

1 'Crisis? What crisis?' Thatcherism and the seventies*

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More than any peacetime Prime Minister since 1931, Margaret Thatcher took office in 1979 amidst a mood of national crisis. The Conservative manifesto had described the recent contest as 'the most crucial election since the war', a 'last chance' to stave off national disaster; and Thatcher herself invoked the spirit of Pitt the Elder in 1756: 'I know that I can save this country and that no one else can.'¹ In office, appeals to the 'seventies crisis' proved a powerful rhetorical device, framing the actions of the Thatcher governments against a gallery of apocalyptic alternatives. The decade became a shorthand for a set of nightmare images, when 'the dead went unburied', 'rubbish piled up in the streets' and a British Chancellor went 'cap in hand' to the International Monetary Fund: 'a chronicle of the collapse of confidence which ensured the acceptance of the Thatcher revolution'.²

Yet Thatcher did not simply exploit a sense of crisis; she offered a specific interpretation of the seventies that privileged particular responses. As Colin Hay has argued, crises 'are above all public constructions', which 'need bear no direct correspondence with the symptoms they narrate'. This is not to say that they are false, or that the events they describe are not real and serious; but they require an active process of narration, in which the 'raw materials' of crisis are bound together and given meaning.³ The diagnosis offered by the Thatcherites was far from the only reading in play, even within the Conservative Party. That it became the hegemonic narrative was Thatcher's first great achievement, and served as a foundation for all the others.

This chapter explores the evolution of that narrative after 1975, and its place in the rhetorical construction of 'Thatcherism'. As many commentators have noted, the Conservative manifesto in 1979 was remarkably light on policy, placing little emphasis on those phenomena, such as privatisation, that would define the Thatcher governments in office.

In so far as 'Thatcherism' had a clear public identity in the seventies, it was descriptive rather than prescriptive: a narrative that cleared the way for policy responses, rather than a policy programme in its own right. As such, it was directed not just against the Labour Party but against rival analyses within her own party, which favoured conciliation of the unions, constitutional reform and/or the active pursuit of coalition. For Thatcher, these analyses were flawed intellectually and dangerous to her personally. She was not remotely plausible as a coalition leader, or as someone who could negotiate prices and incomes with union bosses, and her distaste for constitutional reform was well known. In this respect, 'Thatcherism' was forged not only in the electoral conflict with Labour and the Liberals, but by pressures operating on and within the Conservative Party. It was no coincidence that the words 'Thatcherite' and 'Thatcherism' first appeared, not as ideological statements, but as markers of allegiance within Conservative politics, serving as antipodes to 'Heathism' and 'the Heathites'.⁴ It was not enough for Thatcher simply to encourage a sense of crisis; she had to imprint it with particular meanings, so that it spoke to her own purposes and not those of her opponents.

For this reason, the chapter privileges rhetoric over policy, and Thatcher personally over the 'New Right'. As Leader of the Opposition from 1975 to 1979, Thatcher was above all a public politician, struggling to impose her authority on a fractious party and to articulate a new vision of Conservative politics. For a constituency to whom the internal workings of politics are invisible, rhetoric forms the principal medium by which parties take on a wider public identity; and in this sense, as Philip Williamson has written, 'politicians *are* what they speak and publish'. Yet rhetoric is not simply a vehicle through which reality is mediated. The most successful rhetoricians engage in a creative dialogue with the world around them, narrating their context so as to reorder the scope for political action. 'It is by these means', writes Williamson, 'that a political "centre" or "consensus" may come into existence – not simply from the momentum of events or structural change, but by the constructive and collective efforts of successful politicians'.⁵

Thatcherism: ideas and ideology

The party Thatcher inherited was in a state of unusual intellectual ferment. Keith Joseph had recently concluded that he had never truly been a Conservative at all, and set out on a national campaign to stir up debate.⁶ There was a proliferation of right-wing think-tanks and discussion groups, and a flurry of books appeared on the nature and identity

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of Conservatism.⁷ This was by no means an academic exercise. By 1975, the party had suffered four defeats in the previous five elections, and had slipped into third place among first-time voters. The Conservative share of the vote in October 1974 was its lowest since 1918, and the party was losing ground in all parts of the United Kingdom. In Scotland, it had secured less than a quarter of the popular vote, and even its heartlands seemed under threat from a Liberal revival in rural England.⁸

The result was a crisis of confidence in the future of Conservative politics. For a political tradition rooted in church, Crown and colonies, the combined effect of the end of empire, the decline of religious authority and Britain's new identity within the European Community had been profoundly dislocating. The disintegration of the Heath government deepened the sense of a party that had lost its intellectual bearings. Even the historian Robert Blake, who was in many respects sympathetic to Edward Heath, thought in retrospect that he had become 'disorientated' by the 'lack of a guiding purpose'. It was 'hard to believe', Blake concluded, that a government with 'a firm doctrinal base, and an intellectually legitimate ideology ... would have diverged quite so far from the principles which it had been proclaiming before it came back into power'.⁹

That mood accorded closely with Thatcher's own instincts. Accepting the leadership in 1975, she spoke of a widespread feeling that 'we have lost our vision for the future' and of a hunger among the public for 'more emphasis on principle'.¹⁰ Though it is unlikely that she ever said 'We must have an ideology',¹¹ she described herself repeatedly as 'a conviction politician'¹² and told her first party conference as leader that 'policies and programmes should not be just a list of unrelated items. They are part of a total vision of the kind of life we want for our country and our children'.¹³ To a greater extent than her predecessors, she used the leadership as a pulpit from which to impress her values upon the public.¹⁴ She talked of 'the ideological battle against Socialism' and of her determination 'to create a wholly new attitude of mind' in the country.¹⁵

Underpinning all this was a deep suspicion of 'consensus'. Thatcher understood the necessity for compromise and had a good ear for what the public would accept, but she never saw 'consensus' as of value in itself. As early as 1968, she had defined it as 'an attempt to satisfy people holding no particular views about anything', and she found her one ministerial visit to the National Economic Development Council – the institutional embodiment of consensus politics – 'a total waste of time'.¹⁶ 'The Old Testament Prophets', she told a rally, 'didn't go out into the highways saying, "Brothers, I want consensus"'. They said,

"This is my faith and my vision. This is what I passionately believe". 'No one should be in politics', she thought, 'unless he has strong beliefs and wants to see them translated into action.'¹⁷

It was in this context that Thatcher began to be spoken of as an 'ideological' politician, an exotic growth in Conservative politics. Labour ministers warned that she would trigger a devastating confrontation with the unions in pursuit of a dogmatic and implausible ideology, and there were coded warnings from her own ranks, too.¹⁸ Even a Tory academic such as Blake disliked talk of a 'Conservative philosophy', as suggesting a 'more exact set of beliefs and axioms than is natural to a party like ours'. Only socialists, he thought, could 'talk plausibly about their philosophy for they do genuinely think in terms of blue-prints for the future'.¹⁹

