey, if it sought to revise the terms of the peace treaty it had been forced to sign in 1918, further dented his credibility; his Conservative coalition partners disagreed with the policy. They decided that the looming crisis with Turkey was their opportunity to act.

A secret meeting of leading Conservatives was held at the Carlton Club, a private members club used by London political elites. At the meeting it was decided to abandon the coalition with the Liberals. As a result, the election of November 1922 was a disaster for the Liberals (see Table 2).

**Table 2: United Kingdom general election results, 1922**

<table>
<thead>
<tr>
<th>Party</th>
<th>Votes (millions)</th>
<th>Share of the vote (%)</th>
<th>Seats</th>
<th>Increase in seats</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conservative</td>
<td>5.5</td>
<td>38.5</td>
<td>344</td>
<td>+12</td>
</tr>
<tr>
<td>Liberal</td>
<td>2.67</td>
<td>18.9</td>
<td>62</td>
<td>+26</td>
</tr>
<tr>
<td>Labour</td>
<td>4.24</td>
<td>29.7</td>
<td>142</td>
<td>+85</td>
</tr>
<tr>
<td>National Liberal</td>
<td>1.47</td>
<td>9.9</td>
<td>53</td>
<td>−74</td>
</tr>
<tr>
<td>Other*</td>
<td>0.51</td>
<td>3.6</td>
<td>14</td>
<td>−91</td>
</tr>
</tbody>
</table>

* No longer included MPs from Southern Ireland


Those led by Lloyd George (now the National Liberal Party) were reduced to 53 MPs, and while those opposition Liberals led by Herbert Asquith saw their share of the vote grow to give them 62 MPs, it was still too small an increase to prevent the party from further decline.

Lloyd George’s personal unpopularity by 1922 was partly the cause of the Liberals’ decline, but the growth in the popularity of the Labour Party had a much greater, long-term impact.

**David Lloyd George, 1863–1945**
David Lloyd George was a leading figure in the pre-war Liberal government elected in 1906, and held the office of Chancellor of the Exchequer from 1908 to 1915. He grew up in Llanystumdwy, a small village in a remote part of north Wales. As a Welsh politician from reasonably humble origins he felt himself to be an outsider in British politics. He believed that by capturing public opinion and being popular with voters, he could make up for his lack of wealth and connections.

During the First World War (1914–18) Lloyd George became prime minister following Herbert Asquith’s indecisive leadership. He was widely credited with holding together the coalition government that he led and successfully managing relations with allies such as France and the USA until the armistice in November 1918.

Following his political downfall in 1922 Lloyd George continued to play an important role in British politics. He became the leader of the Liberal Party in 1926, even though the size of the party continued to dwindle. He spent the 1920s and 1930s attempting to find new political and economic solutions to the problem of unemployment. He was so unpopular with the Conservatives who were in office during 1924–29 and 1931–45 (as part of a National Government) that there was little possibility of him returning to office. He died in 1945.

The rise of the Labour Party

Labour would win office twice in the 1920s, but the two Labour governments of the era were to prove disappointments to many of their working-class voters, who had huge expectations of what could be achieved.

Labour in government

The first Labour government was led by Ramsay MacDonald in 1924. It was a minority government and its election was seen as a deeply alarming development by many of the Conservative-supporting newspapers like The Times. The party was committed to parliamentary democracy and went to great lengths to demonstrate how moderate it was. Nonetheless, Labour’s opponents in the Conservative Party and the media liked to compare it to the repressive regime in Soviet Russia and suggested that there might be Soviet sympathisers among the cabinet.

One of the main problems that MacDonald and his government encountered was strained relations with the National Executive Committee of the Labour Party itself. MacDonald was forced to make harsh economic choices that affected the poorest voters and had to manage the threat of industrial action. As prime minister he had to compromise, but the party was critical of him for not being more radical. Because he was the head of a minority government, dependent on Liberal support, any attempt to introduce a more radical programme would have resulted in a withdrawal of this support and the collapse of the government. The government lasted for nine months, too short a time to introduce much legislation.

Measures that were passed included the Housing (Financial Provisions) Act 1924, which increased the amount of money available to local authorities to build homes for low-income workers.

Ramsay MacDonald, 1866–1937
Ramsay MacDonald was the first British Labour prime minister. He led three governments between 1924 and 1935. He was born in Lossiemouth in north-east Scotland in 1866 and as a young man moved to Bristol and London where he became involved in radical socialist politics. He was elected as a Labour MP in 1906 and was on the left wing of the party until the end of the First World War. Throughout the First World War MacDonald was a pacifist but he visited France and witnessed the fighting first hand. He moved away from the radical left of the party after 1918 and became very suspicious of communism after the Russian Revolution. When he became prime minister in 1924 he was the first ever working-class leader of Britain.

Government collapse

MacDonald’s government collapsed in the autumn of 1924 following a motion of no confidence which MacDonald only narrowly won. The motion against Labour came about following the decision of the Attorney General Sir Patrick Hastings to drop charges of incitement to mutiny against a socialist newspaper, the Worker’s Weekly. The newspaper had published an article by John Ross Campbell which broke the law by demanding that soldiers:

Refuse to shoot down your fellow workers! Refuse to fight for profits! Turn your weapons on your oppressors!

On 6 August, under pressure from backbench Labour MPs, the prosecution against Campbell was withdrawn and MacDonald was accused by both Liberal and Conservative parties of having secret communist sympathies. The case coincided with his attempts to normalise relations between Britain and the Soviet Union. A second motion was passed against the government, calling for an official inquiry into the withdrawal of charges against Campbell. MacDonald was forced to resign and call an election.

The General Election, October 1924

Labour’s election campaign was marred by the publication of a damaging story in the Daily Mail. The Conservative-supporting newspaper claimed that a letter from the Russian communist revolutionary Gregori Zinoviev to the British Communist Party had been discovered. The letter, a forgery, appeared to be an incitement to revolution, telling British communists to prepare to overthrow the government. The Daily Mail hoped it would dissuade people from voting for Labour or any other left-wing party.

Although the Labour vote didn’t collapse (see Table 3), it lost the election and the Conservative Party, under Stanley Baldwin, was able to form a majority. This election was a defining moment for the Liberal Party as a declining force in British politics; it saw a 12% decline in its share of the vote and a loss of 118 seats. The Conservatives were the clear beneficiaries, taking seats from both the Liberal and Labour parties. First-time Labour voters in the previous election who were now disappointed with Ramsay MacDonald switched to the Conservatives, as did Liberal voters who had lost faith in the ability of the party to revive itself.
Conservative dominance, 1924–29

The new Conservative government formed by Stanley Baldwin presented itself as an alternative to the Labour Party and the ‘threat’ of socialism in Britain. However, Baldwin wanted to be seen by the country as a moderate politician who could appeal to all social classes. He believed that the rhetoric of ‘class war’ that had emerged during the brief MacDonald government was deeply damaging to Britain and he discouraged the Conservative Party from attacking Labour as secret agents of the USSR (which had been alleged in Conservative-supporting newspapers during MacDonald’s administration). When he was confronted with a general strike in 1926, and defeated it, he attempted to be conciliatory to the strikers, saying:

"Our business is not to triumph over those who have failed in a mistaken attempt."

