

THE THATCHER YEARS

Bill Schwarz

In the early hours of 4 May 1979 Mrs Thatcher, standing on the steps of No 10, Downing Street, quoted from St Francis of Assisi: 'Where there is discord, may we bring harmony. Where there is error, may we bring truth. Where there is doubt, may we bring faith. Where there is despair, may we bring hope.' The unctuous tone, not quite eliminating the slight rasp of her diction, was by this time a familiar characteristic of her political persona; the calculated and breathtaking cynicism however was still able to shock. Seven years on she stands condemned by her own words. There is evidence to suppose that both her and her government are now widely discredited. They have displayed a dazzling capacity for incompetence. There is little reason to believe we are any nearer the promised light at the end of the tunnel, and indeed it would seem proven beyond doubt that the costs of the government's economic strategy have been decisively shifted to the unemployed and the impoverished. The recent willingness to involve Britain in lunatic military confrontations has palpably worried some of the Conservatives' most established sectors of support. And perhaps most damaging of all the probity of Mrs Thatcher and her ministers has been questioned on numerous occasions: double-dealing, mendacity and preferment fester beneath the sanctimonious call for a return to an older moral order. Mrs Thatcher promised a crusade. She has brought instead discord, despair and death.

The election of 1979 was a gruelling event to witness, for the inexorability of the Conservative advance had long been apparent. In an unusually perspicacious and candid moment in the aftermath of the election Peter Shore admitted on television that Labour had 'lost the 1980s'. Subsequent discussion about the Conservative victory and the nature of Thatcherism has ranged far and wide, and it is clearly not practicable to marshal all of this work here, in a single essay. But a few general points can be noted.

At the time of the election there was widespread agreement that the arrival of the Thatcher government marked a decisive breach with the traditions of the post-war settlement. Nowadays this view is heard less often. It is the pragmatism, caution and confusion of the Conservatives that we hear most about, or the marked discrepancies between the rhetoric

and the policies. On the sixth anniversary of the 1979 election *The Times* complained that 'Thatcherism is still only skin deep' and that so little had been done. It noted that the struggle was still on between 'the traditional leadership of the country, consisting of what has come to be known as The Good and The Great, the big corporations, the jetsam and flotsam, from public and private bureaucracies and academic life' and 'the gut instincts of a people whose great historical achievements have sprung from a genuine meritocracy', championed by an embattled but weakened Mrs Thatcher.¹

Not long after, *The Economist* regretted that the 'orthodox Tory pragmatist' in Thatcher was getting the upper hand over the 'iconoclastic, lonely and cantankerous' figure who a decade earlier had 'promised Thatcherism as well as Mrs Thatcher'. It noted that total government income from taxes, rates and national insurance had risen by 20 per cent in real terms since 1979; that the government had lost its supply-side radicalism (this the most bitter disappointment for the magazine to swallow); that government expenditure in 1985 was still well up on the 40 per cent of the GDP of 1979; that too many institutions of state corporatism were still in place 'to be manipulated at will by a future Labour or Alliance government'; and finally that nothing had been done 'to introduce more consumer-benefitting competition into health care or into education'. Following exactly the line of *The Times* it exhorted Thatcher and 'her benighted colleagues' to keep their nerve.²

In demonstrating the continued supremacy of the state in the regulation of the contemporary economy these views are simply expressing undeniable empirical truth - highlighting the slow pace of the Thatcherite advance they question the extent to which the crusade of Thatcherism was ever radical, which is rather more contentious. Alongside this, the most prominent and by and large the most intelligent of the political journalists now insist that even these views concede too much for there never was anything called Thatcherism in the first place. The current belief seems to be that the term itself was the product of overheated marxist imaginations, ever keen to ascribe a non-existent ideological coherence to their opposing forces.³ Indeed this conviction has now even found favour amongst some marxist theorists who in their determination to avoid reductionism refuse to ascribe any coherence to contemporary Conservative politics, relying presumably on the same mix of chaotic conceptions as the day-to-day political commentators.⁵

Similarly there now appears to be an emerging orthodoxy drawing in a wide variety of socialist positions that 1979 did not represent a major political break after all. The adherents to the orthodoxies of 'class politics', while recognising that Thatcher leads 'the most right-wing of Tory governments', reject the thesis that there has occurred a great shift to the right and regard Thatcherism as a 'chimera'.⁶ John Ross of the Fourth Inter-

national refuses to see any conjunctural significance in the elections of **1979** and **1983**, understanding them only as manifestations of a long *duree* of parliamentary decline; subjecting electoral politics to **Kondratiev**-formulations such as these spawns a quite novel version of psephological determinism." And from what might loosely be termed a neo-Gramscian or Poulantzian perspective Bob Jessop and his co-writers, having noted the limitations of the post-war Keynesian and welfare solutions, are able to conclude that Thatcherism 'simply provided an ideological gloss' to earlier deflationary and monetarist initiatives; to say the least, this gives a very equivocal account of **1979** and the onset of **Thatcherism**.⁸

In the face of such equivocation there is a case for returning to first principles, as it were, and for restating the view that the Conservative victory of **1979** represented an important break from the historic compromise of post-war Britain, a break organised and managed by the Right.

Of course, this is not to say that a change in governing personnel was responsible for an immediate transition in accumulation strategies, from Keynesianism to monetarism. This interpretation could not be sustained. The crisis of **1972-73**, triggered by the floating exchange rates and steep increases in the price of oil, had a catastrophic effect on the British economy which for long had been peculiarly vulnerable to external determinations. In the aftermath monetary techniques and reductions in state expenditure evolved for both Labour and Conservative as means to maintain some semblance of financial stability in a potentially chaotic situation. The dramatic events in the latter half of **1976**, culminating in the Labour government's letter of intent to the IMF, are a clear testament of this. Changes of government are important, **1979** more than most, but they are not absolute and cannot explain *everything*.⁹ This must be recognised. So too an insistence on the profound consequences of the electoral dominance of Thatcherism need not fetishise the chronological point of **1979**: the key issue here is precisely the fact that although the election allowed the Thatcherites to move closer to the command of the state, the significant battles still lay ahead. Of this both Thatcherites and their enemies were certain.

Qualifications such as these could be elaborated at length, weaving ever finer distinctions. But they can only make sense alongside recognition of the deeper historical transformation in British politics. It is as if some collective amnesia is at work here, making us forget how our own contemporary historical moment has been made. For there was a time when the Thatcherites in the Conservative Party, drawing strength from the broader ideological and philosophical advances of the New Right, did set out to break the inherited traditions of post-war two-party politics. This was in the period from the **autumn** of **1980** to the **spring** of **1982**. Their successes were incomplete and uneven. But by any reckoning the destruction of the old regime is now irreversible. To suppose, now, that Thatcherism

doesn't or didn't exist, or that as a political formation it never aspired to a radical restructuring of state and society is to read events exclusively from the present. Such an assumption misrecognises what is in fact at present an exhausted radical venture—one which has secured past victories but run aground on its own contradictions—mistaking it for just another unexceptional instalment in the conventional rotation of parties. Moreover to deny now the historic force of Thatcherism underestimates the extent to which the present situation is still deeply marked by the victories of the Right in the earlier period.

These observations may serve as a brief introduction. I intend to make some very summary points about Thatcher and the Conservative Party before **1979** and then look in a bit more detail at the crucial period from the end of **1980** to the war with Argentina in April **1982**. The purpose of reviewing this ground again is partly to awaken memories and also to demonstrate empirically the distinctiveness of the original Thatcher project. That this was in many ways unsuccessful in its immediate objectives leaves open the question of the current legacy of these years, which I shall discuss at the end.

Thatcher and the Conservative Party

In her first speech of national importance in **1968** Mrs Thatcher insisted that her aim was not only to win votes for her party. 'We want people's enthusiasm as well.'" As the photo accompanying the published text showed, she looked like a throwback to another, more distant age. The references to **Cohn-Bendit** and the turbulence of the times seemed only to confirm the anachronism. Yet she was young, determined and ambitious, if generally hidden from the public eye by her seniors; it was only in the previous year that Edward Heath had appointed her a member of his shadow cabinet. In her speech she set out to explain popular distrust of politics and politicians, pilfering from a dictionary of quotations to lend the talk a suitable gravitas. She advocated the need for less government and suggested that there were 'dangers in consensus'; she also took this opportunity to introduce to the public what was to become the favourite parable of the New Right: 'The point is that even the Good Samaritan had to have money to help, otherwise he too would have had to pass on the other side.'" There is no record of this speech making much impact. In **1968** public attention was focused on rather different political concerns. Yet it followed by some six months Enoch Powell's terrifying call inciting the white population to purge the black ghettos—a critical moment in the launch of the New Right. Powell and Thatcher were not attempting to create the same political strategies. But each contributed a significant strand in the making of a new Conservatism which aimed precisely to generate and recruit a popular 'enthusiasm'. Whether in the accent of a demagogic street politics or the pious rectitude of backwoods Toryism,

this objective was the same.

Over the following six years, Thatcher's career was unremarkable, noted only by a voracious capacity to consume departmental memoranda. All the accounts confirm that in cabinet between **1970** and **1974** she kept her head down, intent above all else to defend her department.¹² Mrs Thatcher is not, it seems, a reflective person but she will find it difficult to resist the temptation to indulge in a little memoir-writing in her retirement. From the redoubt of her fortified home in South London the Countess Margaret will set out to vindicate herself. That ebullient shredder of historical truth, Bernard Ingham, will be called upon. Journalists will be eager to lend a hand; her daughter Carol, Ferdinand Mount, Patrick Cosgrave—all come to mind. Lord Blake may be asked to supply a footnote or two. Already she seems half to believe that all historical progress is manifest in her, that she is the embodiment of a supra-historical *Geist* which leads from 'the dawn of parliamentary government', by way of Winston Churchill ('a man called by destiny') to the young Methodist schoolgirl in Grantham whose only, modest ambition was to join the Indian Civil Service.¹³ Contemporary opinion will be quoted—perhaps Paul Johnson's belief that she is 'wonderful. Too wonderful. This wretched country will end up by breaking her heart',¹⁴ or John Stanley's that 'Margaret Thatcher is too good for this country. The country does not deserve someone so outstanding. She is the greatest leader this country has been privileged to have this century, and that includes Winston Churchill'.¹⁵ The job of such myth-making is to suggest that Thatcher carries with her some revealed truth, contrary to Sir Keith Joseph and others who only acquired their current wisdom by stumbling across it in the political confusion of **1974**. In such accounts Thatcher's long lack of concern with the details of political strategy, her willingness to go along with the full variety of Heathite policies, in a word her political orthodoxy will no doubt be shredded in favour of a string of half-baked mystical abstractions.

