## Winter's not yet gone

Construction and Memory of the Winter of Discontent in Popular and Scholarly Discourse

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Undergraduate History Thesis — Spring 2018

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## Introduction

Control over the historiography is as important as control over the history itself. <sup>1</sup>

— Donald McCloskey, If You're So Smart (1990)

On 28 March 1979, Margaret Thatcher, the leader of the Opposition, posed a vote of no confidence, declaring that: "The people witnessed the spectacle of a Government abdicating their authority to strike committees. The Prime Minister's objectives were not achieved, and his strategy failed." The motion passed 311 to 310, leading to the fall of the Labour government, the first administration to leave office because of a Commons division since 1924. How did the Labour Government find itself in this position five years after it had been elected? More specifically, how did the Government conduct itself leading up to and during the "Winter of Discontent" and how did the Government's actions fit into broader narratives of economic decline and ungovernability?

The Winter of Discontent is the name the British press assigned to the wave of industrial unrest that gripped the UK beginning at the end of 1978 and continuing through February 1979. January 22, 1979 was the biggest individual day of strike action since the General Strike of 1926, with an estimated 1.5 million public sector workers walking off their jobs. The strikes themselves and their coverage in the press reveal an underlying narrative; Colin Hay's seminal article "Narrating Crisis" (1996) analyzes the discursive construction of the moment of "crisis" and the Winter of Discontent as "a strategic moment in the transformation of the British state." The "metanarrative" of the crisis of ungovernability was established through the implicit linking of primary narratives of

<sup>&</sup>lt;sup>1</sup> Donald McCloskey, *If You're So Smart* (Chicago: University of Chicago Press, 1990), 50.

<sup>&</sup>lt;sup>2</sup> Vote of No Confidence, 28 March 1979. Parliamentary Debates, Commons, vol. 965 (1979), cols. 461-590.

<sup>&</sup>lt;sup>3</sup> Nick Tiratsoo, ""You've Never Had It So Bad": Britain in the 1970s," in *From Blitz to Blair: A New History of Britain Since 1939*. ed. Nick Tiratsoo (London: Weidenfeld & Nicolson, 1997), 173.

<sup>&</sup>lt;sup>4</sup> Colin Hay, "Narrating Crisis: The Discursive Construction of the 'Winter of Discontent," *Sociology* 30, no. 2 (1996): 253-277. http://www.jstor.org/stable/42855681, 254.

'newsworthy events' during the strikes such as the trash in Leicester Square or the dead left unburied. However, as MP Bill Rodgers wrote in 1984, "like wartime bombing raids, the strike[s] produced more warnings of shortage and more signs of damage than actual disruption." As historian James Thomas observes: "it was as much the later continuous re-presentation of the 'Winter of Discontent' as its media construction in 1979 that was crucial to sustaining the ideological success of Thatcherism." Analyses of the media coverage and shaping of events have thus been well-established with regards to the political "crisis" and have allowed for a more considered revisionist approach to the events that took place in January—February 1979. Similarly, economists and economic historians directly and indirectly participated in the construction and memory of the Winter of Discontent through their preoccupation with the government policies they determined were responsible for economic decline.

The 1970s thus appear in contemporary British politics as a by-word for troubled economic times. Just as the hegemonic reading of the Winter of Discontent as a culmination of the tensions within the Labour Government's actions has benefitted from revisionist scholarship, so too has the 'benighted decade' that preceded it recently benefitted from revisionist historiography, notably in the collection of essays in *Reassessing 1970s Britain* (2013). These essays continue the revisionist work begun by Nick Tiratsoo's "You've Never Had It So Bad'" (1997) and cliometric studies by Jim Tomlinson, such as "Inventing 'Decline'" (1996), and extending to Alwyn Turner's *Crisis? What Crisis?* (2008).

Previous authors have linked the Winter of Discontent to inflationary politics, unemployment, and unions. While Tomlinson in particular has done much to survey and critically assess the

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<sup>&</sup>lt;sup>5</sup> Hay, "Narrating Crisis," 264.; William Rodgers, "Government Under Stress. Britain's Winter of Discontent 1979," The Political Quarterly 55, Issue 2 (1984): 171–179. doi: 10.1111/j.1467-923X.1984.tb02595, 177.