Reform to Labour’s funding

Despite Baldwin’s appeals to his party for peaceful coexistence with the Labour Party, many Conservative MPs still believed that the government should use all methods at its disposal to weaken it and the trade unions. In 1925 a private member’s bill to prevent the Labour Party from receiving a political levy from the trades unions, which would have financially crippled it, was opposed by Baldwin in the House of Commons and subsequently failed. He was more concerned with political stability than political conflict between the parties.

Baldwin’s conciliatory approach could not be sustained in the long run. Following the General Strike he yielded to pressure to introduce laws reducing Labour’s funding from the unions. In the 1927 amendment to the 1906 Trade Disputes Act the political levy on union members could no longer be automatically deducted from their union membership and passed to the Labour Party; instead, members had to agree to pay it. Over one-third chose to opt out, causing the Labour Party’s finances to decrease by 35%.

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Table 3: United Kingdom general election results, October 1924

<table>
<thead>
<tr>
<th>Party</th>
<th>Votes (millions)</th>
<th>Share of the vote (%)</th>
<th>Seats</th>
<th>Increase in seats</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conservative</td>
<td>7.85</td>
<td>47.2</td>
<td>412</td>
<td>+154</td>
</tr>
<tr>
<td>Liberal</td>
<td>2.93</td>
<td>17.6</td>
<td>40</td>
<td>−118</td>
</tr>
<tr>
<td>Labour</td>
<td>5.49</td>
<td>33.0</td>
<td>151</td>
<td>−40</td>
</tr>
<tr>
<td>Other</td>
<td>0.37</td>
<td>2.2</td>
<td>12</td>
<td>+4</td>
</tr>
</tbody>
</table>

A changing political landscape, 1929–31

In March 1929 Baldwin held a general election. Although the Conservatives won the largest share of the popular vote, this did not translate into an overall majority of seats (see Table 4). MacDonald returned to power but his government would not prove strong enough to weather the economic storms that were to break later in the year.

Table 4: United Kingdom general election results, 1929

<table>
<thead>
<tr>
<th>Party</th>
<th>Votes (millions)</th>
<th>Share of the vote (%)</th>
<th>Seats</th>
<th>Increase in seats</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conservative</td>
<td>8.66</td>
<td>38.2</td>
<td>260</td>
<td>−152</td>
</tr>
<tr>
<td>Liberal</td>
<td>5.31</td>
<td>23.4</td>
<td>59</td>
<td>+19</td>
</tr>
<tr>
<td>Labour</td>
<td>8.37</td>
<td>37.0</td>
<td>287</td>
<td>+136</td>
</tr>
<tr>
<td>Other</td>
<td>0.31</td>
<td>1.4</td>
<td>9</td>
<td>−3</td>
</tr>
</tbody>
</table>


Social reforms

MacDonald had much more ambitious reforms planned in his second ministry than his first. His lack of an overall majority once again made him dependent on the Liberals to pass legislation, though he had a largely co-operative working relationship with them. As a result, the government was able to pass some social reforms:

- The 1930 Housing Act cleared three-quarters of a million slum houses and replaced them with modern homes by 1939.
- The Coal Mines Act of 1930 attempted to ensure better pay for workers and more efficient pits, but the weakness of the legislation ensured that the mine owners could ignore it.
- MacDonald amended the Unemployment Insurance Act, giving the government powers to create [public works schemes](#) to alleviate unemployment. It was funded with £25 million of government money.

The government was also limited in what it could achieve by the growing economic crisis. MacDonald referred to the next two years of crisis in Britain as an ‘economic blizzard’, and it had significant political repercussions as well.

Economic problems

During the summer of 1931 there were rumours that the forthcoming budget would be unbalanced – meaning that the government had plans to spend more than it could afford – leading to an increase in borrowing. This caused the banks in America to engage in panic selling of the pound, exchanging it for other currencies, and the pound slumped in value. In order to reassure financiers that their investments were safe, the government proposed
spending cuts and tax hikes, the main measure being the introduction of a 10% cut in unemployment assistance. This would keep the value of the pound stable, but caused hardship for many of Britain’s poorest. The threat of this cut split the Labour Party and MacDonald’s cabinet, leading the government to resign on 24 August 1931. After negotiating with the other main political parties, and at the urging of King George V, MacDonald formed a National Government from the three main parties with himself as prime minister. Both MacDonald and his chancellor of the exchequer, Lord Philip Snowden, were viewed as traitors to the Labour Party, which passed a motion expelling them. They formed a new National Labour Committee which was designed to sponsor Labour parliamentary candidates who supported the National Government.

MacDonald and the American banks

The second Labour government under Ramsay MacDonald struggled to finance its spending commitments and, by 1931, came under intense pressure from international banks, particularly in the USA. The banks did not want the British government to spend large sums on welfare, even though unemployment in Britain was rising. These banks had significant power over Britain as they held large currency reserves of the British pound, due to the amount of debt Britain had accrued by borrowing from the USA to finance the war.

These banks could lose millions at a stroke if the value of the pound went down and so did not want to see economic policies introduced that might cause that to happen. A high-spending government would either have to tax or borrow, both actions that would reduce the pound’s value and cause the Gold Standard to be readjusted.

2 The National Government, 1931–45

Following the government’s collapse in August, MacDonald called an election in October 1931. He did so reluctantly, fearing it would destroy the Labour Party, but the Conservatives in the National Government insisted on one.

The National Government won the election by a huge majority but it was the Conservatives within it who won the vast majority of the seats. MacDonald continued as prime minister, though only as a figurehead. The share of the vote for the Labour Party slumped as many voters believed the party was putting its own interests and those of the unions before the national interest. By expelling MacDonald and Snowden the Labour Party appeared to be rejecting a coalition of national unity on party political grounds The National Government presented them as ‘running away’ from difficult decisions. The National Government was to last until 1945, although various elections during this period showed shifting support for the different parties, as shown in Table 5.

Note it down

Using a spider diagram (see note making pages), make notes on the following topics:

- The experience of the National Government during the economic crisis.
- The problems faced by The National Government over rearmament.
- The role of the National Government during the Second World War.
In this section you will see that there are all related to one another. You should try to show these connections in your spider diagram. Evaluate which issues presented the National Government with the greatest challenges.

MacDonald’s premiership, 1931–35

MacDonald’s premiership was dominated by the economic challenges caused by the Great Depression and attempts to alleviate it and effect an economic recovery. The government made some moves to rearm, given the increasingly threatening situation in Europe and the rise of fascism there. At the same time it had to deal with the threat of fascism at home.

Economic policy and its effects

The National Government implemented the spending cuts which had caused the previous government’s downfall. Public sector pay cuts of 10% were felt to be so harsh that they led to a mutiny in the Royal Navy at the naval base of Invergordon.

In addition to the spending cuts the National Government was able to introduce a limited number of tariffs. By 1933 the end of the Gold Standard and low interest rates had begun to stimulate an economic recovery. The National Government’s popularity increased, even though MacDonald became increasingly isolated in the government and was replaced as prime minister by Stanley Baldwin in 1935.

Labour Party opposition

The Labour Party managed to reorganise itself throughout the first half of the 1930s and become the official opposition to the government. Under its new leader, Clement Attlee, it managed to gain 154 seats at the 1935 General Election, demonstrating that the Labour vote was rapidly recovering from the slump in votes in 1931.

The growth in extreme political ideas

Throughout the 1930s there was in increase in support for extreme ideas on both the far left and far right. Communist and fascist parties saw an increase in their membership as more people became convinced that liberal democracy no longer had the answers to the economic crisis.
By 1934 the British Union of Fascists had 50,000 members.