But what is clear in all this is that the last two years of Heath's government, from **1972** to **1974**, had a really profound, traumatic effect on the Conservative Party, at the end of which Thatcher's political orthodoxy underwent a significant transformation. The tribune and philosopher of a New Right Conservatism had already emerged in Powell. He was outrageous in his espousal of free-market economics, determined to detonate the concept of social rights which lay at the heart of the Butskellite historic compromise, and made an intoxicating racism his own. He overhauled the idea of the Conservative nation giving it a potent popular appeal, and allied it to a new authoritarian constitutionalism which he heralded in his **1970** speech inventing the enemy within. His followers credited him with the Conservative election victory of **1970**, with some justification.¹⁶ These ideas burned through the party. In the process

Powell himself very nearly burned out too. His political and personal relations with the Tory hierarchy thrived on a mutual, prickly distrust which at times developed into real enmity. He had resigned as a Treasury minister in 1958; refused to serve under Douglas-Home when the latter was appointed Prime Minister in 1963; and was sacked from the shadow cabinet after his Birmingham speech on race in April 1968. Thereafter Powell made lengthy, sustained and well-publicised attacks on the Tory leadership, particularly against Heath, culminating in his decision finally to break with the Conservative Party in February 1974. In all, Powell has been a cabinet minister for just a little over a year. Although his influence has far surpassed his relatively modest appointments he was never able to place himself in a position inside the party to make a plausible bid for the leadership. According to Powell himself, he never even wished to do so.

After the collapse of the Heath government and the continuing debacle of Tory politics in 1974 Joseph and Thatcher emerged as the ultimate beneficiaries of Powellite philosophy. This is not acknowledged by any of the protagonists, nor is Powell ever mentioned by the current leadership—although in the past Thatcher has claimed him as favourite reading. But if Thatcherite philosophy owes a deal to Powell the strategic thinking which accompanies it is far less ready to adopt wholesale Powell's nostrums. For if there is some doubt about Powell's desire or willingness to take the leadership, there was none about Thatcher's and in order to win the party she was well prepared to make strategic and tactical compromises. In this sense Thatcher's orthodoxy—the lesson she had learnt as a ministerial time-server—remained with her and in many respects has continued to do so, although the objectives have shifted. In the process of breaking from Heath, Thatcher won the leadership and this necessarily imposed considerable constraints, especially given her relative inexperience. However this is not the whole story; it has to be remembered that Joseph was the front-runner amongst the free-marketeers until he eliminated himself by his Preston speech in September 1974 and his speech made in Edgbaston the following month. In the first he argued that however great the problem of unemployment reflation must be resisted at all costs, and went on to identify 'scroungers', 'drifters and hippies', the 'fraudulent unemployed' and 'the demoralising influence' of the welfare state;'' in the second he injudiciously extended this analysis by drawing on some extremely suspect and ethically unpleasant eugenic theory. The public response destroyed his chance of succeeding Heath. As Joseph himself makes clear he knew exactly what he was doing when he drafted these speeches. 'I only made the speech at Preston after failing to persuade the shadow cabinet. My speech involved a critique of what we had done in 1970–74 which I saw as constructive in motivation. I did not want to be a rival to Edward Heath. I had tried to convert him and failed.'¹⁸ Joseph miscalculated and

Thatcher was there to take his place. But it is significant that the forces allied with Joseph at this time obviously believed that a strategically dramatic option was open to them, in which the compromised elements which dominated the shadow cabinet could be overcome by a more general, populist appeal outside the established political institutions. Their timing was wrong and they were duly chastened.

The writings and speeches of Thatcher and Joseph in the mid 1970s and the endless pamphlets produced under the imprint of the Centre for Policy Studies all provide evidence of the emergence of a relatively distinct and coherent set of ideas. In the past this has usefully been called Thatcherism, of which the best summary description remains that coined by Andrew Gamble: 'free market/strong state'.¹⁹ The new emphasis given to state and nation, freedom and enterprise, highly charged in the aftermath of the 1972-74 defeats, could be worked back into the older Tory language which we have seen defining Thatcher's politics in 1968. The dramatic failure of Heath's corporate managerialism left this ground wide open. As Thatcher explained to the officers of her local Conservative Association in the first instalment of her leadership manifesto, pitched against Heath: 'You can forget all the nonsense about "defence of privilege"—I had precious little "privilege" in my early years—and the suggestion that all my supporters are reactionary Right-wingers. . . This is not a confrontation between "Left" and "Right". I am trying to represent the deep feelings of those many thousands of rank-and-file Tories in the country—and potential Conservative voters, too—who feel let down by our party and find themselves unrepresented in a political vacuum. . . In the desperate situation of Britain today, our party needs the support of all who value the traditional ideals of Toryism. . . There is widespread feeling in the country that the Conservative party has not defended these ideals explicitly and toughly enough, so that Britain is set on a course towards inevitable Socialist mediocrity. That course must not only be halted, it must be reversed.'²⁰ This astutely combined a denunciation of Heath, who even by this stage had all the appearance of a broken political figure, with a restatement of supposedly permanent Tory principles. In this ideological contest Thatcher did indeed stake out, from early on, a distinct Conservative future.

It is evident that the great antagonist of the Thatcher-Joseph philosophy was the system of social rights which had been institutionalised in British society after the second world war. The objective of the Thatcherites was to uproot the social-democratic regime, but only in so far as they judged this politically possible. With this qualification they differed from Powell. Theirs was a minority position amongst Tory MPs, symbolised best of all by Thatcher's inevitable interrogative: 'Is he one of us?' Yet at the same time Thatcher did manage to win the leadership early in 1975, and just about managed to hold the party together through to the pre-election

period of the winter of 1978-79.²¹ Her ability to trounce Heath and all contenders ideologically is central, but only part of an explanation for the position she gained inside the party.

As indicated above, a premise of this essay is that Thatcherism marked a significant break from the post-war political settlement and thus too from the mainstream varieties of Conservatism which had constituted the larger part of that settlement. But this is not to say that Thatcherism was without its anticipations or that it caused a single, abrupt *caesura* appearing out of the blue. In terms of post-war Conservatism Thatcherism can be seen to have a determinate history, for arguably it was also a *culmination* of a longer history of uneasy and ultimately contradictory Conservative compromises with the exigencies imposed by the social-democratic settlement. The whole period from the late 1940s onwards was marked by a series of conjunctural fluctuations inside the Conservative camp, sometimes oscillating wildly. But after about 1947, once the initial acceptance of the framework of a limited system of social rights had by and large been accepted by the Conservative leadership, in each of the three periods of opposition the centre ground of compromise edged further to the right and in each period the ideological convulsions inside the party were accentuated.

The Heath experiment of 1970-72, premature and poorly executed, was a vital episode in giving coherence to Tory dissidents of the Right in the consequent period of opposition. Heath attempted to diminish the role of the state. In the process he found himself in the business of overturning the 1945 political system to which he himself, with modifications, was committed. A bold and long-planned attempt to mitigate what he perceived as the deleterious 'effects' of the system threatened to undo the system itself and impose a new set of political imperatives. Heath drew back.

The emergence of Thatcherism in the mid-1970s continued this tradition of a rightward shift in opposition. This in a sense, could be seen as an element of continuity. But the Thatcher-Joseph position carried with it the promise that there could be movement towards the destruction of the old system, for 'reversing the trend' and forcing back 'the ratchet', thereby abolishing all the compromises and equivocation which had for so long been forced on the party. Thatcher could thus draw support both from those who wanted a determined handling of the damaging effects of the post-war historic compromise (steady inflation, stropy trade unionists and so on) as well as from the smaller groups who were resolved to break the institutions of social democracy and impose the overriding diktat of the market. At times, tactically and strategically, the distinctions between the two ambitions could be fine.

In this movement lies the convergence between the disillusioned Heathites and the neo-liberals of the Right. It is as if the quantitative and incremental shifts to the right which characterised the Conservatives

in opposition after 1947, and between 1965 and 1970, in 1975 crossed a new threshold and there occurred a qualitative transmutation in which the very idea of compromise and consensus—most especially over the goal of full employment—could be cast into doubt, while still remaining an acceptable position in the eyes of the party managers. This may not be a very exact way of describing a complex historical development, although provisionally it can stand. However it may go some way to pinpointing the ambiguities and contradictions, partly in Mrs Thatcher's own philosophy, but more so in the shifting coalition of forces which has made up her support on the backbenches. In the period following her election as party leader Thatcher moved rather cautiously, as can be seen both from the composition of her shadow cabinet, which did not occasion a total purge against Heath loyalists, and also in deliberately broad policy statements, most notably the 1977 party document *The Right Approach to the Economy*. The leader was content to establish her position in the party, while on a different front taking forward the broader ideological struggle in which the virtues of the free market and strong state were acclaimed on every possible occasion, before considering any further drastic moves.

There is no reason to suppose that the Thatcherites ever considered a strategy of frontal assault against the institutions of the old regime, however much in their more philosophical moments it may have sounded as if this were so. Those who point to the discrepancy between the adventurous rhetoric and the pragmatism of many of the day-to-day decisions are perfectly correct. There have been, though, more desperate councils. So far as he was listened to Powell, I think, was one. Other adherents to the free market, but with limited political experience, urged the Thatcherites on only to be disappointed when reform moved so slowly. In 1976 Milton Friedman, fresh from Santiago, predicted that the United Kingdom 'is going down the same path as Chile and, I fear, is headed for the same end'. The reasoning behind this rested on assessing the degree of state expenditure that was compatible with liberty: in Chile *Unidad Popular* took state expenditure to 40 per cent of the GDP and once that threshold had been crossed liberty could only be restored by the death-squads and in the dungeons; in Britain the calculus of liberty had greater margins but the same end, Friedman predicted, was in sight. Only the most drastic deflationary action could avert it.²² Much later Friedrich Hayek explained that Thatcher had deflated too slowly, putting his own preferred strategy: 'The Prime Minister was prevented from doing it quickly enough. It is politically feasible to survive even 20 per cent unemployment for six months; it is not politically feasible to survive 10 per cent unemployment for three years. So you have to move fast. Mrs Thatcher knows that, but she was balked by the distribution of political forces. She may also herself be suffering slightly from the delusion that a reduction in inflation is an

achievement in itself. It's only a step in the right direction, which does not become effective until you have really stopped inflation. You first have to get inflation down to zero; then there is a good prospect of a new upturn. The boom may even come very **quickly**.²³ Similar advice has often been purveyed by Mrs Thatcher's personal advisers.* All such encouragement for a sharp, brutal war of manoeuvre has gone unheeded both when the Conservatives were in opposition and subsequently in the cabinet room.

Thus in adopting the long-term objective of dismantling the old state and breaking up the vested interests which it had evolved, those committed to the Thatcherite project rejected from the outset the option of frontal assault. They have also been constrained by their own perceptions of, and commitment to, what is politically possible. But they do have formulated strategic goals; and in so far as it is ever possible to assign to the contingency of politics a measure of coherence, Thatcherism has crucially depended on a bold ideological offensive, consistently carried out in order to transform and expand precisely what is perceived as politically possible, and simultaneously pursued the political goals this has allowed, for the most part in a recognisably orthodox and conventional **fashion**.²⁵ Sometimes there have been miscalculations especially in the second term, but the general pattern still holds. So those who stress the political orthodoxy of Thatcherism are in one sense right but only to the extent that they fail to take note of the deeper shifts in which yesterday's outrage becomes tomorrow's norm, in which what was only a short while ago unthinkable becomes today's green paper and the policy of the future.

This raises the question of the populist and hegemonic dimensions of Thatcherism. The case for seeing these as integral to the Thatcher project has been put most forcefully over a long period by Stuart Hall in numerous articles, and in the collection edited by Stuart Hall and Martin Jacques entitled *The Politics of Thatcherism*.²⁶ These arguments are well-known and do not need to be rehearsed here. But the points raised call for some attention.