This was a perennial difficulty for Tory leaders, but it bore particularly hard upon Thatcher. She had come to the leadership after the failure of a Conservative government with an overtly modernising programme, whose leader had promised to 'change the course of history' in his country. Heath was remembered, perhaps unfairly, for promising to cut inflation 'at a stroke', and his legacy was a suspicion of grand programmes for economic reconstruction. As Keith Joseph put it, the party had lost faith in 'short cuts to Utopia' and 'well-meant but wrong-headed drives for growth'.²⁰ In this respect, the pressures on Thatcher were diametrically opposed to those on her predecessor a decade earlier. Heath had come to the leadership in the mid sixties, when the main charge against the Conservatives was of aristocratic drift, and when the electorate seemed captivated by the technocratic dynamism of Harold Wilson. Thatcher operated in a world that was politically disillusioned, in which constructive programmes were viewed with suspicion. As a strategy document warned in 1978, 'people are fed up with *change*, and with new systems that *don't* work'. Voters did not want 'radical upheaval, based on promises of a Brave New World', and would 'no longer believe politicians' promises of better times ahead'.²¹

Despite her later reputation, Thatcher broadly shared this suspicion of 'ideology' and rarely used the word except as a stick with which to beat the Labour Party. Like other Conservatives, she condemned the notion that the world could be reordered according to an ideological blueprint, and she always denied that 'capitalism' or even 'Conservatism' were meaningful analogues to 'socialism'. Even towards the end of her career, when most inclined to make grand claims for her achievements, she repeatedly denied inventing an ideology. It was wrong, she told Russian students in 1991, 'to see freedom and free enterprise as a system based on an ideology – a system with the purpose of moulding man and shaping

society along some predetermined lines'. Democratic capitalism was 'not some kind of mirror image of Marxism', but 'a way of allowing people to live as they wish rather than as the state wishes'.²²

The challenge was to distinguish 'ideas' from 'ideology'. In the ecclesiastical language that came naturally to many Conservatives, what they were seeking was not a blueprint but a creed: a set of beliefs *about* the world, rather than a constructive programme for remodelling it. This distinction between the man-made prescriptions of socialism and the timeless norms of Conservative politics had deep roots in the self-image of the Tory Party, and found a ready echo in Thatcher's own temperament.²³ Delivering the Iain Macleod Lecture in 1977, she claimed to stress 'vision, not blueprint; values and principles, not doctrines'.²⁴ As she put it several years later, 'These are not the panaceas of political theorists. They are ideas that have worked'.²⁵

In this context, talk of 'Thatcherism' was dangerous rather than flattering. In an interview for the *Today* programme in 1977, she mocked the word as an 'ogre' invented by the Labour Party to frighten the electorate: 'Is it not ridiculous?'²⁶ When she did deploy the term, she slipped in an indefinite article, observing that 'To stand up for liberty is now called a *Thatcherism*'.²⁷ Phrased as such, it was relegated from an ideology to a precept, or the sort of thing that Margaret Thatcher might *say*. As leader, Thatcher was wary of any public association with foreign ideologues, however much she respected their ideas. Milton Friedman and Friedrich Hayek received only a single mention in the whole of the 1970s, both during visits to the United States.²⁸ Even in 1980, when Friedman took part in a seminar at Downing Street, Thatcher assured MPs that she had attended 'only briefly' and that Conservatives kept 'an open mind on these matters'.²⁹ She avoided words like 'monetarism', preferring to talk of 'sound' or 'honest money'.³⁰ Economists, she grumbled, 'clothe simple propositions with really rather extravagant jargon to make them sound very much cleverer than they are'.³¹ It did 'not require A-level economics, or artificial labels like monetarism', to understand that one could not simply magic money out of the air.³² This was not a prescription *for* the economy, but a statement *about* it. 'Monetarism' was 'not a new-fangled thing: it is as fundamental as the law of gravity, and you cannot avoid it'.³³ She applied a similar device to the problem of Enoch Powell. When challenged either to endorse or to condemn him, she treated the question as absurd. Her values were 'fundamental' and 'far older even than Mr Powell'.³⁴

As Matthew Grimley shows in Chapter 4 of this volume, those values were often couched in moral terms, aligning the Conservative Party with the norms of Judeo-Christian civilisation. Expressed politically,

Thatcher's pretensions were no less extensive, equating her principles with freedom, democracy and the rule of law. These, of course, were the common currency of British politics; so if Thatcher was to offer more than windy rhetoric, she had, first, to imprint those values with her own definitions;³⁵ and, second, to establish that they were imperilled by her opponents. If the first was part of the constructive task of Thatcherism, the latter formed the core of its critical project, to which a party of opposition was peculiarly well suited. As an internal party paper on electoral 'Themes' observed in 1978, 'Fear is more potent than hope', so 'the first step' was 'to make clear the threat'.³⁶

A 'crisis of socialism'

Apocalyptic expectations were not, of course, in short supply. The future Lord Chancellor, Lord Hailsham, proclaimed in 1976 that 'We are living in the City of Destruction, a dying country in a dying civilization'.³⁷ In a book commissioned by the BBC, Anthony King warned that Britain was entering 'the sort of "crisis of the regime"' that had not been seen 'since 1832, possibly not since the seventeenth century'; and 65 per cent of those questioned in an NOP poll in 1974 thought that there was either a 'serious threat' or 'some threat' to the survival of British democracy. Samuel Brittan and Peter Jay warned that democracy might be structurally incapable of controlling inflation, raising the possibility that it would 'pass away within the life-time of people now adult'.³⁸

Thatcher thrived in such a climate, which played naturally to her own brand of eschatological politics. Britain, she repeatedly suggested, was experiencing catastrophic national decline, threatening the very 'survival of our laws, our institutions [and] our national character'.³⁹ As Brian Walden noted in 1977, her public appearances had a 'hectic and unusual' flavour which 'often startled her audiences'. 'Instead of the reassurance we've come to expect from Conservative leaders, Mrs Thatcher's conveyed a sense of imminent danger'.⁴⁰ The perception of crisis, however, did not automatically favour Thatcherite solutions. For some, what Britain was experiencing was a crisis of *capitalism*, requiring new methods of economic control. For others, it was a crisis of state authority, which meant 'recognising where industrial power lay and coming to terms with it'.⁴¹ Talk of the 'economic contradictions of democracy' risked legitimising calls for a new political settlement, of the kind proclaimed by Labour in its 'Social Contract' between government and trade unions. Labour presented the Social Contract as a renegotiation of 'the democratic process', contrasting

its actions with 'the authoritarian and bureaucratic' instincts of the Conservatives.⁴²

Labour had come to office in 1974 on just 39 per cent of the vote, with an overall majority after the October election of only three MPs. No government since 1922 had won a majority on a smaller vote share; yet Labour enjoyed a lead of forty-three seats over the Conservatives and was able to push through an array of radical measures. Pessimistic about their own chances of wielding power, some Conservatives sought not to capture government but to constrain it, by means of proportional representation, devolution to Scotland and Wales, a written constitution and the incorporation of the European Convention on Human Rights into British law.⁴³ It was not only Tory 'wets' who took this stance: Keith Joseph advocated both a bill of rights and a constitutional limit on taxation – demands that enjoyed considerable support across the New Right.⁴⁴

Joseph was the politician with whom Thatcher was most commonly associated in 1975, through their work at the Centre for Policy Studies. There were, in fact, important differences between Thatcher and her presumed mentor. She lacked his taste for the admission of error and was less inclined to indict the records of previous Conservative governments. Unlike Joseph, she saw no need to use the 'social market' as a euphemism for the 'free market', and she actively mocked the term towards the end of her career.⁴⁵ Nor did she share the anxieties of so many on the New Right about mass politics, or their enthusiasm for constitutional safeguards. Confident that the electorate shared her own political preferences, she showed no interest in constitutional mechanisms for constraining democracy, relying instead upon her capacity to lead it. Nonetheless, she agreed with Joseph's central insight: that the origins of the crisis lay in an accommodation with socialism. Like Joseph, Thatcher thought that there had been 'altogether too much Socialism' in British politics, and she echoed his warning that a nation could not endure 'half collectivist, half free'.⁴⁶