In the same year the Communist Party of Great Britain only had 9,000 members but throughout the 1930s organised the National Unemployed Workers’ Movement, which some historians have argued represented hundreds of thousands of unemployed men.

Many intellectuals on the left, including Fabians Sidney and Beatrice Webb, visited the Soviet Union, believing that communism was an economic success. This had an impact on Britain from the 1930s onwards as these influential figures argued convincingly in favour of state planning.

Oswald Mosley, 1896–1980

One charismatic and forceful Labour MP, Oswald Mosley, was inspired by the seemingly dynamic economic policies of Mussolini’s Italy. In Italy, since 1922, a fascist one-party state had established itself under the charismatic dictator Benito Mussolini.

Mosley, frustrated at the National Government, resigned and set up his own organisation – the New Party – in March 1931. Mosley’s New Party put forward a manifesto for change, titled the ‘Mosley Memorandum’, which temporarily attracted support from both the right and left. It demanded a co-ordinated national economic plan to deal with the economic crisis. Moderates from the Conservative and Labour parties who had supported him soon withdrew their backing when Mosley established his own group of violent enforcers called ‘Biff Boys’, who were given the task of attacking his opponents.

In 1932 Mosley drew all the fascist organisations in Britain together with the New Party to form the British Union of Fascists (BUF). The union’s impact on the political system overall would prove to be negligible, but it briefly presented a challenge to law and order. The National Government passed the Public Order Act in 1936, banning groups from wearing uniforms and requiring permission for marches and demonstrations. Mosley never became a threat to the National Government and his movement began to decline after 1936.

Even though his movement dissipated after 1936, Mosley’s BUF demonstrated that there were significant numbers of people (the movement had 50,000 members at its height) who did not believe the existing political system of parliamentary democracy was capable of working at the height of the depression.
Disarmament and rearmament

From 1933 onwards many British people began to take a much more active interest in world events. The appointment of Adolf Hitler as chancellor in Germany caused public opinion to divide between rearmament and disarmament. With traumatic memories of the previous war, hundreds of thousands of people were attracted to organisations such as the Peace Pledge Union, and the League of Nations Union that supported peaceful resolution to conflicts.

The Peace Ballot and Pledge

In 1934, millions of householders were asked their opinions on war and security. This Peace Ballot was organised by the League of Nations Union. The 11 million people who answered the questions made it clear that they supported the idea of ‘collective security’.

The Peace Ballot was followed by the Peace Pledge Union, organised by Father Dick Sheppard, the Cannon at St Paul’s Cathedral. Over 100,000 men and women sent Sheppard postcards pledging to oppose war.

By the early 1930s, the idea that Germany had been solely responsible for the First World War was rejected by most British politicians and civil servants. Instead a different view
prevailed, one which blamed arms races and secret treaties. The government negotiated with other powers to disarm at the World Disarmament Conference, which ran for two years between 1932 and 1934. However, the conference broke down in 1933 when Germany withdrew, expressing its right to rearm to levels equal to France, Britain and the USA. Following Germany’s exit, Baldwin argued not for disarmament but for agreements limiting arms so that nations could have ‘parity’.

Britain started to rearm from 1934 onwards:

- The RAF was increased in size to 40 squadrons, a recognition of the importance of air power in future conflicts.
- The British Army was reorganised.
- The Royal Navy was expanded
- The munitions industry was developed in partnership with private capital.

**Stanley Baldwin’s premiership, 1935–7**

By 1935 Ramsay MacDonald was very unwell and was forced to step down. He was replaced by Baldwin who became prime minister for a third time and called a general election in October that year. In his manifesto he pledged new houses, jobs and government help for the most economically deprived parts of the country. He also pledged to improve Britain’s defences, although there was little desire among the public for rearmament.

**Labour and collective security**

Throughout Baldwin’s premiership and Neville Chamberlain’s which followed, the opposition Labour Party continued to be divided on the question of peace and security. The left of the party believed that rearmament made war more likely, not less. The centre of the party, led by Clement Attlee, argued that collective security would make war impossible, and therefore rearming unnecessary. However, world events made collective security seem more and more difficult.

**The abdication crisis**

In January 1936, when King George V died, a constitutional crisis began that was to dominate political events that year.

After George V’s death his eldest son Edward VIII inherited the crown. Edward was a handsome and popular monarch, his glamorous playboy lifestyle as heir to the throne had made him popular with the public. His many affairs with married women were known about by the government but the details were hidden from the general public by self-censoring newspapers. Public attitudes towards sexual morality in the 1930s were very conservative and an heir to the throne behaving in such a manner would have brought the monarchy into disrepute.

In the months after his coronation rumours circulated about a relationship with an American divorcée, Wallis Simpson. In November 1936 he informed Baldwin of his intention to marry her and Baldwin replied that the marriage would be seen by many in Britain as morally unacceptable. The British cabinet and the **Dominions** rejected
even a morganatic marriage and presented him with three choices: abandon the
marriage plans, marry and risk a constitutional crisis with the government, or
abdicate. He chose the final option on 11 December 1936, making way for his
brother, George VI.

World events

1935: Italian invasion of Abyssinia
1936: Hitler reoccupies the Rhineland
1936: Outbreak of the Spanish Civil War
1937: Japan invades China
1938: Hitler annexes the Sudetenland and Austria

In 1936 when Hitler broke the Treaty of Versailles by reoccupying the Rhineland, Labour
opposed the threat of economic sanctions against Germany but the National Government was
divided between taking action and backing down. Harold Nicholson, a National Labour MP
and a former diplomat who attended the Paris Peace Conference, summed up the situation in
1936 in his diaries. He believed that any threat of action against Germany would result in a
general strike in Britain. The British and French governments did nothing following
Germany’s actions but Baldwin continued with rearmament.

Chamberlain’s premiership, 1937–40

Stanley Baldwin resigned in 1937 due to ill health, making way for his chancellor, Neville
Chamberlain, to become prime minister. Chamberlain was prime minister during a period of
economic recovery, falling unemployment and stable prices.

The main problem that the National Government under Chamberlain, and Baldwin before
him, would face was that the breakdown of international order made war increasingly likely,
but the anti-war movement in Britain was growing in strength, a factor which made
rearmament more difficult.
Due, in part, to a desire for peace among the electorate, the National Government allowed a series of concessions to Nazi Germany, as Hitler continued to tear up the Treaty of Versailles.

**Neville Chamberlain, 1869–1940**

Neville Chamberlain was the son of Joseph Chamberlain, one of the most high profile and successful political figures of the Victorian and Edwardian era.

Chamberlain became Lord Mayor of Birmingham in 1915 and served as Director of National Service in 1916, administering conscription in Lloyd George’s government. He stood for Parliament in 1918 and as an MP concerned himself with public health and social reform. He sat on the Unhealthy Areas Committee and understood the problems of inner-city slums. By 1923 Chamberlain was Chancellor of the Exchequer in Stanley Baldwin’s first administration and the two men maintained a strong political allegiance for the next twelve years. He became Chancellor of the Exchequer in the National Government, before succeeding Baldwin as prime minister in 1937.

He is often associated with the policy of appeasement of Hitler; on three occasions he went to Germany in 1938 to try to prevent an outbreak of war by negotiating with Hitler. The Munich Agreement of September 1938 granted nearly all of Hitler’s demands and allowed him to annex the Sudetenland of Czechoslovakia. Chamberlain returned to England promising ‘peace for our time’. When Hitler attacked Poland in September 1939 Chamberlain declared war on Germany.