It is perhaps fair to say that as Thatcher's political position has weakened, especially after the first flush of electoral triumph vanished in the summer and autumn of 1983, so too the thesis propounded by Stuart Hall and those associated with him has become viewed with mounting **scepticism**.²⁷ With increasing plausibility critics have been able to demonstrate the unpopularity of Thatcherism. Indeed it is possible to detect certain shifts of emphasis in Hall's own argument, with a greater stress falling in recent times on the contradictory nature of Thatcherism and on the inability of the Thatcherites to realise their hegemonic **objectives**.²⁸ All the same, to my mind the essentials of the argument still remain convincing. In some respects there have often occurred misreadings. Hall

never concluded, for example, that Thatcherism had ever achieved hegemony, although he has always been insistent on and impressed by the determination of the Thatcherites to press forward their struggle on every front, particularly on the terrain of lived, popular cultures. Again, a measure of confusion has resulted from the use of the necessarily imprecise and overlapping terms popular/populism/populist. In particular, the suggestion that elements of popular *ideologies* or discourses have been annexed and re-worked into the broad language of Thatcherism—and this has been a central feature of Hall's argument—is not to say in straightforward quantitative or empirical terms that Thatcherism has 'been popular'.

Yet in a sense the degree to which Thatcher has attracted popular support and swung the ideological conjuncture to the Right is the crux of the matter. It is not an easy point to resolve either way and it is here that Hall's position is most vulnerable, for it is not possible to rely on any given, recognised data in order to build the argument. Furthermore the question of the degree of popular support for Thatcherism has tended to become somewhat abstracted in recent debates precisely because it acts as a key signifier in distinguishing current political positions on the Left. If only to overcome this block some initial points can be made.

First, in the period leading up to the election of 1979 there is strong reason to suppose that the dominant public philosophies were inflected in favour of the Right. This was a time when there existed the chic metropolitan belief that all 'new' and 'interesting' ideas were being produced by the Right. This was not simply the familiar conservatism of the mass media and the metropolitan intelligentsia, for many of those within the metropolitan intellectual culture who had been touched by sixties radicalism were attracted to the Right precisely because of its supposed—new—radicalism. This attraction, it should be said, was not generated simply by the shift in the Conservative Party, but by the emergence of a range of New Right groupings and strands which generalised the Conservative case beyond the institutions of the Tory Party itself. It is easy to forget, today, this moment when allegiance to the Right no longer carries the same fashionable, modish cachet, but amongst a small but rather influential social grouping at the end of the 1970s and the beginning of the 1980s it was of some broad political significance.

Second, two Conservative electoral victories of 1979 and 1983 and the popular mobilisation during the Falklands/Malvinas war—relatively short-lived though this was—given some evidence, although not conclusive, for believing that Thatcherism has displayed a capacity for winning hearts and minds. But however dreadful for her opponents, it is nonetheless clear that neither election provided an actual landslide for Mrs Thatcher. The Conservative majorities of 1979 and 1983 in no way sharply broke from the electoral arithmetic of the post-war period. Yet it is undisputably the case that in both elections the Conservative Party extended its **working-**

class support. Skilled, male trade-unionists, particularly in the West Midlands, were an important constituency in this shift. In the election of 1983—where admittedly the evidence is clearer—more skilled manual workers (39 per cent) voted for the Conservative Party than for any other party. Similarly 55 per cent of office and clerical workers, a crucial part of the contemporary proletariat in advanced capitalism, voted for Thatcher. In the past decade too, miners' constituencies have contributed to the dominance of Thatcherism. In April 1977 in the Ashfield by-election the Conservative Party overturned a Labour majority of 23,000: Mansfield is now a marginal seat; the new constituency of Sherwood, containing one of the highest concentration of miners in the country, has had from June 1983 a Tory representative. Furthermore in 1983 more people over 65 (48 per cent) and between 18 and 22 (41 per cent) chose to vote Conservative rather than for Labour or the Alliance, and indeed some 25 per cent of the unemployed did so too.²⁹

These figures suggest that there has occurred some movement in working-class allegiance from Labour to Conservative in the past seven years, and other evidence supports this contention.³⁰ The extent of this movement is more difficult to determine, and it may well be true that those who have advanced most strongly the analytical case for the power of Thatcherism have exaggerated this. Given the electoral system in Britain, relatively small cross-overs in voting patterns can have quite disproportionate and dramatic effects.

Third, accepting that there had occurred at least some erosion in the traditional Labour constituencies there still remains the question of the qualitative or ideological forms of this transformation. No-one has ever suggested that working people suddenly became converted to the full philosophy of Thatcherism as such, appropriating the various theoretical ideologies—monetarism, free-market liberalism and so on—which have composed the beliefs of the Thatcherites. The issue has been the ways in which Thatcherism was able to articulate to itself popular feelings of dissatisfaction experienced by those disillusioned by Labour statism. Now as I suggest in a moment, Stuart Hall's well-known analysis formulated in his essay 'The great moving right show' was published at a time when Labour had manifestly reached a point of historic exhaustion and had lost its capacity to generate popular support even from those long allied to its cause, while the Conservatives under Thatcher were in this moment able to make the public debate their own, and judging by the election results the following May, were also able to make some inroads into the constituency previously dominated by traditional Labourism. This essay of Hall's, for all its more general insights, does need to be historicised and its moment of writing pinpointed, for what may have held true for the winter months of early 1979 cannot remain unmodified for subsequent periods.

Connected to this is the apparent unevenness of the acceptance of the Thatcherite ideology; here it is necessary to approach the matter with great caution for little is known and various hypotheses predominate. However it would seem that in the early months of **1979**, and in the period immediately thereafter, the ideological strength of Thatcherism consisted in its critique of Labourist corporatism and the Social Contract, in its condemnation of the bureaucratisation of social services, in the traditionally potent Right themes of race and law and order, in the evident collapse and disintegration of Labour's 'Great Debate' on education,³¹ and finally in the issue of inflation. Arguably it was around these concerns—wide-ranging but by no means exclusive of social and political debate of the time—that Thatcherism cohered as an ideological force in **1979** and made the electoral running. But there is no evidence, for example, to support an idea that there was a popular revulsion against social services as such or that this Thatcherite ideological programme could not co-exist in the popular mind with some kind of commitment to collectivism. All through the Thatcher governments there has persisted popular commitment to public provision for health, welfare, education and certain basic amenities such as water, electricity and gas, as the Conservatives have discovered to their cost. People may have been fed up with the bureaucratic forms in which these services were conceptualised and delivered, and there may not have been too much general concern about the proposed privatisation of certain nationalised manufacturing companies, but it is very difficult to conclude that there occurred a sudden generalised commitment to the full implications of possessive individualism if this were to mean the destruction of pre-existing public social services.³² Thus the erosion of Labour's support, significant though it has been in electoral terms and indeed in the longer political perspective, has nonetheless been uneven. It has allowed the Thatcherites to win ground on some of the central issues while proving resistant to the full range of the ideological intervention of Thatcherism on other quite crucial matters.

The fourth and final point is to insist on the conjunctural fluctuation in the fortunes of Thatcherism and in the forms of its popular constituency. The degree to which contemporary Conservatism has attracted popular support has varied significantly.³³ There was the initial period early in **1979** when Labour was in chaos and in relative terms Thatcherism first began to construct a formidable if uneven sector of support, sufficient to win the May election. As I describe later this first Thatcherite phase effectively became unhinged in the course of **1981** and the Conservatives were in real trouble. This was followed by a shift in political and ideological orientation which resulted in rather small but still important successes, eventually culminating in the watershed marked by the war with Argentina, a huge success for Thatcherism. This was to secure for Thatcher the election of June **1983**. A broad description such as this illuminates only

the most dramatic shifts. But perhaps the major ideological resource of the Thatcherites has been their persistent ability to fight back from hopeless positions, to reconstruct their political and popular alliances sufficiently to take them through the next period. For a long while the pundits hostile to Toryism have exulted in the vision of Thatcher in deep crisis, but each time—so far—the capacity of the Thatcherites to force a come-back, to rebuild some kind of popular support, has been striking. This would suggest that while popular allegiance for Thatcher is uneven, shifting and heterogeneous it has in the past at least been sufficient to secure for the Conservatives marked political and ideological victories, constructing and reconstructing new ideological unities and new systems of support which have contributed to the long period of Thatcherite dominance.

The political bite of Hall's interpretation derived in the first instance from a powerful critique of social democracy, a point sometimes lost in present re-evaluations by today's sceptics who conflate it with a capitulation to centrism. As it was first formulated 'the contradictions within social democracy are the key to the whole rightward shift of the political spectrum'.³⁴ This was written in January 1979 at the time of the most dramatic collapse of the Wilson-Callaghan strategy resulting from the government's evident inability to resolve in any way the public sector strikes which were then taking place. The number of workers involved in strikes in January 1979 was the largest for any month since May 1968, and the number of working days lost, the greatest since February 1974 at the height of the three-day week.³⁵ The optimism exuded by Callaghan the previous autumn now looked ridiculous: 'There may, as a result of our policies, be some industrial disturbances this winter. But I hope our European friends will not think that the UK has gone down the plughole as a result.'³⁶ On the impact of these strikes the inherited practice of the Callaghan government—alternating between exhortations to the unions in the name of 'this great movement of ours' and disciplining them through the full force of the state—fell to pieces. The government was paralysed, finally running up against all the contradictions embodied in the tradition of Labourism and institutionalised in the post-war settlement. Unlike the Conservatives, Labour had no clearly articulated alternative ready and waiting. Bernard Donoughue, Head of Callaghan's Policy Unit, has described this moment as unlike any other crisis faced by the 1974-79 Labour government. There was, he recorded, none of the adrenalin and excitement which characterised previous crises—instead only inertia and exhaustion.³⁷ Labour was collapsing from within, unable to resist the challenge from a more active and in critical ways a more radical political force represented by the Conservative Party under Thatcher.³⁸ While Callaghan assumed the mantle of Baldwin—an identity frequently commented upon in the election period—enunciating a policy of 'safety

first', the Thatcherites promised to bring about the transformation of the pre-existing power bloc, destroying a malignant bureaucracy in which Labour was strongly implicated, in the name of 'the people'.

Callaghan had for long claimed that Labour could best administer and manage the post-war settlement, brokering between the most powerful corporate interests. Thatcher, representing herself as of the people and against the state, refused to engage in political debate on these terms and offered a much more utopian future in which the nightmares attendant upon a fast declining imperial nation would be overcome by resolute authority from above combined with the full scope of free initiatives from below. In terms of the ideological struggle Callaghan's Labourism was devastated and Thatcher's advances at this level, cashing the long philosophical and ideological work conducted by a variety of New Right forces, did gain a measure of popular support and this was reflected in the election of May 1979. Compared to the paralysis offered by Labourism, Thatcherism in the lead up to the election did indeed open the issue of a popular politics.

But in practice the politics of Thatcherism were to prove highly contradictory and we must look ahead slightly at this point to see why. Although the combined objectives of free market and strong state has now been made a relatively coherent philosophy of Conservatism the ability to reconcile them in political practice is far harder to achieve. As Heath had discovered in an earlier period the aim of freeing the market paradoxically could call for an intensification of state activity, for contrary to the cherished beliefs of eighteenth-century theorists the free market does not spontaneously arise in a state of harmony with each economic agent fully endowed with the gifts of possessive individualism, but has to be imposed—as a system of economic activity—and in the process must destroy previous forms. The authoritarian state is necessary to the neo-liberal project in advanced capitalism in order actively to police the imposition of the new order and the destruction of the old. Moreover in Thatcherism, with its highly organised if simplistic vision of civic and ethical life, it also becomes a characteristic of the state to further the creation of a new moral order. What goes on in the family, on the streets, in the schools is, despite all the rhetoric of voluntarism, too important to be left to the unpredictable sway of either private forces or of those professional workers—teachers, welfare workers, probation officers and so on—who may have been contaminated by the virus of permissiveness or by an alternative vision to that inscribed in Thatcherism. The logic which derives from such a view is, once more, the extension and deepening of the command of the central state in order to regulate and police those areas of social life organised by the various enemies within.

