This book considers the development of Conservative Party policy between 1974 and 1979. This period has often been seen as one of significant change in Britain, with Conservative policy one part of much wider and more dramatic changes. However, if 1974–79 is examined in detail then much of this change appears more modest and more complex than has often been appreciated. This book will explain why policy developed in the ways that it did, what the implications might be for wider conceptions of British politics and examine the 1970s through the prism of Conservative policy. There were a range of factors pulling the Conservatives in different directions during this period. At times policy moved forward because of these forces but at others its development was slowed. In order to understand this period and the changes in Conservative policy fully, we need to take a rounded view and have an appreciation of the intellectual, economic and social contexts of the time. However, the central contention of this book is that the short-term political context was most important and helps to explain why Conservative policy did not change as much as might initially be expected.

The first step in recognising this is to understand how the period has been viewed to date, beginning with the Conservative general election victory in May 1979, which brought an end to five years in opposition and could be seen as a turning point in British politics. In simple terms, the result was significant. Margaret Thatcher became Britain’s first woman Prime Minister, having returned her party to government with the largest swing in support towards any party since 1945. But even at the time, the Conservative victory was widely seen as representing something more meaningful. The Guardian described the result as ‘as positive an affirmation of faith as the British people have contrived, for three decades’. The future electoral success of the Conservative Party and the hegemonic success of Thatcherism during the 1980s and 1990s would give the strong impression that 1979 was a turning point, the beginning of a shift away from much that had preceded it; the post-war consensus; Keynesian economics; close co-operation between government and trade unions; a serious commitment to the welfare state; and a belief in the benevolence of government. This was seemingly undermined and then replaced by a new set of priorities and preoccupations, centred on a reaction against many...
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of the perceived developments over recent decades, influenced by neoliberal ideas; marked in economic terms by a revival of classic liberal or laissez-faire thinking, a belief in monetarism, and in a wider sense by faith in market-based competition, and individual responsibility. Politically, Thatcher and the Conservatives were at the heart of these changes. Did 1979 confirm the end of one political settlement and open the way for its replacement? Did a kind of collective experience during the 1970s, shaped by political, social and economic developments, help to make 1979 a turning point?

It is clear that something of real interest did happen at that general election. Whether or not they realised it, the electorate returned a Conservative government with its own set of ideas and its own particular range of policies, and it would have a period of secure majority government in which to implement them. Much of the rhetoric around the election, and indeed much of the rhetoric that had permeated the years leading up to it, gave the impression that on some level the Conservatives wanted to reverse the course of recent history. The possibility of serious change was at least on the agenda. Tellingly, both Thatcher and the Labour Prime Minister James Callaghan, though they raised the prospect for different reasons, appeared to agree that the Tories wanted to break with the mix of policies that had been ascend-ant since at least the mid-1960s. This alone did not necessarily mean that the election was a watershed moment, but once the result had been absorbed it was widely felt that the British people had voted quite decisively for a ‘change’ of some kind.

But of what did this desire for ‘change’ actually consist? Had the policies of the Conservative Party really broken through and become popular? Or did the public generally hold only a vague impression that the Conservatives offered something different from that which they had experienced under Labour?

The limits of what actually happened in 1979 have always been apparent. Although the final result was decisive in terms of parliamentary arithmetic it was also the case that, as with all British first-past-the-post elections, a party could be returned with a majority whilst still only receiving support from a minority of the electorate. However, it was not just that 56 per cent voted against the Conservatives. Their 43.9 per cent of the popular vote was an increase of seven points on the last election in October 1974, the largest gain by either leading party since 1945, but it also represented the lowest level of support for any post-war party that then went on to form a government, with the exception of Labour in 1974. In their influential Nuffield study, David Butler and Dennis Kavanagh also highlighted the fact that the swing to the Conservatives was not uniform across the whole country and that the party’s share of the vote was actually on a par with its average across the post-war period. Such relative limitations would not normally be associated with a watershed moment. Although expectations may have been raised by the change of government and Thatcher’s sex and personal style, the result did not necessarily indicate, at least at first, a fundamental realignment amongst the electorate or a lasting shift in the balance of power between the two main parties.
argument instead that 1979 represented more of a negative judgement on Labour’s record than a positive endorsement of the Conservative alternative, a classic example of a government losing an election rather than an opposition winning it, has also been made many times. Yet despite this, a sense that something had changed was felt at the time and there can be little doubt that a new political settlement did later emerge. A detailed analysis of Conservative Party policy between 1974 and 1979 – from the point at which it had last been in government to the point at which it subsequently regained power – can help us to understand the Conservative victory in 1979 and its significance. What exactly did more than 13 million Britons vote for in May of that year?