After a failed military expedition to Norway in April 1940, Chamberlain resigned, having lost the support of many MPs. He died later that year.

Chamberlain has been characterised as weak, vacillating and naive following his dealings with Hitler, but to see him in such a simplistic light can be misleading. Chamberlain had written several times throughout the 1930s that Hitler could not be trusted, that he was a grave threat to international peace and that war with Germany ultimately might be necessary. Chamberlain had also argued with Baldwin that rearmament should have been made the central feature of the 1935 General Election, showing that he was more committed to the possibility of war than some historians have suggested.
As chancellor and prime minister he misjudged the scale of military spending required. He increased military spending by £120 million in 1934, believing that this figure would cover the next five years of expenditure. By 1937 the figure had increased to £1.5 billion, but two years later when war began, this was still an underestimate of the total amount required.

Chamberlain replaced

Following the declaration of war in September 1939, the British Expeditionary Force was mobilised to France. There followed a seven-month stand-off during which little action ensued. The ‘Phoney War’, as an American journalist christened it, ended in April 1940 with a bungled British attempt to save Norway from German invasion and Norway’s subsequent occupation by Germany.

In the resultant Norway debate in Parliament on 7 May, Chamberlain faced the full fury of both opposition and government benches for the incompetent handling of the war. He narrowly won a vote of no confidence but recognised it in real terms as a defeat. On 9 May Chamberlain attempted to form a new coalition government but the Labour Party refused to serve under him, leaving either Lord Halifax or Winston Churchill. Halifax realised he could not run the war from the House of Lords and stepped aside to give the job of prime minister to Churchill who came to power the day of Germany’s invasion of France.

Churchill’s wartime cabinet was a mix of Conservative, Labour and Liberal politicians. Churchill included Labour politicians mainly from the centre and right of the party who he believed were ready to place the national interest above party politics.

Churchill’s premiership, 1940–45

On 13 May, as the situation deteriorated in France, Churchill made his first speech as prime minister to the House of Commons offering ‘blood, toil, tears and sweat’.

By the end of the month the situation had worsened. As the German Army swept through France, the British Expeditionary Force withdrew to Dunkirk, trapped on the beaches and awaiting evacuation. German successes brought about a new political crisis in government as some ministers considered whether or not to make peace. On 25 May Halifax proposed a negotiated settlement with Germany, clashing with Churchill. Churchill called a meeting of the whole cabinet arguing that Britain would be a ‘slave state’ if it agreed to German terms. Much of the popular view of Winston Churchill, his stoicism in the face of adversity, was formed during this debate and subsequent speeches to Parliament.

Churchill’s wartime cabinet served under him until the war ended in May 1945. At the end of the Second World War, social, cultural and political changes were accelerated by the pressures of total war that had affected every part of society.
Winston Churchill was born into the aristocratic Marlborough family. He stood as a Conservative MP in the 1900 election but when the party proposed to abandon free trade he crossed the floor to the Liberals, becoming a close political ally of Lloyd George.

During the war he served as First Lord of the Admiralty and was in charge of planning the Gallipoli Campaign against Turkey, which ended in a humiliating disaster, costing thousands of British, French and Australian lives.

After the war Churchill returned to government but lost his seat in 1923 and stood as an independent MP in 1924, returning to Parliament and joining Baldwin's government as a Conservative. He served as Chancellor of the Exchequer, controversially returning Britain to the Gold Standard and was part of the government until 1929, when the government was defeated.

Churchill became politically isolated for ten years. During this time he sat as a Conservative MP but was not invited to join the cabinet of the National Government. He was unpopular with MacDonald and Baldwin for the following reasons:

- India: Britain’s control over her largest imperial possession, India, had declined to the point where Home Rule seemed inevitable. Churchill opposed Home Rule but had very little support outside his own small circle of political allies.

- Support for Edward VIII: Churchill believed that Edward should remain king and even proposed forming a new ‘Kings Party’ to oppose Baldwin.

- Disarmament: As former First Lord of the Admiralty and briefly a colonel in the First World War, Churchill was instinctively supportive of military spending. He also opposed the policy of appeasement.
He returned to office in 1939 and served as prime minister until the end of the war in 1945. Churchill was prime minister again between 1951 and 1955, when he resigned due to old age and ill health. He died in 1965 and was honoured with a state funeral.

3 The rise of consensus politics and political challenge, 1945–79

The post-war period between 1945 and 1979 saw the rise and the decline of a particular style of party politics. The term ‘consensus’ has been used to describe the broad agreement between both parties on the running of the economy and the development of the welfare state. Both Labour and Conservative parties up to the early 1970s believed in:

- attempting to achieve full employment, even though this might allow a degree of inflation
- a mixed economy, with heavy industry, railways and other parts of the national infrastructure in state ownership
- a welfare state and a national health service
- co-operation between the government, industry and the trade unions in managing wages and prices.

In economic terms, the consensus was to the moderate left of the political spectrum, with policies devised by Labour following the party’s landslide victory in 1945 being continued by the Conservatives when they came to power, specifically a commitment to full employment. Equally, both parties endorsed a foreign and defence policy which sat comfortably to the right of the political spectrum, with Britain confronting the USSR in the Cold War and investing in nuclear weapons.

This section explores the gradual decline of this consensus and the political polarisation that occurred by 1979.

Note it down

In this section the key theme is the political consensus that existed between the two parties for much of the post-war period.

1 Make notes using the 1:2 method on what made politics consensual and why this consensus came to an end.

2 There are several different Labour and Conservative governments mentioned. Using a spider diagram make notes on:

- the areas that both parties agreed on
- the problems and challenges that both parties faced after the war
- the areas that both parties disagreed on.

The 1945 General Election

In May 1945, following the defeat of Nazi Germany, the Labour Party signalled its intention to withdraw from the coalition. In July 1945, a general election was called.
Churchill believed that he would be rewarded by a grateful British public for his wartime service, and his manifesto focussed heavily on foreign policy. There were bitter memories of the Conservative pre-war governments and economic hardship, not helped by Churchill’s rather crass claims that a post-war Labour government would rely on a ‘gestapo’ in order to police its planned social reforms. The Labour manifesto, ‘Let us face the future’, promised action on housing, jobs, social security and a national health service, and resulted in a landslide victory, as Table 6 shows.

**Table 6: United Kingdom general election results, 1945**

<table>
<thead>
<tr>
<th>Party</th>
<th>Votes (millions)</th>
<th>Share of the vote (%)</th>
<th>Seats</th>
<th>Change in the number of seats</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conservative</td>
<td>9.97</td>
<td>39.7</td>
<td>210</td>
<td>-219</td>
</tr>
<tr>
<td>Labour</td>
<td>11.97</td>
<td>47.7</td>
<td>393</td>
<td>+239</td>
</tr>
<tr>
<td>Liberal</td>
<td>2.25</td>
<td>9.0</td>
<td>12</td>
<td>-9</td>
</tr>
<tr>
<td>Other</td>
<td>0.91</td>
<td>3.6</td>
<td>25</td>
<td>+14</td>
</tr>
</tbody>
</table>

*Source: House of Commons Library, UK Election Statistics: 1918–2012*

**The Labour Government, 1945–51**

Labour achieved a considerable amount in its first five years of government and its social reforms were popular with much of the country. The main reforms were:

- The establishment of a National Health Service
- The National Insurance Act
- The National Assistance Act
- The Housing Act 1949 which extended local authority’s powers to build public sector housing for all income groups.
- The implementation of the Education Act 1944

After its landslide win in the 1945 election, the Labour government went on to win another election in 1950, which saw its majority slashed to just five seats (see Table 7), despite polling over one and a half million more votes than the Conservatives.
Reason for decline in Labour’s vote

Some of Labour’s lost seats in 1950 were due to the 1949 House of Commons (Redistribution of Seats) Act, which reduced the number of Labour safe seats by redrawing constituency boundaries. But it was also the decline of its popularity with middle-class voters that saw Labour gain fewer votes. In addition to this, the overall size of the working class was shrinking, with 78% of British society identifying themselves as being working class in 1931, and only 72% viewing themselves as working class in 1951. More people considered themselves to be living middle-class lifestyles as the 1950s began and they were less inclined to vote for the Labour Party or be a member of a trade union.