Equally damaging to the radical dimensions of the Thatcher project is that its fulfilment requires the widespread destruction of popular social

and civic rights, such as health and education, trade-union rights, local government, employment and so on. In aiming to break up the system of social rights which evolved in the 1940s a number of attendant liberties associated with previous eras of democratic advance are also threatened. Far from being able to expand their social basis with each political step forward the Conservatives under Thatcher can very quickly find themselves facing a situation in which their popular support threatens to ebb away. Even those convinced by the virtues of Thatcherism—as pensioners, as rate-payers, as women, as trade unionists—and perhaps even sufficiently enthusiastic to vote for the Conservatives can find themselves in a situation whereby the means to the greater end involves the elimination of their interests. If a movement as potentially as radical as Thatcher's—aiming decisively to transform the state and create a new order on the back of a populist politics—finds itself inexorably drawn to destroying its own popular base, then it can only retreat to an administrative politics of command and compulsion in which its continuing populist exhortations leave it exposed and vulnerable.

Thatcherism in power

The election of 1979 was no landslide victory for the Conservatives. The party won 339 seats with an almost 40 per cent share of the total vote, some 2½ per cent less than in 1970. It is very unlikely that there were more than a handful of committed monetarists on the Conservative backbenches.³⁹ The most dedicated of the academic election scrutineers could find amongst the population as a whole 'no evidence of widespread support for Sir Keith Joseph's free-market philosophy'.⁴⁰ The long stretch in opposition, for all the boast of intellectual renovation, did not pay off as handsomely as the Conservative managers might have expected.

The Conservatives had promised tax cuts and increased spending on defence and law and order. Thatcher had also agreed, impetuously it seems, to honour the Clegg recommendations on public sector pay which over the next year were to add almost 25 per cent to the government's wages bill. There were those around the Prime Minister sufficiently charmed by the powers of monetarism to suggest to her that this would not affect inflation. Patrick Minford was one, a monetarist of the jesuitical variety, but so too the ministers John Nott and Nigel Lawson. At the same time John Biffen, tutored in the Powellite school of economics and politics during the 1960s and at this time holding the post of Chief Secretary to the Treasury, forcefully urged upon Thatcher the necessity for one, immediate bold stroke in cutting the basic rate of income tax from 33 per cent to 30 per cent. To offset this Biffen persuaded the cabinet, through Thatcher, to lift the indirect taxation levied through VAT from 8 per cent to 15 per cent. On this too the monetarist acolytes reassured their leader.

Uppermost in the mind of the government was the 'winter of dis-

content' and the consequent need to discipline the unions once and for all. In the middle of 1979 unemployment stood at 1.3 million. As the June budget made clear the Conservatives were well prepared to deflate the economy and indirectly control the unions through macro-economic measures. At this stage a number—perhaps the majority—of the cabinet was prepared to see unemployment temporarily rise if this would bring about a substantial cut in the public sector borrowing requirement; a minority was prepared, come what may, to let unemployment 'find its own level' in an increasingly deflated economy, which in turn would bring the unions to heel.

The great problem was that while the government set about its job of provoking an enforced deflation, it simultaneously pumped into the pipeline extraordinary inflationary commitments for the future. On coming into office in May 1979 the annual inflation rate was 10.1 per cent. In May 1980 the inflation rate for the previous twelve months had risen to 21.9 per cent. The government spent the next three years trying to get it back to the same level as when they had entered office.

After the initial shock of Thatcher's election to the leadership of the Conservative Party those who rejected her radicalism believed that they had her under control. Whitelaw was there to restrain her. The shadow cabinet could present cogent, alternative positions if the need arose. Policy documents were markedly balanced in their final form. In office in May 1979 the Prime Minister was surrounded by grantees in her cabinet: Soames, Carrington, Whitelaw. Sir Ian Gilmour was appointed Deputy Foreign Secretary, Walker brought back—if only to Agriculture, Pym was given Defence and Heseltine Environment; and most surprisingly of all James Prior was offered the Employment portfolio. But the events of the previous winter gave to the Thatcherites a powerful bargaining position inside the cabinet.

After the June budget there was a certain worry amongst these senior Tories that perhaps all was not well. Dissension quickly arose between Prior and Thatcher, the latter seeing Prior's wariness in getting effective anti-union legislation and particularly his prevarication over the closed shop 'with unconcealed impatience'.⁴¹ Even before the election—and a good many years before Michael Heseltine's patience finally broke impelling him to stage the most dramatic and public of cabinet resignations—Thatcher explained in an interview with Kenneth Harris: 'As Prime Minister I couldn't waste time having arguments',⁴² while Prior recalled: 'Because she didn't find it easy to get her own way round the shadow cabinet table, she would tend to make policy on television.'⁴³ It began to look to the future 'wets' as if the Prime Minister intended to assume full command whatever the views of the cabinet. But of greater significance was Thatcher's decision to use her powers as Prime Minister to devolve Cabinet business to sub-committees. That concerned with Treasury matters was

named 'E' Committee. The strategic economic offices were in any case packed with Thatcher loyalists: Sir Geoffrey Howe and Biffen at the Exchequer, Joseph at Industry and Nott at Trade, each with appropriate junior ministers in tow, led by the young wizard who took the place by storm, Nigel Lawson as Financial Secretary. 'E' Committee was dominated by the loyalists, even though Walker—carrying the Agriculture brief for which he had little interest—was represented. From the very start it had been decided that the details of the implementation of Thatcherite economic policy were to be discussed by a minority and presented to the full cabinet with the minimum of opportunity for debate.

Up to the end of 1979 despite all the intellectual energy and evangelism which Thatcher's mentor, Sir Keith Joseph, had given to monetarism (which included not only the great burst of publishing in the mid-seventies but also the distribution of the tracts and appended bibliographies to the civil servants at the Department of Industry) there was precious little sign of it making much impact on government strategy. Thatcher's own position was somewhat ambivalent, not much concerned with the finer points of the theory, but greatly attracted to the legitimation it gave to her own primitive economic prejudices. Biffen, an inveterate advocate for giving the economy the short, sharp shock, had never subscribed to the strict tenets of monetarism. These are perhaps arcane distinctions for the determination to deflate, for whatever intellectual reasons, was common to the Thatcherites throughout 1979. In July the Treasury had insisted on an immediate cut in government spending of **£8.0** billion; at this point the economic ministers could only secure a little less than half this sum. Their power was still significantly mediated.

However the situation changed at the beginning of 1980 when monetarism as such, first came to dominate the making of economic strategy. In January Terry Burns from the London Business School was appointed to the Treasury as Chief Economic Adviser. He was fully intent that the government follow tight monetary targets. The practice of publishing some broad indication of future monetary objectives had begun with Healey in 1976. Despite the deflationary initiatives of the previous Labour government these targets had never determined economic strategy, just as they had not for the Conservatives in 1979. This now shifted. The great attraction of monetarism at this point in the Conservative administration was its simplicity, and the firm belief peddled by its proponents that the money supply was determined by the public sector borrowing requirement. Get this down—in other words, single-mindedly cut back state expenditure—and the money supply as calculated by the M3 measure would drop, and inflation would **eventually** reach zero. At a stroke this macro-economic policy promised the Conservatives a strategy which would deflate, discipline the unions without the need for detailed regulation of wage disputes and at the same time give the economy a good shake-up

(in other words, induce bankruptcies and liquidations). Furthermore, contrary to the fact that this was undeniably an interventionist strategy, it would appear to vindicate the Tories' commitment to uphold a greater measure of *laissez faire* and, in bringing down inflation, could be represented as in the general interest, supporting 'the pensioner' and 'the housewife' as much as the leaders of business. In the beginning of 1980 Burns and Lawson drafted the government's Medium Term Financial Strategy which detailed monetary targets—of both great ambition and great rigidity—for the following four years and demonstrated how at the end of that period substantial tax cuts could be made. Implicit in this document was the assumption that the government could not secure full employment, and the acceptance that at this stage it was in any case not to be a primary objective.

The endorsement of the Medium Term Financial Strategy marked the first instalment in the implementation of a distinctly Thatcherite strategy for accumulation on the macro scale. This was premised on the continued destruction of the old manufacturing base (deindustrialisation), on the long-term existence of unemployment, and on the switch of resources, in terms of tax benefits, to the employed at the cost of the unemployed, the low-paid and those receiving state benefits. Biffen made public his worries. The first public attack on Mrs Thatcher by a Conservative was made in the observer—anonously.* In February Gilmour began his long odyssey, setting out to demonstrate the ignorance and incompetence of the government, each intervention increasingly less concealed in philosophical abstraction.

The Medium Term Financial Strategy formed the basis for the March 1980 budget. For Jock Bruce-Gardyne, one-time employee of the Centre for Policy Studies in its heyday of 1974-75, the budget 'encapsulates the whole nature of the Thatcher Government's break with the traditions of postwar economic management in Britain'. In support of this interpretation he quoted the Treasury memorandum which accompanied the publication of the strategy: 'The Government has deliberately not set its targets in terms of the ultimate objectives of price stability and high output and employment because these are not within its direct control. It has instead set a target for the growth of money supply, which is more directly under its influence, and has stated that it will frame its policies for taxation and public expenditure to secure a declaration of money supply without an excessive reliance on interest rates.'⁴⁵ According to another observer, whose connections with the Bank of England are close: 'Officials at the Bank of England, whose task it was to carry out the aims of the strategy in the market place, saw the MTFS as the first genuine sign that "this government was different". As one commented later: "It was after that Budget that I began to take them seriously. They mean it."'⁴⁶

For all the ambitious planning the monetary targets very quickly went

haywire suggesting that there was something badly wrong with the original theoretical premises. In two months the rise in M3 exceeded the growth allowed for a year. Gordon Richardson, the Governor of the Bank of England, was appalled and attempted to persuade the Prime Minister to reverse her policies; Sir Douglas Wass, the Head of the Treasury, tried as well. Under pressure from inordinately high interest rates representatives of manufacturing industry desperately lobbied Number Ten. The most memorable occasion of this period was Sir Terence Beckett's extraordinary denunciation at the CBI Conference in November 1980. 'You had better face the brittle fact that the Conservative Party is a rather narrow alliance. How many of them in Parliament have actually run a business? This matters. They don't all understand you. You think they do, but they don't, not all of them. They are even suspicious of you—many of you—what is worse they don't take you seriously. I would not advocate what I am going to say were the cause not noble—we have got to take the gloves off and have a bare-knuckle fight because we have got to have an effective and prosperous industry. The alternative isn't the end of the world. It is just inexorable decline into shabby gentility if we were lucky, or more probably **Bennery**.'⁴⁷ At the same time the Chairman of ICI made an unprecedented call on the Prime Minister and 'as good as asked' her 'whether it was the intention of Her Majesty's Government that companies such as ICI should stay in **business**'.⁴⁸ All this provides clear evidence of the government's willingness to press on with its economic programme whatever the immediate short-term costs and whatever the responses from the establishment mandarins in the civil service, the city and business. It suggests that the Thatcherites were prepared to force the breach in the inherited traditions in the hope of irretrievably destroying the old economic institutions and practices such that new forms would be forced into existence, breathing the bracing air of a new enterprise culture. The great problem with this was not merely that many people were to **suffer**—through redundancy, bankruptcy and impoverishment—but that politically allies were being lost all the time, which paradoxically encouraged the more despotic instincts of the premier to be given free rein. At the Conservative Party conference one cabinet minister, Norman St-John **Stevas**, attacked in forthright terms the dogmatism of monetarism: if nothing else, he believed he was acting out of a sense of political survival, suggesting with little need of embellishment that the party could not afford to antagonise its supporters at this rate and remain in government.