<sup>&</sup>lt;sup>6</sup> James Thomas, "'Bound in by history': The Winter of Discontent in British politics, 1979–2004," *Media, Culture & Society* 29, no. 2 (2007): 263–283 doi: 10.1177/0163443707074257, 273.

cliometric literature, neither he nor other economic historians have, however, fully articulated the connection between the Winter of Discontent and the twin threads of an academic discourse that charts the decline of the British economy—i.e. "declinism"—and the discourse on industrial unrest in the 1970s. Chapter 1 of this paper traces this connection and explains why debates over government economic policies focused on industrial labor relations as part of a larger preoccupation with comparative productivity levels as an indicator of economic strength.

Chapter 2 describes the unfolding of the Winter of Discontent as both a product of political decisions and as an evolving reflection of and, in turn, contributor to the economic discourse. As one historian summarized the revisionist consensus: "The Winter of Discontent has lingered as a powerful but vague and confused amalgam of negative impressions and, often, historic inaccuracies." The impressions arose from a combination of media coverage and political jockeying such that this 'amalgam' shaped a powerful political myth, one which was consciously crafted and morphed into an ideology referred to simply as 'Thatcherism.'

This myth had important ramifications in the following decade and a half of Conservative electoral dominance and the Labour Party's eventual rebranding under Tony Blair. Chapter 3 explores these themes of re-presentation of the Winter of Discontent in tandem with the evolution of the cliometric literature, which reflected the broader post-1970s debates over monetarism and neoclassical economics on the one hand and neo-Keynesianism on the other. Britain's '100-year decline,' was periodically reinvented and mobilized in favor of the prevailing political-economic ideology. Authors discussing late Victorian entrepreneurs and interwar tariffs, consciously or not, thus entered a debate over what policies worked and could work, in effect delineating the parameters for legitimate government intervention in the economy.

<sup>&</sup>lt;sup>7</sup> Tara Martin López, *The Winter of Discontent* (Liverpool: Liverpool University Press, 2014), 2.

Lastly, the conclusion of the essay paints economic historians' preoccupation with British economic decline and how on "declinism" as an intellectual paradigm in its own right intersected with the evolution of the memory of the Winter of Discontent and the 1970s more generally. The creation and memory of the myths of the Winter of Discontent are more than just an intellectual curiosity for people interested in 1970s Britain. Perhaps most obviously, a similar rhetoric of decline persists in contemporary British politics, as was the case in the 2016 Brexit debate.

More generally, this essay addresses questions of myth-formation, the politicization of economic debates, and the triumph of a political-economic paradigm that retrospectively cast the 1970s as a period in which, as one contemporary historian phrased it: "all kinds of things just fell apart." The Winter of Discontent featured in this narrative as a 'culmination,' which reveals a problem at the heart of the popular understanding of the events of January–February 1979: the word 'culmination' suggests that those who use this word mistake the *necessary* conditions for the Winter of Discontent as *sufficient*. The goal of this essay is, therefore, to demonstrate that the myth of the Winter of Discontent was forged through both political and economic debates as a product of the preceding and succeeding decades. Furthermore, there was nothing inevitable about the Winter of Discontent, and there was certainly nothing inevitable about its portrayal at the time and since.

<sup>&</sup>lt;sup>8</sup> Tiratsoo, ""You've Never Had It So Bad,"" 173.

## 1. Intellectual Ferment and the Vocabulary of Crisis

The inflationary disorders of the business cycle of the early 1970s, the depth of the subsequent recession, and the troubled and unsatisfactory nature of the latest recovery... affected Britain with particular severity and gave rise to an orgy of pessimism and self-doubt among British leaders. \(^1\)

— Samuel Brittan in "How British is the British Sickness?" (1978)

Diverse strands of thought in 1970s Britain regarding industrial relations, economics, and social democratic discourses manifested themselves later as a political-economic lexicon used when constructing the narrative of crisis of the winter of 1978–9. The bourgeoning vocabulary of crisis emerged in the wake of the 1974 miners' strike, allowing prominent public intellectuals, or 'opinion formers' and 'phrase-makers' to begin linking industrial strife and economic downturn.<sup>2</sup> That ideas of ungovernability and economic crisis, if not at the forefront of all Britons' minds, nonetheless emerged as a possibility within academic and political institutions, was significant in its own right and allowed for the cynicism that would define how people understood the Winter of Discontent in the moment and when remembering the decade as a whole.<sup>3</sup>

The prevailing notion of crisis in the mid-1970s was not a spontaneous invention of the Conservatives in opposition, and it had, in fact, developed partly through Labour Government-sanctioned investigations and proposals that sought to reform industrial relations. Unions, if not worker-employer relations, had featured prominently throughout the post-WWII period, but it was only in the late 1960s that the Labour Government-appointed Donovan Commission articulated the link between the economic sluggishness, free collective bargaining, and labor militancy.