**A note on historiography**

There is an extensive and growing body of literature which overlaps with the scope of this book. This includes general histories of the Conservative Party and Britain in the post-war period, individual biographies and memoirs, and more specialist studies which cover a wide range of topics including the economy, industrial relations, constitutional issues and social policy. There are works of history, politics, political science and philosophy. However, no work has yet examined the 1974–79 opposition period in its own terms in the amount of detail that is attempted here. It usually only forms one part of a wider narrative. Of the books which have sought to address this subject more directly, Robert Behrens’s *The Conservative Party From Heath to Thatcher* was published in 1980, so the author did not have access to the many primary sources which have since become available, whilst Adrian Williamson in *Conservative Economic Policymaking and the Birth of Thatcherism, 1964–79* and Eric Caines in *Heath and Thatcher in Opposition* have made excellent use of many of those sources, but focus primarily on economic issues, the battle of ideas and the role of leading individuals. Though such elements are clearly important, this book takes a different approach by considering change in Conservative policy in many more areas and thinking more specifically about the scope and terms of its immediate development.

Perhaps most importantly the book plays directly into two burgeoning debates about the significance of the 1970s as a decade and the origins of Thatcherism. The 1970s have become an important decade for studies in recent years, attracting both popular and academic attention. The academic studies have been typified by an ongoing reassessment of the decade, how it should be understood and what lessons, if any, can be taken from it. The task set for his fellow historians by Hugh Pemberton when he encouraged them to ‘mine the archival record and to begin to provide a coherent explanation of why the 1970s turned out the way they did’, provides a good example. In *Reassessing 1970s Britain* Pemberton took up the task himself alongside Lawrence Black and Pat Thane. This book also makes a contribution to this on-going reassessment, by suggesting that, although there can be little doubt
that the 1970s was a significant period, Conservative Party policy between 1974 and 1979 was not necessarily an area which witnessed dramatic change.

Popular works of history on the 1970s often focus on culture. Good examples include Pat Long’s *History of the NME* and David Heathcote’s design study *The 70s House*. These broad approaches have been combined in a number of overviews which often make genuine attempts to reassess the overall significance of the decade. Dominic Sandbrook has argued that the 1970s marked a moment of great reckoning and were a crucial turning point in Britain’s post-war history. Francis Wheen has suggested that paranoia was the dominant theme of the decade. For Andy Beckett, popular perceptions of the 1970s had been greatly simplified and needed readdressing, whilst for Alwyn Turner the decade was perhaps best understood in terms of its popular culture. Each of these studies, and many others, underline why the 1970s is such an important period for research.

Historians interested in the origins of Thatcherism have also naturally focussed a great deal of attention on the 1970s. A good example is provided by Robert Saunders and Ben Jackson’s *Making Thatcher’s Britain*, which often sees the decade as a time when Thatcherite ideas and their political appeal were developing. Saunders’s argument that ‘As a public doctrine, Thatcherism in the 1970s was essentially a negative body of ideas, defined more by what it was against than by a specific set of policies’ is particularly significant. An evolving rhetoric about the 1970s as a period of crisis to which only Thatcherite ideas could adequately respond was a crucial part of their future hegemonic success, Saunders suggested. Thatcherism, at least during the 1970s, was not the same as official Conservative policy, but this kind of analysis lends support to one of the points that this book seeks to make; that Conservative policy up until 1979, although it developed in many different ways, had not changed beyond all recognition and had not simply become concomitant with wider Thatcherite or neoliberal ideas. It was later during the 1980s under different political circumstances, when the link between these two became much closer, that it really began to play out in detailed policy terms. Much of the rhetoric of the 1970s may have suggested otherwise but the fine detail of policy, for reasons that will be explored, remained a little way behind.

Following on from this, the work of Ewen Green and two elements of his influential analysis in particular are also significant. Green argued that the Conservative Party had not been distinctly un-ideological before the election of Thatcher as leader and the apparent ascent of Thatcherism during the 1970s and 1980s, and that many of the kinds of ideas associated with her, and it, had been an important part of Conservative thinking for many years. As he put it, ‘There was a ready-made Conservative audience for the Thatcherite agenda’. Despite its common protestations of being pragmatic and non-doctrinaire, different forms of political ideology had also driven the party during other periods, and in many ways Thatcherism was the latest incarnation of this trend. In complement to this, Green argued that such ideas were able to gain significant traction during the 1970s and 1980s, where per-
haps they hadn’t before, because the economic and intellectual context in Britain had shifted to a position more favourable to their uptake. Taken together, these two factors begin to provide a persuasive explanation for many of the things that are examined in the course of this book. This concept of the political space in which Thatcherite ideas could develop will be returned to again, but we must also be aware of the other side of the coin: the political space in which the Conservative Party as a whole operated also often mitigated against the radical development of official policy. Green’s key point about neoliberal or Thatcherite-like ideas having a real history in the party also tends to suggest, as this book also argues, that a degree of continuity should always be seen in Conservative policy development. As will be shown, there were often clear similarities between what was proposed in 1974 and in 1979.