Thatcher insisted that 'What we are seeing in Britain now is not a crisis of capitalism but a crisis of Socialism', and this became the organising principle of her rhetoric.⁴⁷ In a statement formally accepting the leadership, she warned that if 'the Socialists were to win again we would be set irretrievably on the path to the Socialist State'. Her first party political broadcast promised 'to lead the people of this country away from the quicksands of Socialism' and to 'rid the nation of this Socialist albatross'.⁴⁸ Visiting New York in September, she broke diplomatic convention by criticising the Labour government, telling reporters briskly that 'it's no part of my job to be a propagandist for a socialist society'.⁴⁹

The case against 'socialism' was not primarily economic. Thatcher never doubted that socialism was wasteful and inefficient, or that high taxes were damaging productivity. Nonetheless, as she told a meeting in 1977, 'the real case against Socialism is not its economic inefficiency ... Much more fundamental is its basic immorality'.⁵⁰ She liked to remind the electorate that Nazism was an abbreviation of 'National Socialism', and she insisted that the National Front, too, was a 'Socialist' organisation.⁵¹ Denying that there was any conceptual difference between socialism in Britain and the horrors of the Soviet bloc, she warned that:

Socialism is what socialists do, and socialists do more or less the same, as the opportunity permits. GULAG was the consequence of socialism ... It only happened because socialism demoralised the whole nation, replaced the individual conscience by the party, right and wrong by what was good for the revolution.⁵²

Rallying her party before the election in 1979, Thatcher drew the challenge of defeating Labour in apocalyptic terms, twice quoting Burke's aphorism that 'All that is necessary for the triumph of evil ... is that good men do nothing'.⁵³

For Thatcher, the task was not simply to defeat the Labour Party at the polls; it was to delegitimise socialism as a moral position. In Thatcher's view, socialism stripped individuals of personal responsibility. By passing their charitable obligations over to the state, individuals felt absolved of the need to help others themselves.⁵⁴ The result was a process of moral ossification, which would ultimately 'dry up ... the milk of human kindness'.⁵⁵ According to Thatcher, it was not 'compassion' that was driving the expansion of the state – 'Not a bit of it!' – but a lust for power over other people's lives.⁵⁶ The generous, sacrificial giving of individuals was repeatedly set against the cold bureaucracy of state welfare. As she mused, in one of her periodic reflections upon the Bible, 'I wonder whether the State services would have done as much for the man who fell among thieves as the Good Samaritan did for him?'⁵⁷

Likening class prejudice to racial discrimination, Thatcher redefined socialism as the 'political organisation of hatred'. Conservatives, she acknowledged, had no monopoly on virtue. 'But we don't preach hatred and we are not a party of envy'.⁵⁸ On this reading, socialism was disintegrative as well as demoralising. Inflation forced workers into a constant battle to maintain their pay and conditions, a struggle in which only 'the hyenas of economic life' could profit.⁵⁹ Corporatism, too, set groups in perpetual competition. As a CPS pamphlet argued in 1975:

The more governments have intervened to remove economic decisions out of the market and into the political arena, the more they have set group against group, class against class, and sectional interests against the public interest. The politicisation of so wide an area of the country's economic activities has set up strains which are threatening its social cohesion.⁶⁰

By lowering inflation, dismantling the corporate state and ending the rhetoric of class war, Thatcherism promised healing and reconciliation. Her famous prayer on the steps of Downing Street in 1979 – 'Where there is discord, may we bring harmony' – was in this respect wholly characteristic. 'My purpose in politics', she declared in 1976, 'is ... the creation of One Nation.'⁶¹

Anti-socialism had been a theme of Conservative rhetoric throughout the twentieth century, but no previous leader had made it so central to their message, or talked so confidently of the elimination of socialism from British politics. This was rooted in Thatcher's own convictions, but it also served a political purpose. With its long history in the party, anti-socialism could be presented as authentically Conservative – a relearning of ancient truths in which the 'old consensus is in the process of being re-established'.⁶² Its sense of mission was especially appealing to radicals and younger voters, while Thatcher's tough language towards the Soviets – and their obliging coronation of Thatcher as the 'Iron Lady' of the West – helped to establish her as a strong leader. It may also have encouraged the drift to Conservatism from the anti-Soviet left, while establishing for Thatcher an international profile.

Thatcher constantly resisted demands to 'Tell us what you mean by Socialism'.⁶³ As an organising principle for a precarious political project, the ambiguity of the term was part of its attraction. It satisfied the need laid out in the 'Stepping Stones' report 'to see *all* our problems as part of a single pattern';⁶⁴ and, by polarising politics between 'socialism' and 'the defence of freedom', it squeezed the space for the Liberals. The Liberal surge in 1974 had cost Heath the premiership, propelling the Liberals into second place in 42 per cent of Tory seats.⁶⁵ By emphasising the threat, anti-socialism placed sanctions on the exercise of a 'wasted' vote, while claiming for the Conservatives the mantle of 'freedom'. It also provided an intellectual case against coalitionism – the position with which Heath was increasingly associated. As Thatcher told the party conference in 1981, socialism could not be 'half stopped, least of all by those who for years helped to nurture and support [it]'.⁶⁶

There was no guarantee, of course, that voters would accept this critique, either as a description of socialism in the abstract or as a meaningful analysis of the Labour Party. Given that Labour had governed for long stretches in the past, without visiting upon Britain the horrors

of the Gulag, Thatcher had to show that the threat in her own day was qualitatively different. A crucial role was played here by Labour defectors, who were drawn to Thatcher in remarkable numbers. Some were instinctive rebels, transferring their allegiance to a new rebel project; others were strongly anti-Soviet; while many were essentially libertarians, who now thought union power the chief menace to freedom.⁶⁷ In a series of speeches and articles, men like Paul Johnson, Reg Prentice and Lord Chalfont warned that 'The nature of the Left has changed.' Labour, they insisted, was now a collection of 'hardline, dogmatic Marxists', who would 'use the instruments of parliamentary democracy ... to destroy our existing political system'. As Prentice put it, this was 'no longer the Labour party of Ernest Bevin and Hugh Gaitskell. Neither will it be the party of Jim Callaghan – for what that is worth – much longer. It will be the party of Tony Benn, and others even further to the left.'⁶⁸ Thatcher herself described the Labour programme as 'frankly and unashamedly Marxist', aspiring 'towards a Britain modelled on Eastern Europe'.⁶⁹