<sup>&</sup>lt;sup>1</sup> Samuel Brittan, "How British is the British Sickness?" *The Journal of Law & Economics* 21, no. 2 (1978): 245-268, http://www.jstor.org/stable/725232, 245.

<sup>&</sup>lt;sup>2</sup> Brian Harrison, "Joseph, Keith Sinjohn, Baron Joseph (1918–1994)," *Oxford Dictionary of National Biography*, Oxford University Press, 2004; online ed., May 2011 [http://www.oxforddnb.com/view/article/55063, accessed 11 Oct 2017]. See especially Pioneering 'Thatcherism', 1974–1979.

<sup>&</sup>lt;sup>3</sup> Anthony King, "Overload: Problems of Governing in the 1970s," *Political Studies* 23, nos. 2 and 3 (1975): 284-296. https://doi.org/10.1111/j.1467-9248.1975.tb00068, 294-5.

According to figures produced by the Commission, over 95% of strikes between 1964–1966 were unofficial strikes, with half of all unofficial strikes concerning wages. To contextualize the impact of industrial unrest, Britain's working population was 24 million when the Donovan Report was presented to Parliament in June 1968, and the collective bargaining of the then 10 million unionized workers directly affected over 15 million workers. Moreover, industrial relations became increasingly more important over time as trade union membership swelled from 9,835,000 in 1960 to 11,179,000 in 1970, before peaking at 13,212,000 in 1979.

The Commission ultimately concluded that the "formal system" of industry-wide organizations that could impose decisions on their members had become increasingly ineffective with respect to the informal system, which instead "rests on the autonomy of managers in individual companies and factories, and the power of industrial work groups." The informal system's ever greater influence on the conduct of industrial relations throughout the country was also a function of the fact that the union movement was undermanned and underfinanced, with resulting communication problems arising from "defective and outdated organization." As one historian noted, the whole trade union movement only employed about 3,000 full-time officials, and though people were often highly dedicated, "they normally had to work in a near vacuum, bereft of any back-up or support services." For example, in 1974 a survey found that one-third of shop stewards in a prominent public sector union had no access to a phone while two-thirds lacked a meeting room.

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<sup>&</sup>lt;sup>4</sup> Cmnd 3623 § 367–8. Numbers were similar for the period 1964–67, as per Cmnd 3888 Appendix 2 § 2.

<sup>&</sup>lt;sup>5</sup> Cmnd 3623 § 38.

<sup>&</sup>lt;sup>6</sup> "Trade union membership statistics 2016: tables." *Department for Business, Energy & Industrial Strategy*. May 31, 2017. https://www.gov.uk/government/statistics/trade-union-statistics-2016.

<sup>&</sup>lt;sup>7</sup> Cmnd 3623 § 143.

<sup>&</sup>lt;sup>8</sup> Cmnd 3888 § 67.

<sup>&</sup>lt;sup>9</sup> Nick Tiratsoo, "You've Never Had It So Bad'?: Britain in the 1970s" in *From Blitz to Blair: A New History of Britain Since 1939* edited by Nick Tiratsoo (London: Weidenfled & Nicholson, 1997), 178.

While recent scholarship has thus highlighted the weakness of the trade union movement, particularly of the TUC in keeping the rank and file in line, during the 1970s, however, perception was to the contrary. Moreover, when the unions chose to use their increasingly fractured power they were no less influential than they had been before. According to a 1977 Gallup poll, just over half of Britons thought that the general secretary of the Transport and General Workers' Union Jack Jones was more powerful than PM Jim Callaghan (in office 1976-79). A rather begrudging account of the unions' authority by the staunchly conservative Peregrine Worsthone, complained that the unions could "exercise power without apology" and did not need to admit that they would exert their full strength to get what they wanted because "mythologically speaking, they are still the underdogs."

Building on the suggestions of the Donovan Report, Prime Minister Harold Wilson's (in office 1964–1970 and 1974–1976) government drafted new proposals for the heightened perceived need for industrial relations reform. The influential Secretary of State for Employment Barbara Castle of the Labour Left spearheaded this effort with the White Paper *In Place of Strife* (1969), which called for "radical changes" to correct the "deficiencies of Britain's system of industrial relations" reflected in the "character of our strike problem." Though Britain faired comparatively well in terms of its strike record compared to neighboring countries, these statistics gave an imperfect measure of the economic outcomes of strikes because unofficial strikes "at times [took] place in complete disregard of its consequences for the community" and could cause "far-reaching

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<sup>&</sup>lt;sup>10</sup> Colin Hay, "The Winter of Discontent Thirty Years On," *The Political Quarterly* 80, no. 4 (2009): 544-552. doi: 10.1111/j.1467-923X.2009.02052, 547-9.