In analysing the nature of change within Conservative thinking during the second half of the twentieth century, Kevin Hickson has also argued that there were important elements of continuity, identifying one particular thread which remained constant in party thinking and united all Conservatives, holding them together even when their wider visions may have differed. The key factor was a belief in inequality, or at least a rejection of attempts to engineer equality in British society. This concept was taken up and considered in greater detail by Peter Dorey, and it appears to offer a persuasive explanation as to why the Conservatives were able to remain a relatively coherent and cohesive political group despite their often obvious internal divisions, including during the 1970s. At any particular time, official policy represented a compromise with which all sections of the party could be relatively content, whilst wider common threads like inequality drew them together. This was the case at the beginning of our period in 1974 and it was the case at the end in 1979. The political and economic context of the time developed so as to allow Conservative policy to change and for all sides to remain on board, but it did not develop enough to allow truly radical change, with one side of the party unable to make any kind of accommodation at all. There would always be some element of compromise and some element of continuity. In addition, individual Conservatives often had a collective sense of what they were against or what they should oppose together. In immediate political terms this meant Labour and the Liberals, but in the context of the Cold War it also meant socialism and communism. In simple terms of course, they shared a desire for electoral success and wished to see a return to Conservative government after the next general election. This book argues that these kinds of short-term political factors have been relatively underestimated, in comparison with the wider economic context of the 1970s for example, in accounts which have looked at this period to date. By taking account of these kinds of ideas and thoroughly examining the 1974–79 period, reaching conclusions about the extent to which Conservative policy developed and how any changes can be best explained, this book attempts to make an important and original contribution to a number of debates and, as a whole, to our collective understanding of the recent past.
A note on methodology

The primary approach of this book has been to focus on the actions of leading politicians and their parties, the motives which governed them and the political results. As a result, it is primarily concerned with ‘high politics’. Nonetheless, the obvious weaknesses of a strictly ‘high politics’ account have, hopefully, not been repeated here. It was not the case that only a limited number of important individuals and their interests were at the centre of events. Many more people than that mattered. An appreciation of the role of parties and politicians will be complemented by broader considerations of the structures and contexts – social, economic, cultural and institutional – which influenced them and helped to shape their ideas.

A reasoned ‘high politics’ approach of this kind is that best suited to answering the questions in which this book is interested. Policy change was brought about by the agency of some groups and individuals, operating in a sphere in which particular concepts and ideas were gaining increasing traction. Nonetheless, the short-term political context, the organisational structure of the party machine and some personal dynamics of the period all also influenced policy development to some extent. Practical concerns competed with, and, at times, stood up to, broader ideological and philosophical pressures. Analysing this period in terms of wider economic and social change would highlight only some of the relevant factors which are needed to understand it fully. The political sphere must be at the heart of the picture.

It must also be recognised that there has been a need to impose somewhat arbitrary boundaries on the timescale and range of issues considered. As Steven Fielding has described, ‘in that respect political historians are no more blinkered than the rest’. But this, again hopefully, should not reflect any lack of broader ambition or imply that more is not understood to be incredibly important. The fact that the Conservative Party was out of government between February 1974 and May 1979 helps to apply a more definite start and end point to the field of study. For the central question of official Conservative policy and how it developed, this is where the period is seen to begin and end. However, many of the ideas and issues discussed in this book naturally transcend these boundaries, having their origins both in the recent past of the Conservative Party, and perhaps even further back, whilst only reaching their full salience in the 1980s, though likely many are still directly relevant to us today. When this is the case, those themes and ideas are pursued as far as necessary, prior to 1974 and beyond 1979. In more specific terms, the key methodological approach has been qualitative research underpinned by an empirical ‘fine-grain’ approach – reading sources in depth, with different versions of events cross-checked against other sources, in order to trace the source and development of ideas and policies – complemented by elements of oral history. This is the best way to understand the gradual and subtle changes that were taking place during the 1974–79 period.
A key concept at the heart of this book is party policy: its derivation and its implementation. In government the concept of policy is a straightforward one. The official position on a particular issue is usually easily identifiable. In opposition, things are not quite so certain. Here policy is understood to be the text of party election manifestos and official documents produced for public consumption, in the first instance. Beyond this there are other public statements, whether set-piece speeches, speeches in Parliament or answers in interviews, all of which are important but have not been considered to represent the official line of policy in quite the same way. Further sources which often form the backbone of this research but were not designed for public consumption are described in detail below.