The main causes of dissatisfaction with Labour were:

- **Rationing**: wartime food and fuel rationing continued after the war, with some items such as bread that were not restricted during wartime becoming rationed in peacetime.
- **Austerity**: the Labour Party seemed unable to revive Britain’s struggling economy in the immediate post-war years.
- **Taxation**: the standard rate of taxation in 1949 was nine shillings in every pound (45%), and the top rate of marginal tax for high earners was 90%.

### The 1951 General Election

Following the 1950 election, Prime Minister Clement Attlee found it increasingly difficult to control the Labour government. By 1951 he was exhausted by five years of government and many of his most able ministers fell ill or died in office. When Foreign Secretary Ernest Bevin died in 1951, the party lost one of its most able and talented ministers. In addition to this, the party had become divided over budget cuts. Labour’s chancellor Sir Stafford Cripps had resigned in October 1950 due to ill health, depriving Attlee of two of his most experienced ministers in just over six months of each other.
In 1950 Britain became involved in the Korean War to protect South Korea as part of the new **United Nations** force. The war resulted in a huge increase in military spending and the new chancellor Hugh Gaitskell announced an ‘austerity budget’ in 1951. This involved the introduction of prescription charges for glasses and dentistry, and resulted in the resignation of Aneurin Bevin, the minister for labour and the pioneer of the National Health Service. Attlee had previously been skilled at defusing feuds within the party but, by 1951, he lacked authority. He called an election in October 1951 and lost to the Conservative Party (see Table 8). Although Labour gained more votes it won fewer seats because of the nature of the constituency structure in Britain and the **first-past-the-post** system. Labour voters tended to be concentrated in fewer, mainly urban, constituencies. Indeed Labour votes outnumbered Conservative votes by 250,000. However, the Conservatives won 26 more constituencies and so formed the next government.

**Table 8: United Kingdom general election results, 1951**

<table>
<thead>
<tr>
<th>Party</th>
<th>Votes (millions)</th>
<th>Share of the vote (%)</th>
<th>Seats</th>
<th>Change in number of seats</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conservative</td>
<td>13.72</td>
<td>48.0</td>
<td>321</td>
<td>+24</td>
</tr>
<tr>
<td>Labour</td>
<td>13.95</td>
<td>48.8</td>
<td>295</td>
<td>–20</td>
</tr>
<tr>
<td>Liberal</td>
<td>0.73</td>
<td>2.6</td>
<td>6</td>
<td>–3</td>
</tr>
<tr>
<td>Other</td>
<td>0.2</td>
<td>0.9</td>
<td>3</td>
<td>–1</td>
</tr>
</tbody>
</table>


Not only was the Labour Party exhausted and divided, but the Conservatives offered to preserve the main features of the welfare state, and also to return the country to prosperity.

**Conservative dominance, 1951–64**

For the next 13 years the Conservative Party would dominate British politics and win two further general elections in 1955 and 1959. The main thrust of their policies were not much different to those of Labour, so much so that in 1954 *The Economist* used the term ‘Butskellism’ – a mixing of the names of the Conservative chancellor between 1951 and 1955, R. A. Butler, and Labour shadow chancellor Hugh Gaitskell – to describe the economic and welfare policies associated with the **post-war consensus**.

Winston Churchill returned to Downing Street for four years, just as the final wartime rations and restrictions came to an end. Churchill was 76 years old when he returned to power and many of his cabinet colleagues observed that the dynamism and drive he had exhibited during the war years appeared to have gone. Instead, Churchill acted more as a ‘caretaker’ prime minister, while the ministers within his government gradually came to prominence.

**Eden’s government, 1955–57**

Even though Churchill suffered a stroke in 1953, he still managed to remain in office until retiring in 1955. His replacement was Anthony Eden, a relatively young and popular politician with an impressive wartime record as Churchill’s foreign minister. He called a general election in May 1955 to ensure that he had a strong mandate. The election results indicated that the British public approved of the Conservative Party’s management of the
economy (see Table 9). By July 1955 Britain had the lowest unemployment figures in its recent history, with only 215,000 people out of work, accounting for just over 1% of the workforce.

Table 9: United Kingdom general election results, 1955

<table>
<thead>
<tr>
<th>Party</th>
<th>Votes (millions)</th>
<th>Share of the vote (%)</th>
<th>Seats</th>
<th>Change in the number of seats</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conservative</td>
<td>13.29</td>
<td>49.6</td>
<td>344</td>
<td>+23</td>
</tr>
<tr>
<td>Labour</td>
<td>12.41</td>
<td>46.4</td>
<td>277</td>
<td>–18</td>
</tr>
<tr>
<td>Liberal</td>
<td>0.72</td>
<td>2.7</td>
<td>6</td>
<td>–</td>
</tr>
<tr>
<td>Other</td>
<td>0.35</td>
<td>1.3</td>
<td>3</td>
<td>–</td>
</tr>
</tbody>
</table>


Within a year, however, Eden had become embroiled in a foreign policy disaster that forced him from office.

The Suez Crisis

Britain had maintained a presence in Egypt since the nineteenth century to protect the Suez Canal (part owned by Britain and France), which was its route to India. After Indian independence in 1947 the canal was used as a means of shipping oil to Britain, Europe and America.
The nationalist president of Egypt, Gamal Abdul Nasser, stated that the canal should be in Egyptian hands and that he would be willing to pay British shareholders a fair price for it. Eden reacted with suspicion and hostility and, when Nasser occupied the Canal Zone on 26 July 1956, his close relationship with the USSR convinced the British that the canal would soon fall into Soviet hands.

When France and Israel invited Britain to take part in an invasion of the Suez Canal Zone, Eden agreed in secret to participate. He was motivated by a desire not to be humiliated by Nasser and knew his standing in the Conservative Party depended on presenting a strong image as an international statesman.

When the invasion began on 5 November 1956, US President Eisenhower, who had not been consulted on Britain’s intentions, reacted angrily and felt deceived. He threatened to sell America’s reserves of British currency and collapse the value of the pound. Faced with the
possibility of economic crisis, Britain was forced to withdraw and Eden resigned in January 1957. The outcome of Suez was a significant reduction in British world power and a recognition that it could no longer act independently without seeking US approval.

Macmillan’s Britain, 1957–63

Eden’s replacement was Harold Macmillan, his chancellor of the exchequer. A mixed economy, rising living standards, low unemployment and declining social inequality (in 1957 British wages and living standards were at their most equal in the twentieth century between the rich and the poor), made the Macmillan government very popular. In the 1959 General Election the Conservatives increased their majority (see Table 10).