For the Conservatives, the charge against Labour was threefold. In the first instance, its nationalisation programme, punitive tax regime and closed-shop legislation were endangering the freedom of individual citizens to work, spend and save as they chose. Even freedom of speech was said to be at risk from the proposed extension of the closed shop into journalism.⁷⁰ This framed the case against union power in broad moral terms, as a defence not of profits but of people. While Thatcher steered clear in public of bodies like the Institute of Economic Affairs, she was much happier to be linked with the National Association for Freedom, even attending its inaugural subscription dinner in 1977.⁷¹ Second, democracy was said to be in jeopardy, as Labour strove to bring 'the Iron Curtain down on the Mother of Parliaments'.⁷² As its Commons majority shrivelled, Labour was accused of sidelining Parliament by the suspension of standing orders and the guillotining of debate. Thatcher charged ministers with 'a contempt of Parliament unprecedented in our whole history', while party literature accused ministers of adopting 'the Reichstag method' of government.⁷³ The 'Social Contract', too, was denounced as a 'blatant violation of the Constitution', an arrangement 'under which the TUC ... became almost an organ of government – or *vice versa*'.⁷⁴ This allowed Thatcher to promise not a new constitutional departure, but a *return* to parliamentary government as traditionally understood. As she told Conservative trade unionists in 1976, 'We are not in the business of handing over the Government of this country to any group, however important, which has not been elected to govern. It is Parliament and no other body, which is elected to run the affairs of this country.'⁷⁵

Third, Labour stood accused of sponsoring law-breaking, and of lifting its trade union allies beyond the reach of the courts. 'For the first time in my life', Thatcher warned in 1976, the rule of law was 'at hazard in Britain'.⁷⁶ Thatcher never forgave the left for bringing down the 1971 Industrial Relations Act, or its support for the rebel councillors at Clay Cross.⁷⁷ As the *Campaign Guide* pointed out in 1977, no fewer than three Labour ministers had fallen foul of the courts, and it drew particular attention to Foot's attacks upon the judiciary.⁷⁸ This, Joseph argued, was not simply the high-handed language of a single minister, but the natural animus of the left towards any barrier to socialist transformation. Since the entire legal system was founded upon individual property rights, he noted, it was hardly surprising that socialists should hold it in contempt.⁷⁹

Freedom, democracy and the rule of law were reassuringly conservative principles, rooting Thatcher's rhetoric in some of the core values of British political thought. Yet all this depended upon a particular political vocabulary, in which words like 'freedom' and 'democracy' took on a peculiarly Thatcherite hue. The language of freedom was unapologetically individualist, framed around freedom from state intervention. As Keith Joseph put it, 'Every new power to government is a new restriction on individuals and corporations.'⁸⁰ For Thatcher, too, freedom was usually equated with market choice. In an article for the *Sunday Express* in 1975, headed 'It's Your Freedom They Hate', she insisted that 'Without choice, no one is free.' Under capitalism, the consumer was 'Free to take it or leave it, whatever it may be. Socialism says, "Take it and lump it".'⁸¹

That gave a new importance to private property as 'the essence of a free economy', for 'on that freedom all our other freedoms depend'.⁸² Joseph, too, thought the right to own property 'even more important politically' than economically, for it made citizens independent of the overmighty state.⁸³ This stood in contrast to the notion of 'public ownership', in which property was diffused to all citizens through the democratic state. In 1973 Lawson had urged his party to avoid this 'emotively favourable phrase', and Thatcher herself mocked the term as 'a misnomer': 'the moment things are taken into public ownership is the moment when the public ceases to have control, consideration or choice'.⁸⁴ It was in this context that Thatcher began to trumpet the democratising power of the market as a complement to strictly political institutions:

the democracy of the ballot box, important though it is, is only one form of democracy. In a truly free society, and a society of truly free men, it must be

reinforced by the democracy of the market, in which people can cast their vote, not once every four years or so, but every day as they go about their daily business.⁸⁵

This was a common idea on the New Right, and drew a warm response from Thatcher's supporters. As David Howell put it, the extension of property ownership would make 'a reality of democratic rights in a way that socialist theory could never hope to provide'.⁸⁶

Narrating the crisis

Thatcher had evolved a critique of Labour as a menace to the very existence of a free society. The danger was that this would appear hysterical as Labour tacked back towards the centre ground, especially once Callaghan had replaced Wilson as Labour leader in 1976. Privately, the Tory leadership thought Callaghan 'a twister', but they recognised that his sunny demeanour and conscious anti-intellectualism made him scarcely plausible as an extremist.⁸⁷ With a modest economic recovery in progress, Labour could trumpet its pragmatic economic management as well as the benefits of its Social Contract with the unions. The nightmare, for the Conservatives, was that the electorate would reward Labour with another term in office, or credit the Liberals for their moderating influence within the Lib-Lab Pact.⁸⁸

In this context, it was imperative 'to destroy the Labour proposition that it is mild and moderate under benign Callaghan'. If the Prime Minister could not be made out to be an extremist, he should be presented as 'a temporary, expendable front-man', behind whom lurked 'the Socialist reality' of 'contempt for the Law, the Constitution and the rights of the individual'.⁸⁹ He was commonly contrasted with Hugh Gaitskell, Labour leader from 1955 to 1963, who had fought a series of memorable battles within his party. As Gilmour put it:

When Gaitskell had to deal with Labour's Left-wing, he fought and fought again ... This lot just trim and trim again. The history of the Labour Party since Gaitskell's death is the history of one surrender after another by the Labour moderates.⁹⁰

The contrast between a courageous champion of the centre ground and his pliable, easy-going successor was heightened by Callaghan's reputation as a union man. As Thatcher reminded the party in 1978, it was Callaghan who had led Cabinet opposition to *In Place of Strife*, Barbara Castle's proposed trade union reforms in 1969. 'The unions did not like it', she recalled, so 'Mr Callaghan saw it straight into the waste paper

basket.' The way to unbridled union power 'was opened in 1969 by Mr Callaghan'.⁹¹

For the Conservatives, the economic recovery after 1976 was attributable neither to Callaghan nor to his Liberal allies, but to a combination of IMF supervision, the loss of Labour's majority and the need to disguise its socialist intentions before facing the polls. The implication was that victory in the coming election would herald a quite different Labour government, with an independent majority at its back and North Sea oil wealth at its disposal. As Prentice warned, the IMF strait-jacket had secured Labour moderation for a time; but 'a new Labour government, with a working majority, would soon sweep this away. It would probably sweep Mr Callaghan away as well.'⁹²

This was important in fending off the threat of coalitionism, for it suggested that there was no real common ground between the parties on which to build. But the Conservatives still had to show that they could govern alone, which meant addressing their relationship with organised labour. Thatcher nursed a deep suspicion of unions, which she saw as unconscionable restraints upon personal freedom. She abhorred secondary picketing and professed a particular aversion to the closed shop. Yet the pressure to reach an accommodation was still strong; and with nearly half the working population unionised, 'trade unionists' were simply too large a constituency to be antagonised en masse. Despite her suspicion of the union leadership, Thatcher made considerable efforts to reach out to ordinary members. As leader, she increased funding for the almost moribund Conservative Trade Union Association and made a point of addressing its annual conference. As she reminded a party meeting in December 1978, 'We Conservatives count millions of trade unionists among our political supporters and an increasing number among the active workers for our cause. It is neither our purpose nor our interest to damage these institutions.'⁹³ She praised the work of 'Conservative trade unionists, Conservative negotiators and shop stewards', and repeatedly urged Conservatives to join their union and to become active in its affairs.⁹⁴