Given the stated aims of this book, how might we measure change in this Conservative policy? In many ways, this is a relatively simple task which involves comparing the policies outlined in February 1974 and May 1979 and noting the differences. This is the basic approach that has been taken. However, a slightly more detailed framework might be appropriate when seeking to make wider judgements. The broad principles outlined by Anthony Seldon in the chapter ‘Ideas are not Enough’ have been looked to in this regard and will be returned to in the conclusion. Seldon described how change would occur when the right combination of ideas, individuals, circumstances and interests were in place. The interplay between these four concepts for the Conservatives during the 1970s will be central to much of this book.

A note on sources

The most important sources considered are the two Conservative general election manifestos of February and October 1974, the policy document The Right Approach of 1976, its 1977 follow-up The Right Approach to the Economy, and the final 1979 election manifesto. It should be possible to trace how policy broadly developed through these documents as an important first step. Here was how the party chose to define its thinking to the electorate, at some length and in its own considered words. This is not to suggest that manifestos are perfect historical documents, but they are the best initial guide we have. As such, it is understood that Conservative policy can be found primarily in these official policy documents. Their content was the culmination of detailed policy work, undertaken as part of a well-established process, incorporating conclusions by a number of important policy groups and official research and advice from inside the party machine. The role of the Conservative Research Department (CRD) was extremely important here. The development of The Right Approach and The Right Approach to the Economy in particular can now be traced through archival sources, and this sheds some light on the reasons why they came to appear in the form that they did, and why the party’s overall approach moved forward quite hesitantly. A number of drafts and revisions were produced and circulated amongst leading Conservatives, with their feedback
collated by Chris Patten at CRD. Their contents were the subject of strong debate before the final documents were published.

Each of the policy areas that will be discussed in the course of this book had one or more of those relevant policy groups that worked through the party’s options in detail and represented a crucial location of policymaking, though their raison d’être was somewhat different from the similar set of groups established under the leadership of Edward Heath after 1965, focussing in theory more on important principles than the fine detail of policy.28 They were usually chaired by the responsible Shadow Minister and were attended by MPs and some outside experts. For example, the Economic Reconstruction Group (ERG), chaired by Sir Geoffrey Howe, performed an important role in the development of economic policies. The groups’ ideas were often considered by an Advisory Committee on Policy chaired by Sir Keith Joseph, a body which had been in place since the late 1940s and was drawn from across the landscape of the Conservative Party, with the parliamentary party, National Union, Chairman’s office, CRD and smaller groups such as the Conservative Federation of Students each represented.29 Policy proposals would also go through a Steering Committee and the Shadow Cabinet itself, which would make final collective decisions.

During a period of opposition, without the support of the civil service, the work of the CRD took on even more importance. It provided secretarial support and policy advice to each of the groups. This was a well-established mechanism for developing policy, and the CRD had experience in strategy and research, with individual desk officers responsible for different areas of policy. CRD traced its origins to the pre-war leadership of Neville Chamberlain but began to take on a prominent role under the post-war chairmanship of R.A. Butler.30 By the 1970s it occupied a pair of narrow Georgian houses in Old Queen Street, London and was known for having ‘something of the intellectual high-spiritedness of student politics’, populated as it continued to be by ambitious young university graduates. Future Conservative luminaries such as Matthew Parris, Michael Dobbs and Michael Portillo began their careers there during the mid-1970s, as had Enoch Powell, Iain Macleod and others during previous decades. Nonetheless, it formed the centre of much of the policymaking process, with its officers and, in particular, its Director Chris Patten and Assistant Director Adam Ridley providing a crucial advisory role. Patten had joined CRD in the run-up to the 1966 general election and later went on to be an MP and Party Chairman, amongst other notable achievements.31 Ridley was a former civil servant who never entered Parliament but served as a special adviser in government after 1979. As John Ramsden identified, although the character of the party leader and other wider factors could at times be significant in setting the agenda – indeed CRD and the many party institutions were ultimately responsible to and served the leader – the pressure of time and the scale and complexity of modern politics necessitated a consultative and collaborative mindset: ‘Whatever constitutional theory may say, Conservative policy must be a collegiate activity.’32 In each of the
key policy areas that will be discussed therefore, it was the CRD and these kinds of party insiders that were overwhelmingly responsible for devising, discussing and developing official policy, or assisting the politicians in doing so. Outside voices may have sometimes generated more heat but it was party officials who generated most of the light.