Table 10: United Kingdom general election results, 1959

<table>
<thead>
<tr>
<th>Party</th>
<th>Votes (millions)</th>
<th>Share of the vote (%)</th>
<th>Seats</th>
<th>Change in the number of seats</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conservative</td>
<td>13.75</td>
<td>49.4</td>
<td>365</td>
<td>+21</td>
</tr>
<tr>
<td>Labour</td>
<td>12.22</td>
<td>43.8</td>
<td>258</td>
<td>–19</td>
</tr>
<tr>
<td>Liberal</td>
<td>1.64</td>
<td>5.9</td>
<td>6</td>
<td>–</td>
</tr>
<tr>
<td>Other</td>
<td>0.26</td>
<td>1.0</td>
<td>1</td>
<td>–2</td>
</tr>
</tbody>
</table>


Dissent on the right

In 1959 Chancellor Peter Thorneycroft, Treasury Minister Nigel Birch and Financial Secretary to the Treasury Enoch Powell all resigned. The three men believed that Macmillan’s government was spending too much and storing up economic problems for the future. They were convinced that inflation, not unemployment, posed the greatest threat to the economy; these were views different to those held by most economists and politicians in the late 1950s. They proposed spending cuts, tax rises, an end to subsidies to nationalised industries, and other measures to take excess money out of the economy that they claimed was the cause of inflation. The resignation of the three men was an embarrassment to the government, but during a period of low unemployment and relatively low inflation, their exit made little impression on the wider public. In the next two decades inflation would become one of the most fundamental issues in British politics and economics and their ideas would come to enjoy far wider support in the Conservative Party.

‘Night of the Long Knives’

By 1962 the popularity of the Conservative Party was declining. Macmillan’s privileged background and the large number of upper-class cabinet members (there were 35 former Etonians in his government) meant that many people perceived the Conservatives as out of touch. The Labour Party under Gaitskell, and then Harold Wilson, argued that privileged aristocratic Conservatives who had risen due to their connections, not their ability, were holding Britain back. The dramatic increase in consumer spending had resulted in a series of
unforeseen economic problems and Macmillan needed to demonstrate that he was in control of his government.

In what became known as the ‘Night of the Long Knives’, Macmillan sacked seven ministers from his cabinet and replaced them with younger men. Part of his reason for doing this was an image problem that the Conservatives had developed. They were seen as ageing and privileged, instead of young and meritocratic. In the early 1960s television and the newspapers were dominated by youth culture and in America a young president, John F. Kennedy, had become very popular. Youth was thought to be in keeping with popular feelings among the electorate. Macmillan was briefly perceived as ruthless, but the sudden and widespread sackings proved popular with the public, demonstrating that he was capable of taking action.

Scandal

Another area where the Conservatives were starting to be mistrusted was the issue of national security. At the height of the Cold War three high-profile spy scandals rocked the government.

Spy scandals

1 John Vassall

Between 1952 and 1962 John Vassall, a naval attaché at the British embassy in Moscow, was blackmailed by the KGB – the security agency for the Soviet Union. He passed on large quantities of top-secret information on the British Royal Navy and was caught when Soviet spies defected to the West and gave MI6 Vassall’s name.

2 Harold ‘Kim’ Philby

In January 1963 one of Britain’s most senior intelligence agents, Kim Philby, defected to the USSR. He was the head of British Counter Intelligence and had been under suspicion of spying for the USSR since the early 1950s. As Foreign Secretary in 1955 Macmillan had publicly announced that he had investigated Philby and exonerated him. It was hugely embarrassing to Macmillan when it was revealed that Philby had defected to the USSR. Because of the Official Secrets Act, it was not revealed until 1968 that Philby had held such an important office within MI6.

3 John Profumo

Less than six months later, in June 1963, the government’s secretary of state for war, John Profumo, admitted to having had an affair with Christine Keeler. He had previously denied the affair to Macmillan, who had believed him. When it transpired that she had also had a relationship with a Russian attaché, Yevgeny Ivanov, the press focussed on the spy angle to the story (though it is doubtful there was any security risk).

Sir Alec Douglas-Home

Ill health and the stress of mounting problems forced Macmillan to resign in October 1963. His replacement was Sir Alec Douglas-Home. Home was regarded by most of his party to be a skilled administrator and an astute politician, but he suffered from an image problem that would damage the Conservatives’ chances in the next election. Home was a member of the House of Lords and had the title of Earl (which he renounced when he became prime
minister). Satirists on television and in magazines like *Private Eye* ridiculed Home for his aristocratic manners.

## Wilson’s government, 1964–70

Harold Wilson had been the leader of the Labour Party for a year by the time he won the general election of 1964. He presented the party as meritocratic and classless, comparing it to public perceptions of the Conservatives. During the election Wilson effectively used the television to present himself as the face of modern Britain. However, despite the problems that the Conservatives faced, Labour won by a slender majority of four seats (see Table 11), meaning that if Harold Wilson wished to bring about major policy changes, a new election would have to be called.

### Table 11: United Kingdom general election results, 1964

<table>
<thead>
<tr>
<th>Party</th>
<th>Votes (millions)</th>
<th>Share of the vote (%)</th>
<th>Seats</th>
<th>Change in the number of seats</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conservative</td>
<td>11.98</td>
<td>43.3</td>
<td>303</td>
<td>−62</td>
</tr>
<tr>
<td>Labour</td>
<td>12.21</td>
<td>44.1</td>
<td>317</td>
<td>+59</td>
</tr>
<tr>
<td>Liberal</td>
<td>3.10</td>
<td>11.2</td>
<td>9</td>
<td>+3</td>
</tr>
<tr>
<td>Other</td>
<td>0.37</td>
<td>1.4</td>
<td>1</td>
<td>–</td>
</tr>
</tbody>
</table>

*Source: House of Commons Library, UK Election Statistics: 1918–2012*

### Wilson’s plans, Wilson’s problems

Harold Wilson and his chancellor, James Callaghan, discovered within their first few days of office that Britain’s economic problems were far worse than they had previously thought. The previous Chancellor of the Exchequer, Reginald Maudling, had delivered generous tax cuts and spending promises in the Conservatives’ last budget and left the country with an £800 million budget deficit. This presented Wilson with a dilemma. He had promised to improve pensions and build half a million new homes a year. In addition to this Wilson was determined to maintain Britain’s military presence overseas, which accounted for over one-fifth of all Britain’s spending in the 1960s.

Wilson did not wish to abandon his commitments to either social reform or Britain’s prestige. The only other option to lessen the pressure on the economy was to devalue the pound. This would have allowed the British government to pay off its debts more easily and aided exports but Wilson was unwilling to do this. He did not want Labour to be seen as the party of devaluation. However in 1967 he was forced to devalue the pound anyway, which was a huge embarrassment for the government and led to the resignation of Callaghan as chancellor.

### Wilson’s achievements

In 1966 there was a second general election. Wilson got the majority that he needed (see Table 12).
Wilson’s government achieved significant social and educational reforms in its six years in office:

- A series of new universities and polytechnics were built.
- The Open University was established.
- The laws on abortion, homosexuality and the death penalty were liberalised.

However, much of this was undermined by the economic problems that were endemic in Britain throughout the decade. The sense of optimism that dominated British politics and influenced public opinion in 1964 was all but gone by 1970, and instead there was a widespread feeling that the promises of the Wilson years had gone unfulfilled.