Thatcher trod carefully around the economic functions of trade unions, distinguishing their legitimate role as participants in collective bargaining from a wholly inappropriate place as special partners in government. This was a political, rather than economic critique. Labour's 'Social Contract', she alleged, had 'allowed a handful of trade union leaders to dictate to the Government' across the spectrum of public policy. 'And I am bound to say to them: "With great respect, that is not your job. It is Parliament's."⁹⁵ This allowed Thatcher to present

her policy not as an assault upon organised labour, but as a return to the demarcation observed by Bevin, Morrison and the 'great leaders of the past', who 'were careful not to involve their unions in either running the government or becoming mere agencies of government'.⁹⁶ In this context, claims that the unions would actively seek to destroy a Conservative administration were not entirely unhelpful, for they enabled Thatcher to frame the issue as a conflict between the democratic authority of Parliament and a protection racket run by Labour and its union paymasters.⁹⁷

This was partly why Thatcher was so hostile to a statutory incomes policy, for it blurred the divide between 'economic' and 'political' activity. Yet this position threw up problems of its own. Without significant proposals to curb union power in the market, the Tory policy of restoring free collective bargaining seemed to imply that the party was giving up on industrial relations altogether. This raised the spectre of a union 'free-for-all' and a return to industrial chaos. The most plausible response – that monetary policy would enforce wage discipline by driving up unemployment – was politically unsayable, not least when the Conservatives were attacking Labour for rising unemployment. This made it hard for the Conservatives to capitalise on Labour's own problems towards the end of 1978. The Labour Party Conference had seen a rebellion against the leadership by the union vote, which rejected the 5 per cent pay policy and demanded a minimum wage of £60 a week for public sector workers. Though Callaghan's biographer thought this a 'disaster', the perception from the Conservative camp was subtly different.⁹⁸ The collision between the Labour leadership and the unions, followed by a powerful speech from Callaghan restating the dangers of inflation, helped to project a sense of distance between the government and organised labour, and a determination to stand up to union militancy. With Heath offering cross-party support, this opened up a potentially dangerous contrast with Thatcher. As Alfred Sherman warned in a memorandum, 'Callaghan and Heath gave the impression of somehow standing up to the unions and producing some framework for economic stability, whereas we simply said: remove the brakes, let it rip.' Ironically, 'We appeared to be associating ourselves with the most unpopular institution in Britain today, the trade unions and their rampage.'⁹⁹ The Conservatives fell five and a half points behind in the polls, indicating even to Thatcher 'that the public wanted us to back the Government against the unions'.¹⁰⁰

From this perspective, the 'Winter of Discontent' could hardly have been better timed. It destroyed the argument that Labour could resolve industrial conflict and refocused attention on the political critique

of unionism. The perception that this was a strike against the *public* established what Colin Hay has called 'the near hegemonic' perception of 'a beleaguered state held to ransom by the union movement'.¹⁰¹ Above all, it exposed the inflated claims associated with the 'Social Contract'. As David Marsh has argued, the Social Contract after 1976 was in practice little more than an incomes policy, demanding levels of wage restraint that the unions could not in the long term deliver.¹⁰² For this reason, it was probably always doomed to failure; and, since it weighed most heavily upon the public sector, it was always likely to end in a *levée en masse* by public sector workers. Yet the Social Contract had been presented as a new form of government, a recasting of 'the democratic process'. That was important in selling the Contract, both to the unions and to the Labour left, and in persuading the electorate that Labour could build a durable relationship with organised labour. The unintended by-product was that when it collapsed in the winter of 1978–9, it appeared not simply to be a failure of incomes policy but the collapse of a governing system. That cleared the way for a new political settlement and a paradigm shift in the assumptions of British statecraft.

The 'Winter of Discontent' made a reality of the aspiration set out in 'Stepping Stones', transforming 'the unions from Labour's secret weapon into its major electoral liability'.¹⁰³ It was hard to believe in the moral superiority of socialism when vital operations were under threat and pensioners were starved of heat and light.¹⁰⁴ With Callaghan apparently in denial, it was left to Thatcher to articulate the sense of crisis and to propose a way out of it.¹⁰⁵ Yet the 'Winter of Discontent' not only damaged the Labour Party and created a mood of revulsion against the unions; it also helped to resolve the incoherence within the Conservatives' own union policy. Thatcher seized the opportunity to make a unilateral shift in policy, announcing on television that she would legislate to restrict secondary picketing and reform the 'closed shop'. This made it more difficult to argue that, by abandoning incomes policy, the Conservatives were opening up a 'free-for-all'. Joseph had warned in 1975 that 'Monetarism is not enough', and the 'Winter of Discontent' enabled Thatcher to take up its necessary complement in a way that had not been politically possible before. Thatcher herself later acknowledged that 'had we fought an October general election the manifesto would have included no significant measures on union reform'. As she put it in her memoirs, 'Appalling as the scenes of the winter of 1978–9 turned out to be, without them and without their exposure of the true nature of socialism, it would have been far more difficult to achieve what was done in the 1980s'.¹⁰⁶

Conclusion

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. The challenge after 1979 was to turn what had been a highly effective oppositional creed into a positive programme for government. That Thatcherism was diagnostic, rather than creative, was not in itself a disadvantage. Thanks to the CPS, the IEA and, most importantly, the Conservatives' own policy-making machinery, proposals for implementing Thatcher's agenda were not in short supply. Thatcherism supplied the cohering narrative and the resolution to carry those ideas into practice.

That was never better displayed than in the famous proclamation of October 1980, that 'the lady's not for turning'.¹⁰⁷ With interest rates at 17 per cent, inflation at 18 per cent and unemployment nearing two and a half million, the pressure on Thatcher to change course was overwhelming. Her reluctance to do so was not solely the product of extraordinary courage, or even the memory of the Heath government. Rather, it reflected an ordering of priorities, evident throughout the 1970s, that marked her out from her immediate predecessors. For Thatcher, the goal was not to engineer a short-term improvement in the economy, but to eliminate socialism from British political culture. This is not to say that she was oblivious to economic hardship: only that she disbelieved in the possibility of recovery without this prior cultural change. For Thatcher, as for Joseph, growth was 'like happiness': attainable only as 'a by-product of other policies'.¹⁰⁸ As she had put it in 1975, 'Our aim is to build a flourishing society – not an economic system'.¹⁰⁹

From this perspective, Thatcher's strategy for recovery was not fundamentally about economics at all. Her economic thought was uncompromisingly individualist, allowing almost no constructive role for government beyond the maintenance of sound money. She showed little interest in infrastructure or broader economic conditions and, as Andrew Marr has noted, barely mentioned North Sea oil in her memoirs.¹¹⁰ Her analysis of British economic history was almost entirely psychological, founded upon a collapse of personal responsibility and the corrosive moral effects of socialism.¹¹¹ The Victorians had prospered because they believed in the virtue of hard work; socialism, by contrast, had weakened the national character and created a culture of 'something for nothing'.¹¹² In this respect, Thatcherism could not be refuted by trade statistics or growth rates. The evidence that mattered was of a resurgence of character, with new businesses starting up and a 'new attitude' in industry.¹¹³ Against the anxieties of the 'wets' and the

protests of organised labour, Thatcher mobilised the superior authority of British history. Past experience *proved* that the British people would respond to the stimulus of free enterprise: 'in view of our history it would be surprising if it were otherwise ... it is that freedom on which the advance of civilised societies is based, a freedom that for us goes back to Runnymede'.¹¹⁴

This gave Thatcherism a peculiar strength in the face of adversity; yet it was always vulnerable to a change in conditions. By 1990, most of the enemies Thatcher had fought against since the seventies were slain. Trade union power was broken, corporatism was a thing of the past and Labour had commenced its long march away from socialism. With the fall of the Soviet Union, Thatcher stood triumphant over every foe: 'As Socialism goes down all over Europe', she exulted, 'so it will be in Britain. And tomorrow, as today, will be ours.'¹¹⁵ For Thatcher herself, however, that hope was swiftly disappointed. Stripped of the unions, the Soviets and, from December 1990, Margaret Thatcher herself, 'Thatcherism' in the nineties lacked coherence. 'Democracy' was not a rallying cry when it no longer seemed at threat, and 'freedom' no longer resonated as a battle-cry against the unions. In so far as Thatcherism retained its oppositional flavour, it was compelled to reorient itself against a different, more contentious set of enemies: from Euro-federalism and the reunified Germany to the lack of competition within public services.