<sup>&</sup>lt;sup>11</sup> Tim Jones, "Mr Jack Jones sees 1977 as the 'year of the beaver'." *Times* [London, England] 4 Jan. 1977: 1. *The Times Digital Archive*. Web. 20 Nov. 2017.

<sup>&</sup>lt;sup>12</sup> Peregrine Worsthone, "The Trade Unions: New Lads on Top," in *The Future that Doesn't Work* (Garden City, NY: Doubleday & Company, 1977), 11.

<sup>&</sup>lt;sup>13</sup> Cmnd 3888 § 2, 15.

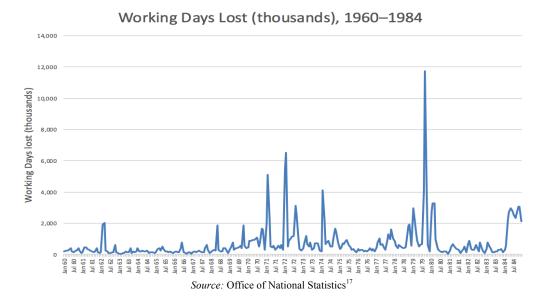
dislocation of work" in interdependent industries. <sup>14</sup> Though never signed into law, Castle's proposed course of action included creating an Industrial Board to enforce settlements in industrial disputes and necessitating that unions call a ballot before a strike was held, in effect predating the Conservative union reforms that Thatcher would adopt during her tenure. <sup>15</sup> Jim Callaghan, who would serve as Prime Minister during the Winter of Discontent, led the opposition against Castle's proposals, which was instrumental in helping him maintain the support from the Trades Union Congress (TUC) in his early tenure. More generally, the extent and efficacy of backlash from organized labour underscored the importance unions had in drafting legislation under Labour cabinets, a form of political power that was still ascendant and would reach its peak, somewhat paradoxically, under Heath's Conservative Government (1970–1974).

If industrial relations were seen to be problematic by government committees at the end of the 1960s, the subsequent explosion in industrial unrest in response to Heath's attempt to curb union power allowed the TUC to reach the "zenith of its power and influence during the summer of 1972".

<sup>&</sup>lt;sup>14</sup> Cmnd 3888 § 15.

<sup>&</sup>lt;sup>15</sup> See Industrial Relations (White Paper), 3 March 1969. Parliamentary Debates, Commons, vol. 881, cols. 36-166.; Richard Tyler, "'Victims of our History'? Barbara Castle and In Place of Strife," *Contemporary British History* 20, no. 3 (2006): 461-476. <a href="http://dx.doi.org/10.1080/13619460500407186">http://dx.doi.org/10.1080/13619460500407186</a>.

<sup>&</sup>lt;sup>16</sup> Gerald Dorfman, "The Heath Years: Some Further Thoughts about Union Influence," in *Is Britain Dying?* Edited by Isaac Kramnick (Ithaca, NY: Cornell University Press, 1979), 58.



Before Heath's conflict with unions over the 1971 Industrial Relations Act, unions had benefitted in the postwar period from the dual promises of economic security, stemming from the 1942 Beveridge Report, and full employment. 18 When the TUC's diplomatic approach to tempt Heath away from his anti-union legislation failed, they led an "all-out struggle to force the government to readopt Churchill's prescriptive warning" to pursue industrial peace at all costs. 19 This disruptive campaign ultimately set the stage for tripartite talks among the Government, the Confederation of British Industry (CBI), and the TUC, but internal divisions within the trade union movement meant that the talks did not amount to anything substantive and the unions remained isolated from policy-making when Labour was out of office. The cost of union militancy and intransigence in dealing with the Conservative Government and CBI on any terms less than complete deferral to labour demands only materialized after the oil shock of 1973.

<sup>&</sup>lt;sup>17</sup> Data from Office of National Statistics, "LABD01: Labour disputes," Office of National Statistics, 13 December

https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/workplacedisputesandworkingconditions/datas ets/labourdisputeslabd01.

Gerald Dorfman, British Trade Unionism Against the Trades Union Congress (London: Macmillan, 1983), 1.

<sup>&</sup>lt;sup>19</sup> Dorfman, "The Heath Years," 56-8.