Problems on the economic front also intensified for the government in the summer of 1980 as a direct result of the Thatcherite dedication to commit **Britain** to a leading role in the Cold War. After assuming office a cabinet committee, 'MISC 7', was set up to review Britain's nuclear force. The following December, perceiving that the Western lead in nuclear weaponry was slipping, the NATO commanders took the fateful decision

to modernise their nuclear force. This was given enthusiastic support by the British government, but the domestic details still needed to be worked out. In the following summer 'MISC 7' recommended not only that the United Kingdom accept the *106* cruise missiles to be stationed in Britain, but also that the government should purchase Trident from the United States for use in purpose-built British submarines. This replacement for Polaris, given the enormously superior capacity of Trident, represented a terrifying escalation in Britain's contribution to the Cold War. It also represented an enormous drain on the Exchequer—each missile was estimated to cost between 54.5 billion and *£5.0* billion—effectively integrating some sectors of British industry into the vortex of the North American permanent arms economy, but ensuring too that millions of pounds sterling would be transferred each day to the US banks.⁴⁹

This had the greatest consequences for the internal disposition of forces in the cabinet. The contentions arose not over military matters, for which there was a high degree of consensus—and this includes the purchase of Trident—but over economic issues. The Treasury had decreed that the greater part of the cost of Trident was to be financed out of the naval budget. It doesn't take a great deal of imagination to see that this added burden would knock a conventional departmental budget sideways. The Secretary of State for Defence, Francis Pym, determined to make his stand against the Prime Minister and the Treasury in order to protect his department. And paradoxically we can see the equally determined figure of Mrs Thatcher, Pravda's Iron Lady, hell-bent on cutting back the budget of the Ministry of Defence. Before the summer break the cabinet had agreed in principle to *£2.0* billion further cuts, on top of those allocated in the spring budget. On returning in the autumn Thatcher and Howe concentrated their attack principally on Defence and Social Security. In Pym they found an intransigent adversary, who had strong backing from his civil servants and won the support of Carrington, Soames and Hailsham as well as Prior, Walker, St-John Stevas and Gilmour. This was, according to one account, 'a traumatic moment in the history of the administration'.⁵⁰ Thatcher and Howe opened their attack poorly, underestimated the strength of resistance, and lost. They managed to squeeze only *£170* million from Defence. Less than three weeks later Howe announced there would have to be increased taxation—a direct result, presumably, of the decision to buy Trident. The main point of this episode however is political. Thatcher was not prepared to be defeated again on an issue so central to her economic strategy, and it would seem all too evident that it was from this moment that the battle was enjoined within the Conservative hierarchy between the Thatcherites, on the offensive, and the so-called 'wets', who attempted to block the remorseless deflationary resolve of their opponents. This marked a critical stage in the process by which Thatcherism gained dominance in the Conservative party. It opened a

period of heightened internecine struggle which was to be terminated only by the military attack against Argentina in May 1982.

In January 1981 there appeared the first indication that a purge was commencing. The most politically lightweight of the 'wets', St-John Stevas, was sacked.' Pym was moved from Defence, becoming Leader of the House of Commons, to be replaced by John Nott, who in turn was replaced by Biffen. Norman Tebbit and Leon Brittan were promoted, leading one Conservative journalist to conclude that 'the junior Ministers are being gradually Thatcherised'.⁵² All but the *Spectator* believed that Pym had been demoted, while it was universally accepted that Nott had been appointed to carry out the job of **axeman** which Pym had resisted the previous November. One week later this was confirmed when Nott announced that Trident had been spared, immediate cuts in the naval budget of 6200 million were to be imposed and that the number of operational surface ships was to be reduced from 56 to 42. As it happened one of the vessels to be withdrawn was HMS *Endurance*, from the South Atlantic, with quite unforeseen consequences.

The January reshuffle was maladroitly executed, the Prime Minister complaining on television of the untrustworthiness of her cabinet colleagues, reviving an obsession with leaks rivalling that of Harold Wilson. To all, this looked like a public rebuke of St-John Stevas and Thatcher consequently found herself having to defend in public the details of her reshuffle. The first two months of the year brought untold troubles to the government. Sir Keith Joseph at the Department of Industry wrote an elaborate brief advocating the need urgently to subsidise British Leyland to the cost of E990 million, and then retrieving his monetaristic principles spoke with eloquence in cabinet against his own paper; he—that is, the monetarist, talking Joseph—was defeated. Prior produced his green paper on trade union reform which antagonised the Thatcherites for being too soft. ICI's collapse of profits duly arrived, with the company forced to cut dividends for the first time since 1938.

While attempting to ride out these problems Thatcher and Howe embarked upon the formulation of the spring budget. Its political purpose was to demonstrate the government's refusal to compromise and its continuing commitment to monetarism. **Lawson** was a powerful voice in its drafting; John Hoskyns encouraged the utmost intransigence; Professor Alan Walters, Thatcher's newly appointed personal economic adviser, was perhaps the single greatest influence. He brought with him a new variant of monetarism and he was also less closely influenced with the disastrous Medium Term Financial Strategy: in a narrow sense the purpose of the budget was to switch the monetary calculations from M3 to the monetary base, thereby providing new targets which this time, the government hoped, might be achieved. Of greater import the overriding aim was to cut the public sector borrowing requirement from £13.5 to **£10.5 billion**.⁵³

Apart from a small handful of evangelical monetarists to be found in the editorial offices of *The Times* and other Fleet Street strongholds, the prevailing consensus of the time lay in the need to **reflate** quickly. The all-party House of Commons Treasury Committee, chaired by Edward du Cann, published on the eve of the budget a cogent and devastating indictment of Conservative monetarism. This was too late and in any case would have made little difference, for the budget's supporters precisely intended it to break with the consensus. As one of them put it, it 'was an economic watershed of the first order. . . It was counter-Keynesian at a time of deep recession.'⁵⁴ For Patrick Cosgrave it represented in the economic field 'the true strategic beginning of the introduction to **Thatcherism**'.⁵⁵

The dissension in cabinet was intense. (Prior's recollection doesn't adequately convey the anger of the time: 'Quite frankly I thought the **1981** budget was a **shocker**.'⁵⁶) This was caused not merely by the economic proposals but by the lack of opportunity for debate and discussion. Full cabinet discussion of economic strategy had only occurred two or three times since **1979**. 'What the Chancellor and the Prime Minister achieved on **10** March amounted almost to a **coup**.'⁵⁷ The 'wets' had been out-manoeuvred and all they could do was register their frustration in a more public form. On **11** March *The Times* headline read: 'Harsh budget for workers but more for business.' The next day it proclaimed: 'Chancellor under savage attack from all quarters', and all the press detailed the cabinet conflict. Prior vowed to fight; du Cann called for an immediate programme of national recovery; Peter **Tapsell** insisted that Howe should be dismissed forthwith; even Rab Butler, a more distant political voice, spoke out on the need for proper cabinet discussion. Thatcher was clearly furious and launched a ferocious attack on the 'immorality' of her critics, wishing they had 'a bit more guts and **courage**'.⁵⁸

The split in the cabinet which had first appeared in the autumn of **1980** and deepened as a result of the budget became even more bitter following the meeting of **21** July **1981** when Howe demanded further cuts of **£5.0** billion. Gilmour was widely quoted as perceiving the end of the Tory Party; Hailsham and Carrington were aghast; Biffen joined the critics; and even John Nott, a devotee of the finer points of monetarism, found Sir Geoffrey's paper '**lousy**'.⁵⁹ The situation could only be resolved by further intervention on Thatcher's part. Just as the January **1981** reshuffle can be seen as her revenge for her defeat the previous November, so the reshuffle she organised in September was a direct attempt to break the back of cabinet resistance which had been manifest in July. The Chairman of the Conservative Party, Lord Thorneycroft, was sacked, along with Lord Soames, Sir Ian Gilmour and Mark Carlisle. Gilmour dispensed with the usual courtesies; in replying to Mrs Thatcher's letter of dismissal he wrote: 'Every Prime Minister has to reshuffle from time to time. It does no harm to throw the occasional man overboard. But it does not do much

good if you are steering full speed ahead for the rocks. That is what the Government is now **doing**.⁶⁰ Prior was exiled to Northern Ireland. Meanwhile **Lawson**, Brittan, Parkinson and Tebbit were all promoted—the last of whom used the party conference shortly afterwards to urge the unemployed to get 'on your bikes'.

It is difficult to contemplate a more ignorant remark. The effects of the economic strategies of **1981** were appalling, rapidly accelerating the long decline. In a valuable critique of Conservative monetarism Gilmour argues that between **1979–81** 'the country suffered the worse depression since systematic measurement began—which rules out of consideration, for instance, the years after the **Black Death**'.⁶¹ Between **1979** and **1983** the number of unemployed grew by two million. So far as such speculation is useful, one economic historian of mild social-democrat leanings has calculated that one and a half million of the unemployed in **1984** owed the loss of their jobs to specific government policies.⁶² In **1982** a House of Lords inquiry estimated that the government was losing **£15** billion a year as a result of lost taxes and the cost of unemployment benefits.⁶³ Between November **1979** and December **1982** the number of recipients of supplementary benefit increased by **49** per cent, while the number of people dependent on supplementary benefit (claimants and their families) increased by almost three million between December **1979** and December **1983**, from **4.4** to **7.2** million.⁶⁴ The effect on manufacturing industry has been clear. Between **1979** and **1983** the manufacture of metal goods fell by **21** per cent, motor vehicles and components by **27** per cent, textiles by **26** per cent, and synthetic fibres by **42** per cent.⁶⁵ In June **1980** the Birmingham Chamber of Commerce noted that an ineering output had slumped in the city by **25** per cent in three months.' The putative cadres of Thatcher's crusade were directly affected. Between **1978** and **1982** the number of bankruptcies increased from **3,902** to **5,700**, and the number of liquidations from **5,086** to **12,067**.⁶⁷ Amidst this devastation all the government could do was to claim that there was no alternative and attempt to make a virtue out of widespread **decimation**.

It has been necessary to reconstruct these events in some detail. They provide evidence to support the contention that the Thatcherite Right initiated and pressed the final collapse of the political system which they had inherited in **1979**. It is also important to demonstrate that alongside the hegemonic ambitions of Thatcherism there existed, in **1981**, a distinct economic-corporate aspect too. This was based not so much on monetarism as on single-minded deflation, deindustrialisation and a determination to enforce a temporary recession and ride out whatever social consequences arose. More polemically it can be argued that these narrowly corporate objectives, causing a succession of such terrible catastrophes, could not be reconciled to the longer-term struggle to win a new moral and intellectual authority for the tenets of Conservatism espoused by Thatcher,

Joseph and Tebbit.