In consequence, the resonance of Thatcherism began to change. With the waning of the socialist threat, Thatcherism lost some of its moral and strategic purpose. That left it reliant on a programmatic content – more privatisation, lower public spending and tax cuts – that increasingly resembled ends, rather than means. This rendered the party's appeal more narrowly economic, weakening the sense that Thatcherism had any higher purpose beyond the creation of wealth, and leaving it vulnerable to a decline in the fortunes of the economy. As the party pushed for greater private sector involvement in welfare provision, its policies increasingly resembled those grand constructive programmes for change that Thatcherism had disclaimed two decades earlier – rolling the market *forward*, rather than pushing the state *back*.

All this caused considerable difficulties for Thatcher's successor. Harassed by her personal devotees, John Major was compelled to prove his 'Thatcherite' credentials without any of the targets against which his predecessor had defined her identity. He could not make speeches attacking the Soviet Union, tame the leviathan of organised labour, or shield the country from the onset of communism. Instead, he was measured against a set of policy tests – on Post Office privatisation,

educational reform and anti-Europeanism – that Thatcher herself would not, as Prime Minister, have passed. In this respect, Thatcherism was a creature of the 'long 1970s', a response to crisis politics which abolished the conditions of its own success. In the 1990s, it was 'Thatcherism' and not Britain that was in crisis: with devastating consequences for the party that Thatcher had led.

1 'CRISIS? WHAT CRISIS?' THATCHERISM AND THE SEVENTIES

- 1 Foreword to Conservative Party manifesto, 1979, MTFW 103999; M. Thatcher, *The Downing Street Years* (London: HarperCollins, 1993), p. 10.
- 2 G. Howe, endorsement of R. McIntosh, *Challenge to Democracy: Politics, Trade Union Power and Economic Failure in the 1970s* (London: Politico's, 2006).
- 3 C. Hay, 'Chronicles of a Death Foretold: The Winter of Discontent and Construction of the Crisis of British Keynesianism', *Parliamentary Affairs*, 63 (2010), 464–6.
- 4 The etymology of Thatcherism is a subject in its own right; but for early usages of this kind, see *The Guardian*, 25 April 1975, p. 16, and 29 December 1975, p. 10; *The Observer*, 23 May 1976, p. 12.
- 5 P. Williamson, *Stanley Baldwin: Conservative Leadership and National Values* (Cambridge University Press, 1999), pp. 14–17; my emphasis. For a similar approach, see A. Hindmoor, *New Labour at the Centre: Constructing Political Space* (Oxford University Press, 2004), especially pp. 9–10.
- 6 K. Joseph, *Reversing the Trend: A Critical Re-appraisal of Conservative Economic and Social Policies* (Chichester: Rose, 1975), p. 4.
- 7 Notably the Selsdon Group (1973), the Centre for Policy Studies (1974), the Conservative Philosophy Group (1975) and the Salisbury Group (1978). For Tory literature, see R. Blake and J. Patten (eds.), *The Conservative Opportunity* (London: Macmillan, 1976); R. Boyson, *Centre Forward: A Radical Conservative Programme* (London: Temple Smith, 1978); M. Cowling (ed.), *Conservative Essays* (London: Cassell, 1978); I. Gilmour, *Inside Right: Conservatism, Policies and the People* (London: Hutchinson, 1977); Joseph, *Reversing the Trend*; R. Scruton, *The Meaning of Conservatism* (London: Macmillan, 1980).
- 8 D. Butler and D. Kavanagh, *The British General Election of 1979* (London: Macmillan, 1980), pp. 2, 10, 350.
- 9 R. Blake, 'A Changed Climate', in Blake and Patten, *The Conservative Opportunity*, pp. 2–3.
- 10 Speech on accepting the Conservative Party leadership, 20 February 1975, MTFW 102629.
- 11 That claim first appeared in H. Young, *One of Us: A Biography of Margaret Thatcher* (London: Macmillan, 1989), p. 406. His source was Jonathan Aitken, roughly thirteen years after the event. At such a distance, it is unlikely to have been a verbatim quotation, and it sits uneasily with Thatcher's characteristic disdain for 'ideology'. As the overuse of this remark suggests, there is no other known instance of Thatcher making such a demand. See I. Trewin (ed.), *The Hugo Young Papers: Thirty Years of British Politics – Off the Record* (London: Allen Lane, 2008), p. 271.
- 12 Interview, *The Observer*, 12 January 1979; BBC Radio 2, Jimmy Young interview, 31 January 1979; *Daily Express*, Gale interview, 10 April 1979 (all on Thatcher CD-ROM). Press conference at Melbourne, 7 October 1981, MTFW 104713.
- 13 Conference, 10 October 1975, MTFW 102777.
- 14 A. Sherman, *Paradoxes of Power: Reflections on the Thatcher Interlude* (Exeter: Imprint, 2005), pp. 82–5. Like other writers, Sherman noted how much personal attention Thatcher gave to her speeches, insisting that