The 1974 miners' strike had benefitted from the oil shortage caused by the OPEC oil price increase due to the Yom Kippur War by effectively subjecting the government to energy-resource constraints. 20 The government's policy of imposing a three-day work week to ration energy consumption highlighted the impression that industrial relations played a, if not the, crucial political-economic role in the 1970s. According to the prominent economics writer Samuel Brittan, the response to the oil shock led to a sentiment "in the Establishment generally [that] Britain was becoming "ungovernable.""<sup>21</sup> Indeed, the miners' decision to strike was responsible for Heath's decision to call the February election in defense of the incomes policy—economy-wide wage and price controls used to combat inflation—against the "abuse of industrial power to gain a privileged position" and control of economy more generally. 22 To paraphrase later accusations against labour unions in the context of the Winter of Discontent, the National Union of Mineworkers held the government 'ransom' and succeeded in bringing down the Conservative government. However, this was not a unilateral victory for organized labor; by failing to develop relations with the government, the TUC had failed to win the trust of the Heath Government.<sup>23</sup> In effect, the TUC had squandered its "awesome veto power."<sup>24</sup>

In many ways, 1974 represented a 'crisis' of state in the same way that the Winter of Discontent did just five years later, albeit with significant differences. For one, the vocabulary of crisis was

<sup>&</sup>lt;sup>20</sup> UK oil imports decreased after 1973, though this could be both a response to the oil embargo and the fact that Britain was able to begin exploiting the North Sea Oil.; Department for Business, Energy, and Industrial Strategy, "Crude oil and petroleum products: production, imports and exports," *Digest of United Kingdom Energy Statistics* (DUKES), 27 July 2017, <a href="https://www.gov.uk/government/statistics/petroleum-chapter-3-digest-of-united-kingdom-energy-statistics-dukes.">https://www.gov.uk/government/statistics/petroleum-chapter-3-digest-of-united-kingdom-energy-statistics-dukes.</a>; See also the cover story in the January 1979 issue of *The Banker*.

<sup>&</sup>lt;sup>21</sup> Samuel, Brittan, ""The Economic Contradictions of Democracy" Revisited" *Political Quarterly* 60 (1989): 190-203. doi: 10.1111/j.1467-923X.1989.tb00765.

<sup>&</sup>lt;sup>22</sup> Conservative Party. "February 1974 Conservative Party General Election Manifesto: Firm Action for a Fair Britain," *ConservativeManifest.com*. <a href="http://www.conservativemanifesto.com/1974/Feb/february-1974-conservativemanifesto.shtml">http://www.conservativemanifesto.com/1974/Feb/february-1974-conservativemanifesto.shtml</a>.

<sup>&</sup>lt;sup>23</sup> Dorfman, "The Heath Years," 61.; Dorman, *British Trade Unionism*, 12-3.

<sup>&</sup>lt;sup>24</sup> Dorfman, "The Heath Years," 55.

forged in the wake of the miners' strike, unlike in 1979 when the pre-existing vocabulary was mobilized in the discursive narration of crisis. There are three other reasons why the 1974 crisis did not trigger the same shift in political rhetoric and ultimately in state governance. The first of which is that public was largely, if not overwhelmingly, sympathetic to the miners: a Gallup poll in January 1974 showed that 30% of people were sympathetic to employers and 44% to the miners, and in February the respective numbers were 24% and 52%. Though normally coal reduction would have led to an increase in oil consumption, Britain was heavily dependent on foreign oil before the exploitation of North Sea Oil in the second half of the decade. However, given the lack of a general strike and the perceived respectability of union leaders, the notion of greedy unions bringing the country to its knees for pay raises did not become widespread. The service of the second was precised in the second was precised by the service of the service of the second part of the decade. The service of the second was precised by the second was precised by the service of the second was precised by the second was precised

The second reason that 1974 did not present a political caesura was because Wilson and subsequently Labour PM Jim Callaghan could not effectively cast the memory of the energy shortage as a byword for the perils of electing a Conservative government. Shortly after his administration took over for Wilson's, Callaghan faced a budgetary crisis, which had begun during the rapid expansion of the money supply in the early 1970s in an attempt for economic breakthrough, and which began growing out of control in the wake of the 1973 oil shock.<sup>28</sup> By 1976, the situation was such that the International Monetary Fund provided a \$3.9 billion support package. This 'bail out' came with strings attached, however, thereby putting "significant

<sup>&</sup>lt;sup>25</sup> George H. Gallup, ed. *The Gallup international public opinion polls, Great Britain, 1937-1975*, 1<sup>st</sup> ed. (New York: Random House, 1976).