Yet despite this irreconcilability between economic and political factors by the end of **1981** Thatcherism was closer to domination of political life in Britain than at any time hitherto. Thatcher's new-found authority in her cabinet and party had come about not by the logic of political argument and the deepening of support for her cause, but by the simple expedient of firing from positions of responsibility as many of her opponents as she thought she could get away with. After the reshuffle of September the 'wets' were broken as a political force and in the short-term the ability for the Prime Minister to impose her views in cabinet grew accordingly.

But the disorganisation of her enemies, both inside and outside the Conservative Party, went deeper than this. It has been argued here that the events of **1981** finally broke the consensual politics associated with the post-war settlement. At the same time significant sectors of manufacturing were destroyed as a result of the indiscriminate macro-economic initiatives intended to claw back a more favourable environment for capital in general, and the consternation of the CBI shows how serious this indiscriminate destruction was. There was very little sign of there appearing a new post-Fordist regime of accumulation to supplant older manufacturing forms, along the lines envisaged by figures such as Hoskyns, although the traditional tilt of the lopsided British economy in favour of the City—and its newer financial networks—was greatly exaggerated. To an important degree the post-war settlement had been built on the foundations of the older manufacturing sectors, drawing in the corporate structure of the union hierarchies and the CBI. The long decline of manufacturing, hastened by the Conservative policies of **1981**, made the possibilities of ever resurrecting the post-war system very slight indeed.

Those in Thatcher's own party who were committed to this system and who represented its interests were—as a political bloc—swept aside. Similarly the disorganising effects on the Labour Party were strong. Thatcher had done much to destroy the main arguments of her primary adversary. All that the Labour leadership could propose was the slow crawl back to an already discredited system, whose material basis was in any case severely weakened. To claim to be 'the party of **1945**' after the watershed of **1981** made very little sense at all. Moreover although there certainly was no great popular upsurge for monetarism, it does seem all too likely that the negative and critical dimensions of Thatcherite philosophy—those which worked upon popular experiences of the statist and corporatist emphases of classic Labourism—did effectively seal the ideological destruction of the politics of the post-war system, and thus make it look for a time at least as if there really were no alternative.

As I have suggested earlier notions of this type must remain for the moment more or less hypothetical. It is clear however that after **1981** the

potential for successfully organising a populist project had receded for the Conservatives, and could only be reconstructed in the future on different terms, with different short-term policies. But in terms of the existing formal political institutions, with the Conservative Party unpopular and Labour undergoing a period of prolonged internal recomposition, there simply did not exist the political channels—the means of representation—for such feeling to register deeply on the national political stage. Given this situation, however brutalistic and unpopular the Conservative policies, it is at least possible to see how sections of the electorate could arrive at the unwelcome conclusion that no credible alternative to Thatcher existed.

Thus the domination effected by Thatcherism by the end of **1981** had been accomplished by coercion rather than by consent and depended to a very large extent on the weakness of its opponents. It was sustained by an exceptionally low level of popular support. In December the Conservative Party was endorsed by only 27 per cent of the electorate according to the MORI poll, and its leader fared rather worse with a meagre 25 per cent support—and even this was higher than the figures given by rival pollsters. It was within this unusual ideological and political conjuncture that the SDP engineered its most spectacular electoral successes, marked by the Alliance by-election win of Croydon in October, and followed by Shirley Williams' victory in Crosby in November, and Roy Jenkins' at Hillhead the following March. This had very little to do with 'breaking the mould' for this had already been shattered, but it did indicate the increasing volatility of electoral politics and served a warning to the Conservatives that they could not continue forever down the slope of electoral decline.

But this does not give the complete picture. **1981** also witnessed the riots in Bristol in April and their continuation across a batch of English cities the following July. At the outset the *Spectator* assured its readers that Powell's predictions had come to life: 'The unexploded bomb has now gone off.'⁶⁸ The full force of the protracted, cumulative New Right campaign on law and order came to a head, directly connecting with the authoritarianism of the Thatcher regime. The advocates for militarised policing could press home their case with a new urgency. Army camps were opened in August to incarcerate the growing number of people lifted from the city streets. All reports confirm that there was an intensification of street racism, attacks multiplying through the year. The situation in Northern Ireland also deteriorated in the spring of **1981** as a result of Mrs Thatcher's declaration that she was not going to parley with 'criminals'.⁶⁹

This coincided with the collapse of the government's declared economic solutions and the increasing scepticism of the restorative powers of monetarism. The **1980** and **1981** budgets marked not only the first fully monetarist budgets but the last as well. In March **1982** the squeeze was somewhat lessened, as it has been thereafter, and the monetary targets

variously fudged or **dropped**.⁷⁰ The Thatcherite disposition to deflate, to force back the public sector, and to chase the ever-distant goal of big tax cuts has not diminished: it is just that there no longer exists a coherent and agreed strategy by which these aims might be achieved. The disarray of the economic policies thus combined with the powerful ideological shift brought about by the April and July riots in which some of the most potent New Right themes—race, law and order, permissiveness, enemies within—cohered. On this, on their strongest ground, the Thatcherites made the running, in effect switching the emphasis of their ideological offensive away from the economic to social and ethical issues. The Labour front bench, never in command of such matters, could attempt to explain time and again the causal relationship between Thatcherism and social collapse. But in their reflex, persistent attempts to be seen to be denouncing 'anarchy' and to draw back the issues into the language of constitutionalist Labourism they had—even before they had begun—conceded the ground to the Right. This, too, indicated a shift in the broader ideological **culture**—evidenced most sharply in the popular press—and contributed a further element in the emergent dominance of Thatcherism as a political force in the course of **1981**.

This would suggest that the irreconcilability between the free-market economics of Thatcherism and its authoritarianism in the political and cultural field—the aspiration to fashion the strong state—was resolved by the end of **1981** in favour of the latter. Indeed this is precisely the point at which the authentic New Right insistence on authority, in its philosophical and intellectual forms frequently suspicious of the capitulation to free-market liberalism, converged with **Thatcherism**.⁷¹

Thus the situation at the end of **1981** can be described as follows: the Conservatives in general and Mrs Thatcher in particular were unpopular, their economic aspirations visibly disintegrating; the primary political antagonists to Thatcher, in so far as they were committed to the business of recreating the conditions for establishing once more a politics of **social**-democratic consensus, were condemned to little more than a policy of pragmatic reflation and cautious reform; but on the ideological front the disarray of traditional Labourism was exacerbated by the ability of the Thatcherites to engage with Labour at its weakest, most brittle joints; and finally Thatcher herself had won undisputed command of her party, although without being able to rely upon a deep loyalty.

The war with Argentina in April **1982** quite simply transformed the political situation. The Conservative dissidents were silenced, unable to gather themselves to make an effective intervention before the election loomed. In the critical debate in the House of Commons on 3 April Labour too succumbed, the Thatcherite version of race and nation overpowering the Labour inheritance of petty nationalism. No doubt Thatcher and her war cabinet made a huge gamble which might easily have destroyed

them. But in the end military victory secured her dominance, giving full scope for her to develop the political and moral authoritarianism which had been shifting to the centre of her politics in the latter half of 1981. Apologists for Thatcher often point out that the Conservative Party's place in the opinion polls had been rising in the period immediately preceding the war, suggesting that Thatcher's Conservatism was already reviving. The polls confirm this showing a rise of 2 per cent in January 1982 and another 1 per cent in February. Perhaps the reorientated ideological intervention of the Thatcherites was having some immediate effect. This is possible. But the rise in Conservative fortunes in the opening months of 1982 has to be seen as a very slight shift away from an all-time low: if the polls had dipped much further at some point Thatcher would have been forced out. The conclusion is undeniable: by June support for the Conservative Party had risen to 48 per cent and for Mrs Thatcher to 59 per cent. The war with Argentina was the clear, predominant factor in reviving the popularity of the Conservatives, and marked the final instalment in securing the subordination to Thatcherism of the competing political forces.

Thatcherism today

The events of 1980–82 are past history. But it is a history which directly constitutes our political present. It was in the campaigns of that period that Thatcherism simultaneously gained dominance and became unstuck as a radical, coherent political force. It was the period in which the Thatcherites finally—irrevocably—transformed the politics of post-war Britain and forged a new agenda, taking us far from the classic epoch of British social democracy. But it was also the moment when significant sections of the popular constituency earlier won to Thatcherism were unhinged, enforcing the break to be effected by even greater doses of coercion. Consent could not even be organised within the cabinet, let alone the wider population, until the larger part of the dissidents had been dismissed. Thus Thatcherism 'provoked a rupture—but failed to resolve it'⁷²

We have subsequently been living this failure and this has effectively characterised the greater span of the Thatcher years. It is for this reason that the commentators and critics can assume so blithely that Thatcherism has been only 'skin deep', or that it hasn't really been such an effective historic force as the marxists make out, or that the forces of socialism in fact haven't suffered a defeat but are on the cusp of great new victories.

It is true that the second administration has succumbed to spectacular setbacks. Even from the start it soon emerged that the much-publicised electoral landslide was much weaker than it first appeared. According to one sociological study only 40 per cent of those who voted Conservative definitely committed themselves to vote for the party in the following election.⁷³ A whole series of issues has dogged the fortunes of Thatcherism

since the election, drawing together the apparently most contingent—the romantic vicissitudes of a cabinet minister for example—and the most calculated, most of all the **battle** against the National Union of **Mine-workers in 1984-85**. Whatever crisis the Conservatives have faced the incompetence and loss of political touch have been evident, giving the lie to the journalistic interpretation that the government has been beset by a curiously large number of banana skins. The vindictive attacks against the unions, primarily against the NUM but also the civil service unions at the GCHQ spy-station, have brought the government few long-term benefits. The decision to try to break the NUM had no economic logic at all beyond the most narrowly corporate, and suggests that the engagement was indeed partly a substitute for an economic strategy. The political resources expended by the Conservatives were not matched by the final victory, in which during the closing weeks public opinion turned against the government exactly as its triumph finally came into sight. Similarly the abolition of the Greater London Council and the metropolitan authorities—bringing about the demise of a cabinet minister who loyally but suicidally carried out his leader's fight—was a clear example of the need for the Thatcher administration to take ever greater command of the state in order to crush dissent and opposition. The desperation with which the government has been trying to sell off remaining public **assets**—in a bid to fatten the Exchequer's disposal wealth before the next **election**—has run into all kinds of problems, especially in the case of British Leyland, and many retreats have resulted. The personal resolve of Mrs Thatcher to equivocate as determinedly as possible on the issue of South Africa has brought the government no support. The **Westland** fiasco had all the markings of a domestic Watergate. But the most rapid drop in the government's credibility came in April **1986** when the US raids on Libya launched in part from bases in Britain coincided with the Chernobyl catastrophe, activating perhaps a greater public anxiety than at any time since the Cuban missile crisis. It wasn't, of course, that the Thatcherites were responsible for the Chernobyl fallout: but there arose from a variety of quarters strongly expressed public sentiment that the continuation of Thatcher's government was more likely to make the world a more dangerous place to inhabit and that the sooner she was out the **better**.™