- 'every phrase, every word had to earn her approval' (pp. 84–5). For similar testimonies, see P. Cosgrave, *Margaret Thatcher: Prime Minister* (London: Arrow, 1979), pp. 25–6; F. Mount, *Cold Cream: My Early Life and Other Mistakes* (London: Bloomsbury, 2008), pp. 328–30.
- 15 Foreword to R. Blake, *Conservatism in an Age of Revolution* (London: Churchill Press, 1976); Conference, 12 October 1979, MTFW 104147.
 - 16 'What's Wrong with Politics?', 11 October 1968, MTFW 101632; McIntosh, *Challenge to Democracy*, p. 205.
 - 17 Speech at Cardiff, 16 April 1979, MTFW 104011; speech to Scottish Young Conservatives, 2 September 1978, MTFW 103494.
 - 18 A. Burnet, 'Is Britain Governable?' (London: CPC, 1975), p. 21; D. Hurd, *An End to Promises: A Sketch of Government, 1970–74* (London: Collins, 1979), pp. 140–1.
 - 19 Blake, *Conservatism in an Age of Revolution*, p. 11.
 - 20 Joseph, *Reversing the Trend*, pp. 7, 71.
 - 21 'Themes', 16 February 1978 (by A. Maude, R. Boyson, D. Howell, N. Lawson and N. Tebbit), MTFW 109853; emphasis in original.
 - 22 Speech at Hofstra University, New York, 27 March 2000, MTFW 108387; speech at Leningrad State University, 29 May 1991, MTFW 108273.
 - 23 Sherman called her 'a woman of beliefs, and not of ideas'; Sherman, *Paradoxes of Power*, p. 25.
 - 24 'Dimensions of Conservatism', 4 July 1977, MTFW 103411.
 - 25 Speech to Canadian Parliament, 26 September 1983, MTFW 105440.
 - 26 BBC *Today* programme, 2 September 1977 (Thatcher CD-ROM).
 - 27 Speech to Conservative Central Council, 15 March 1975, MTFW 102655; my emphasis.
 - 28 Lecture at Roosevelt University, Chicago, 22 September 1975, MTFW 102465; interview for PBS *Firing Line*, 25 July 1977 (Thatcher CD-ROM).
 - 29 PMQ, 28 February 1980, MTFW 104315. But for the close association between some of her supporters and these intellectuals, see Ben Jackson, Chapter 2 in this volume.
 - 30 Peter Jay claims to have found Thatcher almost entirely ignorant of monetarism in 1985, and joked that 'explaining monetarism to Thatcher was "like showing Genghis Khan a map of the world"': W. Keegan, 'Mrs Thatcher, Myth Snatcher', *The Observer*, 9 May 2004.
 - 31 Speech to Chambers of Commerce, 10 January 1979, MTFW 103922.
 - 32 House of Commons, 28 February 1980, MTFW 104316.
 - 33 Speech to the Press Association, 11 June 1980, MTFW 104377.
 - 34 Interview with George Gale for the London Broadcasting Corporation, 17 May 1974, MTFW 102366.
 - 35 In 1981, Thatcher promised to turn back the forces of socialism 'democratically, and I use the word in the dictionary sense, not the Bennite sense'. Regrettably, she did not elaborate on either definition. Conference, 16 October 1981, MTFW 104717.
 - 36 'Themes'.
 - 37 Lord Hailsham, *The Dilemma of Democracy: Diagnosis and Prescription* (London: Collins, 1978), pp. 15, 22.

- 38 A. King, 'The Problem of Overload', in A. King (ed.), *Why Is Britain Becoming Harder to Govern?* (London: BBC, 1976), p. 26; S. Brittan, 'The Economic Contradictions of Democracy', *British Journal of Political Science*, 5 (1975), 129, 132 (quoting NOP poll, September 1974); P. Jay, 'How Inflation Threatens British Democracy with its Last Chance Before Extinction', *The Times*, 1 July 1974. See also S. Brittan, *The Economic Consequences of Democracy* (New York: Doubleday, 1977).
- 39 Conference, 8 October 1976, MTFW 103105.
- 40 LWT *Weekend World*, 18 September 1977, MTFW 103191.
- 41 McIntosh, *Challenge to Democracy*, p. 5.
- 42 Labour Party manifesto, October 1974, quoted in D. Butler and D. Kavanagh, *The British General Election of October 1974* (London: Macmillan, 1975), p. 60.
- 43 For example, *Another Bill of Rights? A Report by a Committee of the Society of Conservative Lawyers* (London: CPC, 1976); Hailsham, *Dilemma of Democracy*; W. Waldegrave, *The Binding of Leviathan: Conservatism and the Future* (London: Hamish Hamilton, 1978); P. Johnson, *A Tory Philosophy of Law* (London: CPC, 1979).
- 44 K. Joseph, *Freedom Under the Law* (London: CPS, 1975). For Hayek's proposals for second chamber reform, see F. A. Hayek, *Economic Freedom and Representative Government* (London: IEA, 1973).
- 45 Speech to the American Enterprise Institute, 25 June 1998, MTFW 108377.
- 46 Joseph at Upminster, 22 June 1974, in Joseph, *Reversing the Trend*, pp. 6, 9.
- 47 Thatcher, 'It's Your Freedom They Hate', *Sunday Express*, 23 November 1975, MTFW 102808.
- 48 Speech at Grosvenor Square, 20 February 1975, MTFW 102629; Party Political Broadcast, 5 March 1975, MTFW 102644.
- 49 Press conference, 18 September 1975, MTFW 102464.
- 50 Speech to Grantham Conservatives, 4 March 1977, MTFW 103329.
- 51 Interview for *Hornsey Journal*, 21 April 1978, MTFW 103662.
- 52 'Dimensions of Conservatism', 4 July 1977, MTFW 103411.
- 53 Speech at Cardiff, 16 April 1979; speech at Finchley, 2 May 1979, MTFW 104072.
- 54 Interview for *Woman* magazine, 13 April 1988 (Thatcher CD-ROM).
- 55 Speech at St Lawrence Jewry, 30 March 1978, MTFW 103522.
- 56 Conference, 8 October 1976, MTFW 103105.
- 57 Speech at St Lawrence Jewry, 30 March 1978.
- 58 Conference, 13 October 1978, MTFW 103764.
- 59 House of Commons, 22 May 1975, MTFW 102697, quoting Thomas Mann.
- 60 *Why Britain Needs a Social Market Economy; With a Foreword by Sir Keith Joseph* (London: CPS, 1975), p. 14. This argument was given a more academic cast in S. Beer, *Britain Against Itself: The Political Contradictions of Collectivism* (London: Faber & Faber, 1982).
- 61 Speech in Wellington, New Zealand, 10 September 1976, MTFW 103095.

- 62 N. Lawson, *The New Conservatism* (London: CPS, 1980), p. 2; my emphasis.
- 63 John Parker, House of Commons, 25 July 1978, MTFW 103736.
- 64 J. Hoskyns and N. Strauss, 'Stepping Stones', 14 November 1977, MTFW 111771, p. 35; emphasis in original.
- 65 D. Butler and D. Kavanagh, *The British General Election of February 1974* (London: Macmillan, 1975), p. 42.
- 66 Conference, 16 October 1981, MTFW 104717.
- 67 See P. Cormack (ed.), *Right Turn: Eight Men who Changed their Minds* (London: Leo Cooper, 1978).
- 68 Reg Prentice, Lord Chalfont and Edward Pearce, *ibid.*, pp. 3, 13, 49, 68.
- 69 Conference, 8 October 1976; conference, 14 October 1977, MTFW 103443.
- 70 N. Beloff, *Freedom Under Foot: The Battle over the Closed Shop in British Journalism* (London: Temple Smith, 1976).
- 71 R. Cockett, *Thinking the Unthinkable: Think-Tanks and the Economic Counter-Revolution, 1931–1983* (London: HarperCollins, 1995), p. 222.
- 72 House of Commons, 15 July 1976, MTFW 103077.
- 73 *The Campaign Guide, 1977* (London: CCO, 1977), pp. 471–4, MTFW 110799.
- 74 S. Heffer and C. Moore (eds.), *A Tory Seer: The Selected Journalism of T. E. Uley; With an Introduction by Margaret Thatcher* (London: Hamish Hamilton, 1989), p. 113; *The Right Approach to the Economy* (London: CPC, 1977), MTFW 112551.
- 75 Speech to Conservative Trade Unionist Conference, 28 February 1976, MTFW 102970.
- 76 Speech in Wellington, New Zealand, 10 September 1976, MTFW 103095.
- 77 Speech in Glasgow, 21 February 1975, MTFW 102454. Labour councilors at Clay Cross had refused to implement the 1972 Housing Finance Act, holding down council house rents and running a deficit of £1,000 a week on the housing fund. For a near-contemporary account, see A. Mitchell, 'Clay Cross', *Political Quarterly*, 45 (1974), 165–78.
- 78 *Campaign Guide, 1977*, p. 461.
- 79 Joseph, *Freedom under Law*, p. 6.
- 80 K. Joseph, *The Economics of Freedom* (London: CPS, 1975), p. 10.
- 81 Thatcher, 'It's Your Freedom They Hate'.
- 82 Conference, 10 October 1975.
- 83 Joseph, 'Freedom Under Law', p. 7.
- 84 N. Lawson, 'Thoughts on the Coming Battle', 15 October 1973, MTFW 110312; conference, 10 October 1975.
- 85 Conference for Management in Industry, 9 January 1978, MTFW 103502.
- 86 D. Howell, *Time to Move On: An Opening to the Future for British Politics* (London: CPC, 1976), p. 21.
- 87 'Themes'. See also Sherman to Thatcher, 11 December 1978, MTFW 112002; and Thatcher, *The Path to Power* (London: HarperCollins, 1995), p. 313.