<sup>&</sup>lt;sup>26</sup> King, "Overload," 291-2.

<sup>&</sup>lt;sup>27</sup> Worsthone, "The Trade Unions," 5.

<sup>&</sup>lt;sup>28</sup> See Money Supply, 5 February 1976. Parliamentary Debates, Commons, vol. 904 (1976), cols. 1396-8.; Aled Davies, "The Evolution of British Monetarism: 1968–1979," *University of Oxford Discussion Papers in Economic and Social History*, no. 104 (2012): 1-36. <a href="http://www.nuff.ox.ac.uk/Economics/History/Paper104/davies104.pdf">http://www.nuff.ox.ac.uk/Economics/History/Paper104/davies104.pdf</a>.; As Tomlinson notes, Heath's reformist and modernizing agenda implicitly signaled an acceptance of declinism: only if a problem in achieving the desired growth rate existed would the claims for active policy be justified.; Jim Tomlinson, *Managing the Economy, Managing the People* (Oxford: Oxford University Press, 2017), 60-61.

constraints on the Government's economic policymaking freedom."<sup>29</sup> Indeed, the image of Britain going hat in hand to the IMF was a psychic blow to a country that had prided itself on its economic superpower identity. The loan was paid back quickly, bolstered by the aid of the North Sea oil revenue, but the episode remained a "public humiliation of a beleaguered government." <sup>30</sup> Therefore, when Labour attempted to boast its economic record, Conservatives pointed to the IMF deal as the stimulus behind the improved economy, arguing that Labour would have been reckless without those restraints; as one Conservative PM quipped: "we are all monetarists now." <sup>31</sup> Furthermore, when Callaghan later tried to evoke the three-day week as the consummate failure of Conservative governance in the 1979 election, the potential rhetorical advantage he sought was negated by the more immediate memory of the Winter of Discontent. <sup>32</sup>

Finally, and perhaps most importantly, the 1974 strike launched a new political-economic discourse but did not bring about a new political order because there was no 'alternate paradigm' in 1974. In other words, voters in 1974 lacked a true alternative to the 'wet' Tories in 1974: they could re-elect either Heath or Harold Wilson, who found himself, according to a rather poetic obituary: "never quite understanding what was happening to him or his government in a changing Britain and a dramatically changing world." Voters returned the governing mandate to Wilson

<sup>&</sup>lt;sup>29</sup> Davies, "The Evolution of British Monetarism: 1968–1979," 1.

<sup>&</sup>lt;sup>30</sup> Steve Ludlam, "The Gnomes of Washington: Four Myths of the 1976 IMF Crisis," *Political Studies* 40, no. 4 (1992): 713-727. doi: 10.1111/j.1467-9248.1992.tb01794.x.; Oil production data can be downloaded from Oil and Gas Authority, "Historical production data," April 2017, <a href="https://www.ogauthority.co.uk/data-centre/data-downloads-and-publications/production-data">https://www.ogauthority.co.uk/data-centre/data-downloads-and-publications/production-data</a>.

<sup>&</sup>lt;sup>31</sup> David Butler and Dennis Kavanagh, *The British general election of 1979* (London: Macmillan, 1980), 80.; Ludlam, "The Gnomes of Washington," 727.

<sup>&</sup>lt;sup>32</sup> In his Parliamentary Report to the 1978 Labour Conference, Callaghan noted: "In those dark and candlelit days of the Conservative Government, the question that was being posed was: 'Is Britain governable?'"; Callaghan Parliamentary Report in Labour Party, *Report of the Seventyseventh Annual Conference of the Labour Party* (London: Labour Party, 1978), 232.

<sup>&</sup>lt;sup>33</sup> Geoffery Goodman, "Harold Wilson: Leading Labour beyond pipe dreams," *The Guardian*, 25 May 1995, <a href="https://www.theguardian.com/politics/1995/may/25/obituaries.">https://www.theguardian.com/politics/1995/may/25/obituaries.</a>; Thatcher coined the term 'wet' Tories as a means of insulting the Conservatives who sought industrial compromises and who had reservations about her monetarist policies.

in 1974, though after just two years, Wilson resigned, paving the way for Callaghan to inherit the "poison chalice" of high inflation and unemployment.<sup>34</sup> Meanwhile, from 1975 to 1979, the 'marketplace in economic ideas' expanded dramatically, allowing for the rise of the Left's Alternative Economic Strategy and of monetarism, which would become the "doctrine that could restore the authority of the government as well as resolve Britain's economic problems."<sup>35</sup>

In the end, "Who governs?" was answered by the third postwar Labour Government, which was dependent on its ability to manage trade unions while also tackling the persistent economic problem of stagflation.<sup>36</sup> It was precisely in this context of an 'ungovernable' state and a highly critical press that the intellectual ferment of economists and political scientists took shape.