Symptomatic of this protracted exhaustion of Thatcherism was an intriguing interview given by the Prime Minister at the end of **1985**. Given ample opportunity to detail her strategic objectives for the future she had nothing to say. As ever she reiterated her intention not to **reflate**, enthused about the fixed link across the Channel, condemned political indoctrination in schools and complained about the Earl of Stockton—'I do get a bit upset about Harold Macmillan'. In one respect however her political will had lost none of its vigour, and that was when she talked of her mission to destroy socialism. 'I have always regarded part of my job as—and please

do not think of it in an arrogant way—killing Socialism in Britain.⁷⁵

It is this determination which still gives some meaning to the term Thatcherism and which establishes the historical links back to the 1980–82 period. This explicit objective, not to live with or to compromise with socialism but to turn back 'the ratchet', is a feature which still distinguishes Thatcherism from the Conservatism of the post-war period. This is not to imply that Butskellite Tories were friends of socialism, for they manifestly weren't. What this does suggest however is that if the aim is the destruction of socialism then politically this also carries with it the requirement to *construct* a new system, the imperative to implant a clear economic and cultural alternative. This in part has been the great force of Thatcherism, even if the beacon heralding the crusade has not always burnt with uniform intensity. Thatcher has not yet 'killed socialism', nor Tebbit unleashed his 'last *barde*'.⁷⁶ But—leaving aside the degree of social destruction—the shift to the right, with its roots in the earlier period, has been impressive. The position of Britain in the NATO alliance since 1979 has been of overriding importance in the escalation of the second Cold War. On the domestic front the stark fact of some four million unemployed is sometimes difficult to comprehend and to place in political perspective. It is perhaps ironic that Joseph's Preston speech of 5 September 1974, which put paid to his chances of the leadership, now in fact looks rather commonplace, not only in its rejection of the goal of full employment but in its denunciation of the 'workshy', 'scroungers' and—a term with an unexpected longevity—'hippies'. And of equal irony was Hayek's contention early in 1981 that 10 per cent unemployment over three years was politically unthinkable. Linked to this the power of the unions has been severely weakened and the idea of the labour movement having some claim to a national, corporate status simply discarded. And perhaps most of all, the successes of Thatcherism in shifting the ideological conjuncture—in imposing and normalising the springs of authoritarianism—go very deep, especially on the issues of race, law and order (such that principled, rather sensible liberals can be branded *treacherous*⁷⁷) and family and sexual life. And indeed one mark of the power of this cultural transformation is precisely the fact that it has been so speedily normalised, abetted by the almost complete collapse of an independent and critical voice in the national media. The political need to reconstruct this recent history, to resist the forgetfulness of the present, is pressing.

The political effect of this shift has severely compromised the primary adversaries of Thatcherism. The dissidents in her own party, with no great liking for another extended period of deflation, on non-economic issues still live in the shadow of the Powell–Joseph–Thatcher reconstruction of Conservatism of the mid-1970s. This in part explains the continued weakness of the Tory rebels in conducting an effective resistance. Gilmour, Pym and Prior—the key protagonists in 1981—have all but given up. Of

those who remain or who have appeared as future contenders for the leadership there are few signs of an independent politics being created. Nowhere was the logic of the enemy within so clearly articulated, and retribution so forcefully exacted, as in Heseltine's battle with CND or Walker's with the NUM. Biffen won the reputation in the sixties for being Powell's 'fag' on the **backbenches**,⁷⁸ while the views on law and order of the current Home Secretary, Douglas Hurd, directly reach back to the New Right campaigns of the 1970s. Yet none of these is a Thatcherite. This is indeed part of the unacknowledged Powellite inheritance which lies close to the heart of present-day Conservatism.

But the power of Thatcher's past victories can also be seen in its impact on the Left as well. For the greater part of the Thatcher years the electoral opposition has been split, and this clearly has been a formidable factor in ensuring the continuing dominance of Thatcherism. The current leadership of the Labour Party is inextricably wedded to a strategy of absolute caution at all costs, repudiating even older traditions of reformism in order to get to the cabinet room come what may. In this respect Kinnock, too, is a product of the Thatcher years. The long defensive period of Labour, desperately trying to engage with Thatcherite Conservatism, is now taking its toll. It is significant that one of Thatcher's keenest critics from her own party, Francis Pym, is ready to congratulate his leader for shifting 'the political ground away from the leftward drift to Socialism. . . The new Labour Party leadership is defining its position largely on the Prime Minister's terms and with less reference to the traditional shibboleths of the left'.⁷⁹ Pym, in this instance, is correct. The shedding of old positions has hardly led at all to the fashioning of new political positions adequate for the future: the tendency for Labour to converge with the political realism coined during the Thatcher period is another bleak index of the power won by the Right.

This may sound too pessimistic. There are, it must be said, more positive signs too. Strong socialist groupings, although small, are positioned in the Labour Party, both in the parliamentary Party and above all in the constituencies. A wide variety of forces for resistance has evolved in the past years, both in the traditional institutions of the labour movement and in newer autonomous groupings which, while reserving their respective independences, have been in the forefront of constructing anti-Thatcherite campaigns: Moreover it would seem—impressionistically at least—that increasing numbers of people have simply cut adrift from any engagement with the predominant forms of parliamentary politics and might yet be won for a vigorous, open and democratic socialism.

Yet the possibilities for this, at present, do not look promising. This view partly rests on a judgement of the historic impact of Thatcherism. Although the practical shortcomings of the Thatcher project have been manifold, as I have attempted to demonstrate, and although the Right

never unilaterally conquered the old heartlands of Labourism, as I have also tried to show, the long dominance of Thatcherism has badly weakened the Left. Its capacity to offer a coherent and popular leadership and to resolve even the most immediate social and economic issues which it will be necessary to confront in the future does not look very great.

This is a pessimism which does not win much favour today. True, the immediate political future is more open now than at any time since 1979. It is also true that in the opinion polls the Conservatives are judged to be discredited for ever longer periods before regaining a measure of popularity. But it is by no means clear that the Labour Party will be able to cash this deepening Conservative unpopularity in electoral terms and appear as the outright winner at the next election. The Alliance has established itself as an effective, subordinate electoral force. There is a strong likelihood that a diminishing percentage of the electorate will vote—and it must be remembered that the Conservatives won more support from young people and new voters in 1983 than either Labour or the Alliance. Even in electoral terms the Labour Party still has a lot of ground to gain.

Moreover there are signs that for all the exhaustion of Thatcherism there are still limits to the extent to which compromises will be allowed. At present it seems as if the leadership is determined to go on pressing for tax cuts rather than engage in a substantial increase in government expenditure.* If this were to prove so, one possibility is that this intransigence could finally be the undoing of Thatcherism: the Conservatives would lose the next election—primarily on the issue of unemployment—Thatcher herself would be speedily ditched and the party reorganised around some of its more moderate elements. Another possibility, rather more galling to contemplate, is for the Conservatives to go down fighting, closely identifying the party with the leader (as in the past), presenting their struggle as one still committed to the original aspirations of Thatcherism. If Labour were then to form a government there is little likelihood, on present showing, that its current neo-Gaitskellism would do much to resolve the appalling devastation bequeathed by Thatcher. Thus in this scenario the possibilities for some kind of Thatcherite or post-Thatcherite regroupment in a future period of opposition could not be discounted.⁸¹

The first of these possibilities is perhaps the more likely as things stand. The coming period, leading up to the next election, will be critical in this respect. But the second alternative development still cannot be ruled out. It is instructive that once more, despite the groundswell of popular antagonism last spring, Mrs Thatcher's rating in the opinion polls again tops that of the other party leaders.⁸² Labour lost the 1980s. The Conservatives now face political decline. But the Thatcher years are not yet over and it is by no means clear who will win the 1990s.

NOTES

1. *The Times*, May 3, 1985.
2. *The Economist*, October 5, 1985.
3. See Grahame Thompson, ' "Rolling back" the state?' in Gregor McLennan *et al.* (eds.), *State and Society in Contemporary Britain*, Cambridge: Polity Press, 1984.
Peter Riddell, *The Thatcher Government*, Oxford: Martin Robertson, 1983; Malcolm Rutherford in *Marxism Today*, July 1983; Hugo Young in *Marxism Today*, July 1984; Hugo Young and Anne Sloman, *The Thatcher Phenomenon*, London: BBC, 1986; Peter Jenkins in *Marxism Today*, July 1985; and for what passes for serious comment, Alan Watkins: 'the *bien pensants* of *Marxism Today* invented "Thatcherism" before 1983. . . because the Left, certainly the Marxist Left, despise the working classes when they are not being sentimental about them', *Observer*, July 7, 1985.
5. See, for example, Tom Ling in *Marxism Today*, July 1985.
6. Ben Fine *et al.*, *Class Politics. An answer to critics*, London: Central Books, 1984, p. 1.
John Ross, *Thatcher and Friends. The political anatomy of the Conservative Party*, London: Pluto Press, 1983.
Bob Jessop *et al.*, 'Authoritarian populism, two nations and Thatcherism', *New Left Review* 147, 1984, p. 40.
For an important historical account of the relationship between party politics and governmental economic strategy see Andrew Gamble and Stuart Walkland, *The British Party System and Economic Policy, 1945-1983*, Oxford: Clarendon Press, 1984.
10. M. Thatcher, *What's Wrong With Politics?*, London: Conservative Political Centre, 1968, p. 15.
11. *Zbid.*, p. 12.
12. This is confirmed by both Prior and Biffen, and two senior civil servants, Sir Douglas Wass and Sir William Pile; Young and Sloman, *The Thatcher Phenomenon*, pp. 27-8 and 59.
13. See Mrs Thatcher's first speech as leader of the Conservative Party Conference in October 1975 and her Iain Macleod Memorial Lecture, July 1977, both published in M. Thatcher, *Let Our Children Grow Tall. Selected speeches, 1975-77*, London: Centre for Policy Studies, 1977, pp. 103 and 29.
14. Quoted in Patrick Cosgrave, *Thatcher. The first term*, London: Bodley Head, 1985, p. 36.
15. Quoted in Clive Ponting, *The Right to Know. The inside story of the Belgrano affair*, London: Sphere, 1985, p. 129.
16. J. Wood (ed.), *Powell and the 1970 Election*, London: Elliot Rightway, 1970.
17. 'Inflation is caused by governments' in Sir Keith Joseph, *Reversing the Trend*, Chichester and London: Barry Rose, 1975, pp. 19-30.
18. Joseph interviewed by William Keegan, *Mrs Thatcher's Economic Experiment*, Penguin, Harmondsworth, 1984, p. 48.
19. Andrew Gamble, 'The free economy and the strong state', in Ralph Miliband and John Saville (eds.), *The Socialist Register 1979*, London: Merlin Press, 1979.
20. M. Thatcher, speech to officers of the Finchley and Friern Barnet Conservative Association, January 31, 1975; reproduced in full, together with her letter to the Chairman of the Association, explaining her decision to contest the leadership, in George Gardiner, *Margaret Thatcher. From childhood to leadership*, London: William Kimber, 1975, pp. 223-6.