Material in the manifestos and policy documents has been supplemented by a rich variety of sources produced by the party between 1974 and 1979 that were intended for public view; newspaper articles, broadcasts, political speeches and parliamentary debates. Archival research was also undertaken, principally at the Churchill Archive Centre and the Conservative Party Archive at the Bodleian Library, Oxford. The former is home to the Thatcher Papers, which contain a wide range of material from across the former Prime Minister’s entire career, as well as the papers of Lord Hailsham and Adam Ridley. At the Conservative Party Archive the most important sources came from the personal papers of Sir Keith Joseph, Sir Geoffrey Howe, and the records of Conservative Central Office and CRD, especially the files produced by Chris Patten. These key sources have been supplemented by the parliamentary records of Hansard and other sources from the websites of the Margaret Thatcher Foundation and The National Archives. A range of contemporary newspapers and journals were also important.

**A note on structure**

Chapter 1 of this book examines the wider context of the 1970s. How the decade was perceived at the time is discussed, with a focus on key themes such as the apparent breakdown of the post-war consensus, economic decline, the governability of the country and popular morality. This is related to the concepts of the political space in which the Conservatives were operating and the construction of rhetoric around a sense of crisis discussed above, in order to see how important these wider factors really were to Conservative policy. The central focus then shifts to the policy areas that the primary and secondary sources suggest were most important throughout the 1970s. These are also the policy areas where the most interesting, most meaningful and most definable changes are discernible. The chapters which follow therefore cover Conservative policies towards inflation, the economy, ownership, industrial relations, immigration, devolution and education. This is not to underestimate the importance of other areas such as foreign affairs, defence, health or social security, but these could not be said to have defined the 1970s in quite the same way, at least in the political terms under consideration here. In each of the key policy areas a broadly similar pattern can be observed; namely that policy did develop to a meaningful degree but other factors held back this change to some extent, so that by and large it was not truly fundamental. At certain times, these changes may have been quite important, with the Conservatives making a clear break with their own recent past, but at others change may have been somewhat limited.
This book argues therefore that there were a range of factors pulling the party in a number of different directions. At times these forces meant that policy moved forward, but at others this process was slowed by the retarding effect of other factors. Here the political reality of the time and significant debates about the direction of policy inside the party, both of which served to engender a great deal of moderation, were crucial. The broader ideological context of the period, the natural desire to move on from recent failures and to look for alternatives were also significant in many different ways, but their influence on the fine detail of Conservative policy was more limited than might initially be expected. There were some areas in which very important developments did take place, and the party often discussed in private the possibility of much more radical and controversial change. Although such ideas may not have always made it into speeches and manifestos, there was at least the potential for more dramatic policy development. Nonetheless, this book argues that, on the whole, short-term political factors rather than broader philosophical and ideological concerns, upon which the greatest attention has so far been placed, were most influential in determining the development of Conservative policy between 1974 and 1979.

Notes

1 The average swing of 5.2 per cent would remain the largest until the next Labour landslide in 1997, which saw a swing of more than 10 per cent.
6 In 1979 the Conservatives won 339 seats with 43.9 per cent of the popular vote whilst Labour won 269 with 36.9 per cent, for a working majority of 44: D. Butler and G. Butler, British Political Facts, 1900–1994 (Basingstoke, 1994) p. 218.
8 Ibid. p. 337 and p. 351.
10 Butler and Kavanagh put it rather eloquently when they argued that ‘The Conservatives were well placed to catch the plum that fell into their laps. But it was the Labour movement that shook it off the tree’: ibid, p. 340.
21 Ibid.
22 K. Hickson (ed.), The Political Thought of the Conservative Party since 1945 (Basingstoke, 2005).
26 The versions of the two 1974 and the 1979 manifestos referred to throughout this book are those available online from www.conservativemanifesto.com/. The copies of The Right Approach and The Right Approach to the Economy that are referenced are those available on the Thatcher Foundation website: TF, The Right Approach, 4 October 1976 and The Right Approach to the Economy, 8 October 1977. The page numbers taken from The Right Approach to the Economy refer to the Thatcher Foundation transcribed version and not necessarily the original printed document.
27 The Right Approach was well publicised in 1976 and released to coincide with the party’s annual conference. Although its focus was often strategic, outlining Conservative thinking rather than detailed policies, it was represented as the official line. The Right Approach to the Economy was only officially released under the names of its individual authors but it represents an important step in Conservative policy development.
28 Caines, Heath p. 154.
30 Ibid. p. 12.