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Despite supposedly being at the crux of 1970s economic debate and something which concerned Britons more than their European neighbors, inflation was something that few Britons actually understood.<sup>37</sup> This can be seen by the fact that in the 1974 election, while more voters considered Labour better able to handle prices and the 'cost of living' when it came to 'inflation,' more voters thought the Conservatives would be more effective.<sup>38</sup> Though these choices may appear different, they are not separate aspects of the economics: inflation politics *is* the politics of the 'cost of living.' With low and steady inflation, employers and their workers are able to

<sup>&</sup>lt;sup>34</sup> Colin Hay, "The Winter of Discontent Thirty Years On," *The Political Quarterly* 80, no. 4 (2009): 545-552. doi: 10.1111/j.1467-923X.2009.02052, 545.

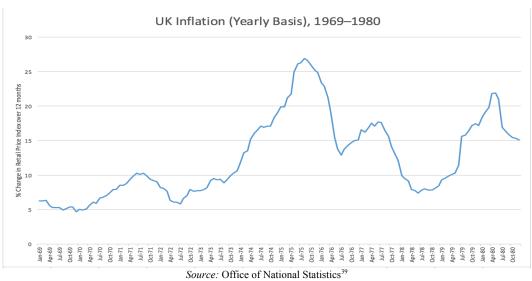
<sup>&</sup>lt;sup>35</sup> Peter Hall, "Policy Paradigms, Social Learning, and the State: The Case of Economic Policymaking in Britain," *Comparative Politics* 25, no. 3 (1993): 275-296. <a href="http://www.jstor.org/stable/422246">http://www.jstor.org/stable/422246</a>.; See also Stuart Holland, *The Socialist Challenge* (London: Quartet Books, 1975).; On Holland's influence within the Labour party, see Mark Wickham-Jones, "The Challenge of Stuart Holland" in *Reassessing 1970s Britain* eds. Lawrence Black, Hugh Pemberton, and Pat Thane (Manchester: Manchester University Press, 2013).

<sup>&</sup>lt;sup>36</sup> Margaret Thatcher, *The Path to Power* (London: HarperCollins, 1995), 426.

<sup>&</sup>lt;sup>37</sup> 53% of UK respondents to the June-July *Euro-barometre* public opinion poll considered "Prices, wages, family budget" to be the most important problem in contrast with 33% in the rest of the European Community.; Commission of the European Communities, *Euro-barometre: Public Opinion in the European Community*, No. 3 (Brussels: Commission of the European Communities, 1975), 4.

<sup>&</sup>lt;sup>38</sup> Samuel Brittan, "The Economic Contradictions of Democracy," *British Journal of Political Science* 5, no. 2 (1975): 129-159. http://www.jstor.org/stable/193396.

effectively adjust wages to correspond to the increase in the price level. The difficulties in the 1970s arose from uneven and accelerating inflation, meaning that the *rate* of the increase of the money supply was not constant. British annual inflation jumped from 7.9% in December 1970 up to its peak of 26.9% in August 1975:



Source: Office of National Statistics

These changes in the price level, which were also experienced in other countries due to the explosive increase in oil prices, meant real wages were declining, leading to difficulties in negotiating pay contracts. Rapid and erratic inflation threatened the relative prosperity of the postwar period, savings and retirement plans of individuals, and the working capital of businesses. In the short run according to standard Keynesian economics the other effect of rising inflation is lower unemployment. However, unemployment averaged 4.7% for workers over 16 years old from 1971–9, and given the postwar British consensus on 'full employment,' this was

<sup>&</sup>lt;sup>39</sup> Inflation data from Office of National Statistics, presented in Simon Rogers and Ami Sedghi, "UK inflation since 1948," *The Guardian*, 12 November 2013, <a href="https://www.theguardian.com/news/datablog/2009/mar/09/inflation-economics">https://www.theguardian.com/news/datablog/2009/mar/09/inflation-economics</a>.; The Retail Price Index (RPI) measures changes in the price level of a representative basket of consumer goods and services over time and is a standard metric of inflation. Most countries with high-income economies today generally attempt to keep inflation rates around 2%.