- 88 For the improving economic reputation of the Callaghan government, see J. Tomlinson, *The Politics of Decline: Understanding Post-War Britain* (Harlow: Pearson, 2001), p. 86, and B. Ingham, *Kill the Messenger* (London: Fontana, 1991), p. 153. The Lib–Lab Pact was agreed on 23 March 1977.
- 89 ‘Themes’.
- 90 *The Campaign Guide: Supplement* (London: CCO, 1978), p. 8. See also *Briefing Note: Labour’s False Prospectus, 28 September 1978* (London: CPC, 1978), p. 2.
- 91 Conference, 13 October 1978.
- 92 Cormack, *Right Turn*, p. 13.
- 93 Speech to Paddington Conservatives, 18 December 1978, MTFW 103804.
- 94 Conference, 8 October 1976.
- 95 *Ibid.*
- 96 Speech to Conservative Trade Unionist Conference, 5 March 1977 (Thatcher CD-ROM).
- 97 Conference, 14 October 1977, MTFW 103443.
- 98 K. O. Morgan, *Callaghan: A Life* (Oxford University Press, 1997), p. 645.
- 99 Sherman to Thatcher, 11 December 1978.
- 100 Thatcher, *Path to Power*, p. 417.
- 101 Hay, ‘Chronicles of a Death Foretold’, p. 460.
- 102 D. Marsh, *The New Politics of British Trade Unionism: Union Power and the Thatcher Legacy* (Basingstoke: Macmillan, 1992), pp. 49–52.
- 103 ‘Stepping Stones’, S-1.
- 104 For press coverage, see C. Hay, ‘Narrating Crisis: The Discursive Construction of the “Winter of Discontent”’, *Sociology*, 30 (1996), 262–72.
- 105 For Callaghan’s ill-judged remarks at Heathrow Airport, 10 January 1979, see Morgan, *Callaghan*, pp. 661–2.
- 106 Thatcher, *Path to Power*, p. 414. For the disorientation of the union leadership, see G. A. Dorfman, *British Trade Unionism Against the Trades Union Congress* (London: Macmillan, 1983), p. 120.
- 107 Conference, 10 October 1980, MTFW 104431.
- 108 Joseph, *Reversing the Trend*, p. 7.
- 109 Speech to Conservative Central Council, 15 March 1975.
- 110 Howe, too, dedicates less space in his memoirs to oil than to the ‘amusing theft of his trousers from a train’: A. Marr, *A History of Modern Britain* (Basingstoke: Macmillan, 2008), p. 435.
- 111 See, for example, interview for CBS 60 Minutes, 15 February 1985, MTFW 105964.
- 112 For example, speech to Irano-British Chamber of Commerce, 29 April 1987, MTFW 103667.
- 113 E.g. interview for IRN, 28 November 1980, MTFW 104452; interview for UPI/ITN, 31 December 1980, MTFW 104471.
- 114 Speech to Conservative Central Council, 20 March 1976, MTFW 102990.

- 115 Speech to Scottish Conservative Conference, 12 May 1990, MTFW 108087.

2 THE THINK-TANK ARCHIPELAGO: THATCHERISM AND NEO-LIBERALISM

- 1 A. Seldon to K. Joseph, 19 August 1970, Institute of Economic Affairs papers, Hoover Institution Archives, Stanford University (hereafter IEA), 333/5.
- 2 The IEA was formally created in 1955, but only began operating seriously in 1957, after Harris and Seldon began to work there.
- 3 ‘Programme of Speakers for the MPS Conference, Oxford – September 1959’, MPS papers, Hoover Institution Archives, Stanford University (hereafter MPS), 13/3; R. Harris and A. Seldon, ‘The Tactics and Strategy of the Advance to a Free Economy’, paper to 1959 MPS Conference, Oxford, MPS 13/9, pp. 7, 8; emphasis in original.
- 4 A. Gamble, *The Free Economy and the Strong State: The Politics of Thatcherism*, 2nd edn (Basingstoke: Palgrave, 1994), pp. 34–68; R. Desai, ‘Second-Hand Dealers in Ideas: Think-Tanks and Thatcherite Hegemony’, *New Left Review*, no. 203 (1994), 27–64; B. Harrison, ‘Mrs Thatcher and the Intellectuals’, *Twentieth Century British History*, 5 (1994), 206–45; R. Cockett, *Thinking the Unthinkable: Think Tanks and the Economic Counter-Revolution, 1931–1983* (London: HarperCollins, 1995); E. H. H. Green, *Thatcher* (London: Hodder Arnold, 2006).
- 5 A. Denham and M. Garnett, ‘The Nature and Impact of Think-Tanks in Contemporary Britain’, *Contemporary British History*, 10 (1996), 50–6; R. Vinen, *Thatcher’s Britain* (London: Simon & Schuster, 2009), pp. 7, 108.
- 6 F. A. Hayek, ‘The Intellectuals and Socialism’, *University of Chicago Law Review*, 16 (1949), 417–33.
- 7 D. Plehwe, B. Walpen and G. Neunhöffer (eds.), *Neo-Liberal Hegemony: A Global Critique* (London: Routledge, 2005); P. Mirowski and D. Plehwe (eds.), *The Road from Mont Pèlerin: The Making of the Neo-Liberal Thought Collective* (Cambridge, MA: Harvard University Press, 2009); K. Phillips-Fein, *Invisible Hands: The Making of the Conservative Movement from the New Deal to Reagan* (New York: W. W. Norton, 2009); ‘Learning From the Rise of the Free-Market Right’, special issue of *Renewal: A Journal of Social Democracy*, 17/4 (2009).
- 8 For criticism of Cockett’s account, see K. Tribe, ‘Liberalism and Neo-Liberalism in Britain, 1930–80’, in Mirowski and Plehwe, *Road*, pp. 93–4, 96–7.
- 9 M. Friedman, *Capitalism and Freedom* [1962] (Chicago University Press, 2002), p. 17.
- 10 See, inter alia, R. Backhouse, ‘The Rise of Free Market Economics: Economists and the Role of the State Since 1970’, *History of Political Economy*, 37 (2005), 378–81; Phillips-Fein, *Invisible Hands*; P. Mirowski and R. Van Horn, ‘The Rise of the Chicago School of Economics and the Birth of Neo-Liberalism’, in Mirowski and Plehwe, *Road*.