**Wilson and his cabinet**

Harold Wilson’s government declined in popularity towards the end of the 1960s as unemployment began to steadily grow and the number of days lost to strikes increased. Wilson became increasingly suspicious of government ministers who were popular in the party or with the trade unions, believing they might replace him as prime minister. Roy Jenkins, James Callaghan and Barbara Castle were all seen as possible contenders for Wilson’s job. The decline in morale in Wilson’s cabinet that resulted from his mistrust of his ministers had serious consequences. In 1969 legislation to curb the numbers of *unofficial strikes* was proposed by Barbara Castle at Wilson’s behest, but Wilson feared that Callaghan, a union loyalist, might use the confrontation that would ensue to replace him. The legislation was never enacted and partly as a consequence of this, Britain endured a decade of rising strikes and union unrest. In 1970, despite predictions that Labour would win a third term, the Conservative Party under Edward Heath defeated Wilson (see Table 13).

<table>
<thead>
<tr>
<th>Party</th>
<th>Votes (millions)</th>
<th>Share of the vote (%)</th>
<th>Seats</th>
<th>Change in the number of seats</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conservative</td>
<td>11.42</td>
<td>41.9</td>
<td>253</td>
<td>-50</td>
</tr>
<tr>
<td>Labour</td>
<td>13.07</td>
<td>47.9</td>
<td>363</td>
<td>+46</td>
</tr>
<tr>
<td>Liberal</td>
<td>2.33</td>
<td>8.5</td>
<td>12</td>
<td>+3</td>
</tr>
<tr>
<td>Other</td>
<td>0.45</td>
<td>1.7</td>
<td>2</td>
<td>+1</td>
</tr>
</tbody>
</table>


Table 12: United Kingdom general election results, 1966
Heath’s government, 1970–74

Edward Heath attempted to bring about a radical political change from 1970 onwards. He sought to break with the post-war consensus on the size of the state and the commitment to full employment.

Prior to the 1970 election Heath and his shadow cabinet met at the Selsdon Park Hotel and planned a new manifesto. Following his election victory Heath’s government began to introduce the policies from the Selsdon meeting. Heath referred to the change in direction that he wanted the country to take as a ‘quiet revolution’. He believed that by removing the state from people’s lives they would become more enterprising. A first budget from Chancellor Anthony Barber featured tax cuts and government spending cuts. Heath ended Wilson’s incomes policy, believing that wages should be set by the market, not by government.

The Barber budget (referred to by the press as the ‘Barber Boom’, because of the large tax cuts) failed to cure Britain’s growing economic problems and fuelled inflation. Heath was forced within eighteen months of taking office into a U-turn in policy and had to increase intervention in the economy over the next two years of his time in office.

Heath’s biggest problem was the government’s relationship with the trade unions. By 1974 Heath’s government had endured two miners’ strikes and he faced criticism from both the opposition and his own party. Wilson accused Heath of attempting to strip away union rights, but his critics within the party on the right saw Heath as a ‘traitor’, betraying the promises made in 1970 at the Selsdon Park meeting. Several Conservative MPs, including Keith Joseph and Nicholas Ridley, formed the ‘Selsdon Group’ within the party, which was dedicated to introducing free market policies and reducing state intervention.

Edward Heath, 1916–2005
Edward Heath, like Margaret Thatcher who would succeed him, was one of the few Conservative prime ministers of the twentieth century not to come from wealth and privilege. His father was a builder from Kent and his mother a chamber maid. He attended Balliol College in Oxford on a scholarship and had a successful military career during the Second World War, rising to the rank of lieutenant colonel. Heath stood for Parliament in 1950 and during the election campaign supported Margaret Roberts (later to be Margaret Thatcher). When Home lost the 1964 General Election he resigned and was replaced by Heath. Edward Heath’s personal style earned him few friends; he was described by colleagues as blunt, impersonal and humourless. Heath was passionate about forging closer links with Europe and eventually secured entry into the European Economic Community (EEC) in 1973.

The Conservative Party defeat in a second general election in 1974 led to a challenge being mounted for Heath’s leadership. Margaret Thatcher, Heath’s former education secretary, challenged Heath and won. She led the party from 1975 to 1990.

Following the second miners’ strike over the winter of 1973–74, which resulted in Heath declaring a state of emergency and a three-day week, he called a general election in February 1974. He wanted the election to be a referendum on union power and asked the question to voters in an election broadcast ‘Who runs Britain?’ Heath was defeated, reflecting a lack of confidence in his ability to manage the unions, inflation and economic decline. However, the defeat of Heath did not result in widespread success for Labour either. Wilson was elected with a minority government and was forced to rely on the Liberals (see Table 14).
Labour government, 1974–79

When Harold Wilson returned to office in 1974 the widespread sense of optimism and energy among the public and the Labour Party that had existed in 1964 was no longer present. Wilson was older, in poorer health and had little of the modernising zeal that he had once possessed. The hung parliament meant that he needed to call a second election in 1974. In October, he managed to win a slender majority of three seats (see Table 15), a result that was weaker than his first victory in 1964.

<table>
<thead>
<tr>
<th>Party</th>
<th>Votes (millions)</th>
<th>Share of the vote (%)</th>
<th>Seats</th>
<th>Change in the number of seats</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conservative</td>
<td>11.83</td>
<td>37.8</td>
<td>297</td>
<td>−33</td>
</tr>
<tr>
<td>Labour</td>
<td>11.65</td>
<td>37.2</td>
<td>301</td>
<td>+14</td>
</tr>
<tr>
<td>Liberal</td>
<td>6.06</td>
<td>19.2</td>
<td>14</td>
<td>+8</td>
</tr>
<tr>
<td>Other</td>
<td>1.8</td>
<td>5.8</td>
<td>23</td>
<td>+16</td>
</tr>
</tbody>
</table>


The third Wilson government, 1974–76

The first priority of Wilson’s third government was to end union unrest by repealing the Industrial Relations Act. Instead, it attempted to return to the corporatism of the mid-1960s by developing a policy called the ‘social contract’. In return for the unions agreeing not to pursue excessive wage claims, the government would offer subsidies to the cost of living. Wilson attempted to present his government as conciliatory towards the unions, as opposed to Heath, who Wilson claimed was confrontational. In the short term, Wilson’s government ended the miners’ strike, but the new policy of the social contract did nothing to deal with the underlying cause of the strikes, which was inflation.
Wilson’s party was divided between three factions:

- A centre right of which Wilson, Callaghan and Denis Healey were members. They held ideas that were still very similar to the moderate left of the Conservative Party. Chancellor Healey went further in 1975 and embraced monetarism as an economic philosophy. He abandoned the post-war commitment to full employment.
- A ‘soft’ left led by Michael Foot. Foot was a pro-union politician, but did not back Tony Benn’s radical economic ideas (see below).
- A ‘hard’ left led by Tony Benn, who shifted towards more extreme left-wing thinking throughout the 1970s. He believed that Britain should become a ‘siege economy’ in response in the 1976 IMF crisis.

Wilson resigned in 1976, having become less interested in and concerned with the running of government. He was succeeded by James Callaghan.

**Callaghan’s government, 1976–79**

Following Wilson’s decision to resign, Callaghan became prime minister. He was from the centre right of the Labour Party and along with his chancellor, Denis Healey, began to abandon key aspects of the post-war economic consensus. He was a pragmatist and did not follow policies out of ideological reasons. This caused him to clash with Tony Benn at cabinet meetings.