21. But see for example Adam Raphael in the *Observer*, May 28, 1978, a year before her first electoral victory: 'As Conservative fortunes in the public opinion polls slide, the debate over Mrs Thatcher's style of leadership grows ever more anxious among Tory MPs at Westminster'. The criticisms centred 'on what is alleged to be her stridency, her aggressiveness, her polarisation of political issues'—and 'a profound fear that she will lead the party to electoral defeat'.
22. M. Friedman, 'The fragility of freedom', *Encounter*, November 1976, p. 9. .
23. 'Friedrich Hayek on the crisis', *Encounter*, May 1983, p. 54. Note too his unguarded attack on Prior, then Secretary of State for Employment: 'I have no hope that so long as the matter is in his hands the necessary things will be done', *Panorama*, March 9, 1981.
24. For instance, John Hoskyns, the former Head of the Prime Minister's Policy Unit (1979–82), 'Overkill: the only answer', *The Times*, February 11–13, 1985.
25. A parallel interpretation is given by Colin Leys. Drawing from Andrew Gamble's work he argues that Thatcher 'entertained a radically different conception of the politics of power from Heath', suggesting that she has not subordinated politics of power to politics of support, but created a vision of a transformed politics of power. *Politics in Britain*, London: Verso, 1986, p. 157; and see Gamble, 'Smashing the state', *Marxism Today*, June 1985.
26. Stuart Hall and Martin Jacques (eds.), *The Politics of Thatcherism*, London: Lawrence & Wishart, 1983; Hall's articles have appeared mainly in *Marxism Today* and *New Socialist* since early 1979. For a general defence of his position against his critics, Stuart Hall, 'Authoritarian populism', *New Left Review* 151, 1985.
27. See, *inter alia*, Ben Fine *et al.*, *Class Politics*; Tony Benn, 'Who dares wins', *Marxism Today*, January 1985; Ralph Miliband, 'The new revisionism in Britain', *New Left Review* 150, 1985; and Tariq Ali's related injunctions against defeatism, 'Labourism and the pink professors' in Ken Livingstone and Tariq Ali, *Who's Afraid of Margaret Thatcher? In praise of socialism*, London: Verso, 1984. These perspectives share a suspicion of the idea of Thatcherism, formulated most obviously in the pages of *Marxism Today*, but they differ in other respects.
28. Hall, 'Authoritarian populism'.
29. Doreen Massey, 'The contours of victory. . . Dimensions of defeat', *Marxism Today*, July 1983; Andrew Gamble, 'Thatcherism: the second coming', *Marxism Today*, July 1983, p. 11; Michael Crick, *Scargill and the Miners*, Penguin, Harmondsworth, 1985, p. 62.
30. Massey, 'Contours of victory'.
31. These, incidentally, form the key examples in Stuart Hall's, 'The great moving right show', originally published in *Marxism Today*, January 1979 and reprinted in Hall and Jacques, *The Politics of Thatcherism*.
32. In part this has been confirmed by the survey of British social attitudes taken up by James Curran, 'Rationale for the Right', *Marxism Today*, February 1985. Curran's article has been used as one important refutation of Hall by his critics: see for example Miliband, 'The new revisionism', p. 18; and Anthony Arblaster, 'Labour's future and the coalition debate', *New Left Review* 157, 1986, p. 55. However my point here is precisely the need to initiate a rather more conjunctural analysis of 'the Thatcher years' paying due heed to the shifts in political fortune and to the phases of development of Thatcherism. Curran's evidence is drawn from a time when the difficulties of Thatcher's second administration were already accumulating and can't really be used to substantiate the popularity (or not) of Thatcherism in the moment of its first electoral victory and the first period of government—to be distinguished most of all from the latter period by the issue of inflation.

33. While recognising that in the totality of Stuart Hall's articles over the past years there have been many uncertainties and no doubt inconsistencies too, it could at the same time be argued that his *usual* analysis has depended on just such a conjunctural viewpoint, suggesting that the original interpretation of January 1979 could not stand in for an analysis of the whole Thatcher period. See for example, S. Hall and M. Jacques, 'Introduction', *The Politics of Thatcherism*, p. 10; and S. Hall, 'Faith, hope or clarity', *Marxism Today*, January 1985, p. 17.
34. Hall and Jacques, *Politics of Thatcherism*, p. 26.
35. David Coates, *Labour in Power? The Labour Government, 1974-79*, London: Longman, 1980, p. 79.
36. *Guardian*, October 20, 1978.
37. On the Channel Four programme, *The Writing on the Wall*, November 17, 1985. The precise statement by Donoughue is not included in the book accompanying the series, Philip Whitehead, *The Writing on the Wall. Britain in the seventies*, London: Michael Joseph and Channel Four, 1985, although a range of similar sentiments is expressed, pp. 281-5.
38. The renowned reactionary, Cummings, the cartoonist, was able to depict Thatcher with a banner reading: 'Let me set you Free! Workers of the World Unite! You've nothing to lose but your chains', *Daily Express*, April 18, 1979.
39. The only calculation we have is Peter Riddell's for the beginning of the 1983 administration, who estimates a group of about 80 to 100 in a significantly larger parliamentary party; *The Thatcher Government*, p. 13.
40. David Butler and Dennis Kavanagh, *The British General Election of 1979*, London: Macmillan, 1980, p. 333.
41. Jock Bruce-Gardyne, *Mrs Thatcher's First Administration*, London: Macmillan, 1984, p. 36.
42. *Observer*, February 25, 1979.
43. James Prior, 'Why I'm not the Prime Minister', *New Statesman*, December 13, 1985.
44. At first the whips believed it had been made by John Selwyn Gummer, who suffered accordingly for a short while.
45. Bruce-Gardyne, *Thatcher's First Administration*, p. 58, emphasis added.
46. Keegan, *Thatcher's Economic Experiment*, p. 145.
47. Quoted in Martin Holmes, *The First Thatcher Government, 1979-83*, Brighton: Wheatsheaf Books, 1986, p. 156. Compare this to the wisdom of the erstwhile Industry Secretary, Norman Tebbit: 'Life should never be safe for entrepreneurs. If you make life safer for entrepreneurs they begin to behave like heads of nationalised industries or civil servants. Now civil servants and heads of nationalised industries are important people with qualities of their own. But they're different to entrepreneurs. Entrepreneurs have to have life unsafe. That's the very quality of entrepreneurship. But she (Mrs Thatcher) has certainly made the country safer for entrepreneurs', Young and Sloman, *The Thatcher Phenomenon*, p. 70.
48. William Keegan, 'Monetarism in practice', *Catalyst* 1:1, 1985, p. 17.
49. In April 1982 the 'MISC 7' decision was revised and it was agreed that Britain should go for the Mark II D5 version of Trident, even more fearsome and even more costly, estimated this time at £8.7 billion. A House of Lords Select Committee calculated that each time sterling fell by one cent it would add another £25 million to the total bill. Nigel Bowles, 'Defence policy', in D. Bell (ed.), *The Conservative Government, 1979-84. An interim report*, London: Croom Helm, 1985.
50. Bruce-Gardyne, *Thatcher's First Administration*, p. 89.
51. 'My Catholic faith was challenged by the crisis occasioned by the papal en-

- cyclical on birth control, *Humanae Vitae*, and my Conservatism by the advance of the doctrine of monetarism to prominence within the Conservative Party', Norman St-John Stevas, *The Two Cities*, London: Faber & Faber, 1984, p. 13.
52. Ferdinand Mount in *The Spectator*, January 10, 1981.
53. 'One of the more ironic postscripts on the Chancellor's Budget strategy was written in the early summer of 1982, after the 1982-83 proposals had been unveiled. The Treasury revealed that the figure for 1981-82 had been revised, and that the PSBR had worked out at only E9 billion—E1% billion less than the £10½ billion target on which the 1981 Budget had been based.' Keegan, *Thatcher's Economic Experiment*, p. 174.
54. Leon Brittan, quoted in Holmes, *First Thatcher Government*, p. 61.
55. Cosgrave, *Thatcher: The first term*, p. 96.
56. Prior, *New Statesman*, December 13, 1985.
57. Cosgrave, *Thatcher. The first term*, p. 120.
58. *The Times*, March 12, 1981. On the television programme *Weekend World*, March 15, 1981, Nigel Lawson defended the budget by promising to cut income tax to 28 or 27 per cent by the next election.
59. Keegan, *Thatcher's Economic Experiment*, p. 172.
60. Holmes, *First Thatcher Government*, p. 64.
61. Ian Gilmour, *Britain Can Work*, Oxford: Martin Robertson, 1983, p. 142.
62. Sidney Pollard, 'Economic management, 1974-84', *Catalyst* 1:1, 1985, p. 8.
63. Riddell, *The Thatcher Government*, p. 79.
64. Tony Manwaring and Nick Sigler (eds.), *Breaking the Nation. A guide to Thatcher's Britain*, London: Pluto Press and New Socialist, 1985, p. 128.
65. Colin Leys, 'Thatcherism and British manufacturing: a question of hegemony', *New Left Review* 151, 1985, p. 12.
66. Bruce-Gardyne, *Thatcher's First Administration*, p. 64.
67. Leys, 'Thatcherism and British manufacturing', p. 13.
68. *The Spectator*, April 18, 1981. Powell himself has consistently pushed this view. See for example his declarations in the aftermath of the Handsworth riot in *The Times*, September 12, 1985; 'We can still stop the torch from being put to Britain's funeral pyre', *Sunday Express*, September 15, 1985; and 'My challenge to Mrs Thatcher', *The Times*, September 21, 1985.
69. The MP for Fennanagh and South Tyrone, Bobby Sands, died on May 5 after a hunger strike; nine other hunger strikers were to die. In 1981 seven people died in the province as a result of injuries received from plastic bullets. By the end of the year 3,000 plastic bullets had been distributed to the police on the mainland.
70. See especially, Lawson's speech in the City, October 17, 1985, for the denouement of M3.
71. This has been suggested by David Edgar, who comments on this process in the direct aftermath of the riots: 'And the implication (for the Thatcherites) was clear too: the free market, which after all was the *purveyor* of all the personal stereos and video recorders and space invader machines, the very detritus of the problem, was pathetically inadequate to furnish a solution', 'Bitter harvest' in James Curran (ed.), *The Future of the Left*, Cambridge: Polity and New Socialist, 1984, p. 50.
72. Hall and Jacques, *Politics of Thatcherism*, p. 13.
73. Richard Rose, 'Why the Tories need a new Falklands factor', *Daily Telegraph*, October 8, 1985. And see Patrick Dunleavy and Christopher Husbands, *British Democracy at the Crossroads*, London: Allen & Unwin, 1985, pp. 103-4.
74. According to the opinion polls more than two-thirds of the electorate opposed Britain's involvement in the attack on Libya. At the time also, the government had been conducting a *hardline* pro nuclear power campaign: note especially

Peter Walker's statement on BBC radio, *The World This Weekend*, March 16, 1986. In the aftermath of Libya and Chernobyl the *Sun* published 'What the stars would do in their last five minutes', May 2, 1986.

75. *Financial Times*. November 14, 1985.

76. Speech at the Conservative Party Conference, fringe meeting, October 9, 1984.

77. I am thinking particularly of John Alderson, former Chief Constable of Devon and Cornwall; Margaret Simey, Chair of Mersey Police Authority; and Judge James Pickles.

78. *New Statesman*, December 17, 1976.

79. *The Politics of Consent*, London: Hamish Hamilton, 1984, p. 11.

80. *Panorama*, June 24, 1986.

81. It is worth recalling that the leading members of the present administration are still relatively young. Thatcher herself is only 60. The majority of the important cabinet figures are all in their mid 50s, with Baker, Fowler, Biffen and Clarke younger still.

82. Marplan, in the *Guardian*, July 17, 1986.