Callaghan did not think that the British government could continue to spend its way out of difficulties and believed that Britain must ‘pay its way’ in the world. He thought that Britain had used borrowing to live beyond its means for decades and this had resulted in a loss of confidence in Britain and the pound on the international currency markets. Benn proposed leaving the EEC and believed that Britain could effectively cut herself off from the global economy. He proposed a ‘siege economy’ to protect state spending on welfare from the influence of international banks and currency traders. Benn became an increasingly marginal figure within the cabinet, his economic arguments being seen as unworkable and extreme.

Despite these internal divisions, however, Callaghan remained personally very popular with the electorate as opposed to Conservative leader Margaret Thatcher, who, in 1978, had low opinion poll ratings. It was widely believed that Labour would be victorious at the next general election, but a winter of strikes caused Callaghan’s poll rating to slump. In March 1979 one poll found 69% were dissatisfied with the government’s performance, but still only 45% of those polled thought Mrs Thatcher was performing well as leader of the opposition.

Nevertheless, the 1979 General Election saw the Conservatives win with a sizeable majority and Margaret Thatcher became prime minister (see Table 16).
Table 16: United Kingdom general election results, 1979

<table>
<thead>
<tr>
<th>Party</th>
<th>Votes (millions)</th>
<th>Share of the vote (%)</th>
<th>Seats</th>
<th>Change in the number of seats</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conservative</td>
<td>13.70</td>
<td>43.9</td>
<td>339</td>
<td>+63</td>
</tr>
<tr>
<td>Labour</td>
<td>11.51</td>
<td>36.9</td>
<td>268</td>
<td>-51</td>
</tr>
<tr>
<td>Liberal</td>
<td>4.31</td>
<td>13.8</td>
<td>11</td>
<td>-2</td>
</tr>
<tr>
<td>Other</td>
<td>1.71</td>
<td>5.4</td>
<td>17</td>
<td>-10</td>
</tr>
</tbody>
</table>


Work together

1. Look at the following key questions:
   a) Why did the Liberal Party decline after the First World War and the Labour Party grow in power?
   b) What made politicians fearful of revolution in the 1920s?
   c) Why did the Labour Party win a landslide victory in 1945?
   d) Why was there a post-war consensus on the economy and the trade unions until the 1970s?
   e) Why was Margaret Thatcher elected in 1979?

In pairs look back at your notes for this chapter and decide on the facts and arguments you need to answer the questions. Then rank these, with stronger evidence scoring higher than weaker evidence. A powerful reason for the fall of Ramsay MacDonald’s 1929–31 Labour government, for example, is the impact of the economic crisis, which might get a number one ranking. The reason for giving an importance ranking for your evidence is that you will have to evaluate the relative importance of evidence in your essays.

2. Consider the question:
   How far did the political landscape change between 1918 and 1979?

Using your notes work together to prepare a plan to answer the question. Your plan should include paragraph headings and a summary of the contents of each paragraph

Chapter summary

- In 1918 Britain saw the extension of the franchise. This radically altered the political landscape in Britain. The main beneficiary of this change was the Labour Party.
• The war had elevated Lloyd George to the office of prime minister but the coalition he led unravelled in peacetime. Lloyd George was eventually deposed by a meeting of the Conservative Party in 1922 which voted to end the coalition.

• Labour had governments in 1924 and 1929 but both were minority governments, making it difficult for them to legislate effectively.

• The Liberal Party went into decline in the 1920s, eclipsed by Labour who took on the mantle of social reform.

• Between 1924 and 1929 Stanley Baldwin’s Conservative Party dominated British politics.

• Ramsay MacDonald’s second administration was split over the question of welfare cuts in 1931 and the government fell. MacDonald and Snowden formed a National Government dominated by the Conservatives but led by MacDonald.

• Fascism and communism failed to take hold in Britain.

• Until 1938, most British people were keen to avoid war with Germany, having traumatic memories of the First World War. The Peace Ballot and the Peace Pledge Union were clear signals to politicians that aggression would not be popular. Nevertheless, Britain did rearm from 1934 onwards.

• When war broke out with Germany in 1939, Neville Chamberlain presided over a failed military expedition to Norway that saw his government fall in May 1940.

• Chamberlain’s replacement was Winston Churchill, a unifying figure who led Britain to victory in 1945.

• From 1945 to the mid-1970s a consensus existed in British politics which favoured nationalisation, full employment, an acceptance of a certain degree of inflation and a conciliatory approach to union disputes.

• In 1945 the Labour Party introduced the most far-reaching social reforms to health, education, housing and the workplace that Britain had ever seen.

• By 1951 an inability to end rationing led to the end of Labour rule and the start of 13 years of Conservative dominance.

• Throughout the 1960s inflation and strike days steadily increased.

• By the 1970s both Conservative and Labour governments were facing huge challenges from the unions.

• Edward Heath attempted to shift to the right and break the consensus in 1970 but was ultimately unable to do so.

• Margaret Thatcher finally moved the Conservative Party to the right in the mid-1970s and won the general election in 1979.
Essay technique: Understanding the question

Section A and B questions require you to deploy a variety of skills. The most important are focus on the question, selection and deployment of relevant detail, analysis and, at the highest level, prioritisation. The introduction to this book gives more detail about Section A and B questions.

Section A and B questions for AS level are different from that of A level, and some guidance about this is given on the introduction pages at the start of the book. However, you will need to develop very similar skills for the AS exam, therefore the activities will help with the AS exams as well. There are also some AS-style questions to practise at the end of chapters.

In order to answer the question successfully you must understand how the question works. Below is a sample question.

The question is written precisely in order to make sure that you understand the task. Each part of the question has a specific meaning.
Overall, **all** Section A and B questions ask you to make a judgement about the extent of something, in a specific period. In order to focus on the question you must address all three elements. The most common mistakes come from misunderstanding, or ignoring one of these three elements.

How accurate is it to say, like other stems such as ‘how far’ indicates that you are required to evaluate the extent of something, rather than giving a yes or no answer.

How accurate is it to say that there was a fundamental change in the fortunes of Britain’s main political parties in the years 1918-39? This sets out the subject that you must address.

The dates define the period that you should consider.

**Activity: What should a good answer look like?**

Having read the advice on essay questions on this page and in the introduction, complete the following activity:

1. Make a bullet point list of the skills that you need to do well in this type of essay.

2. Number the skills in order of their difficulty, so the easiest skill to demonstrate is 1, and the hardest 4.

3. Try to work out what a good essay would look like. Specifically, note down your thoughts about:
   - Roughly, how many paragraphs should the essay have?
   - Which skills should you deploy in which sections of the essay?
   - How should you structure the different types of paragraphs?

**Work together**

Having completed these activities, swap them with a partner.

1. Did you agree on which skills were easiest to demonstrate and were hardest? How did you make this judgement?

2. Did you agree on the number of paragraphs in the essay?

3. How did you both make the judgement about the number of paragraphs you should write?

4. If you had different reasons for the judgement, whose reasons were better and why?

5. Did you agree on where the different skills should be used?

6. Were your reasons for locating skills in different parts or throughout the essay as good as your partner’s reasons?

7. Did you agree on how to structure each paragraph?

8. Can your partner justify their thoughts on how to structure a paragraph?

Use this discussion as a basis for further notes on how to approach the question. For advice on the structure of the essay see the Essay technique: focus and structure pages at the end of Chapter 1b.