<sup>&</sup>lt;sup>40</sup> Keith Joseph, *Reversing the Trend* (London: Barry Rose, 1975), 19.

<sup>&</sup>lt;sup>41</sup> Milton Friedman, "The Role of Monetary Policy," *The American Economic Review* 58, no. 1 (1968): 1-17. http://www.jstor.org/stable/1831652, 5.

already unacceptably high.<sup>42</sup> The Treasury thus faced the unenviable choice between unacceptably high inflation or unemployment.

Unsurprisingly, inflation featured prominently in economic discourse, taking on moral and apocalyptic dimensions. When defending the Social Contract on television, Secretary of State for Employment Michael Foot emphasized the need to ensure that postwar economic gains would not be "swept away in an inflationary hurricane," while Callaghan stressed the need for the pay policy—a variant of Heath's incomes policy—in his Parliamentary Report at the 1978 Labour Conference: "the Government's *inescapable* responsibility to keep down inflation." Fears of "Latin American-type conditions" as inflation approached the 30% level were not limited to neoclassical publications like the *Journal of Law & Economics*; at *The Guardian*, journalist Peter Jenkins wrote about the possibility of "absolute decline," with Britain becoming the first country to make "the journey from developed to underdeveloped." Inflation became a means of projecting dire economic conditions and a way in which to characterize the potential effects of political opposition unable to stand up to the task of fighting money growth.

Nonetheless, the Labour Party had no reservations in its commitment to the principle of full employment, with the chairman of the 1978 Labour conference declaring: "We are the party of full employment, or we cease to have our historic role in representing working men and women."

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<sup>&</sup>lt;sup>42</sup> Unemployment data from Office of National Statistics, "Time series: Unemployment rate (aged 16 and over, seasonally adjusted)," *Office of National Statistics*, 15 November 2017, https://www.ons.gov.uk/employmentandlabourmarket/peoplenotinwork/unemployment/timeseries/mgsx/lms.

<sup>&</sup>lt;sup>43</sup> See William Rees-Mogg, *The Reigning Error: The Crisis of World Inflation* (London: Hamish Hamilton, 1975). <sup>44</sup> Foot, *The Unions and the Social Contract: Michael Foot on television, 11th Dec. 1974*, 3.; Callaghan speech on

Tuesday afternoon in *Report of the Seventyseventh Annual Conference of the Labour Party*, 236 (italics added).

45 Brittan, "How British is the British Sickness?" 258.; Peter Jenkins, *Anatomy of Decline: The Political Journalism of Peter Jenkins*, ed. by Brian Brivati and Richard Cockett (London: Cassell, 1995), 91, 95.

<sup>&</sup>lt;sup>46</sup> See Anthony Atkinson and Alan Harrison, "The Analysis of Trends over Time in the Distribution of Personal Wealth in Britain," *Annales de l'inséé* 33/34 (1979): 89-108. http://www.jstor.org/stable/20075322.

<sup>&</sup>lt;sup>47</sup> Chairman's Address in *Report of the Seventyseventh Annual Conference of the Labour Party*, 176.; Labour Party, *Labour's programme for Britain: Annual Conference 1976* (London: Labour Party, 1976), 17.

Despite the criticisms of government policy among academic economists, Callaghan was acutely aware of these tradeoffs, and in his 1976 Blackpool speech he warned that "The cosy world we were told would go on for ever, where full employment would be guaranteed by a stroke of the Chancellor's pen, cutting taxes, deficit spending, that cosy world is gone." By rejecting the old adage that Britain could spend its way out of a recession, Callaghan effectively admitted that the Keynesianism model applied in the Depression years would not be a panacea for the stagflation of the 1970s. Unlike monetarists, however, Callaghan placed his faith in the incomes policies, which though "unfair and unworkable" under the Heath administration would be equitably determined through the Social Contract. 49

Though much maligned at the time and in the wake of the Winter of Discontent, the Social Contract between the Labour Government and the Trades Union Congress sought to solve the twin problems of inflation and unemployment. Adopted by the TUC on June 26, 1974, it called for union negotiators to take account of the general economic and industrial situation and of the economic and social policies being pursued by the Government. The priority was to maintain the status quo and to forgo any shortcuts to Utopia, while creating a framework for industrial relations which has enabled us to rebuild confidence between the trade unions and the Government. The Chancellor of the Exchequer Denis Healey went so far as to draw a favorable comparison to West Germany, France, and the US in a self-congratulatory speech on the incomes policy: "Has it struct those of you who study economics what an extraordinary achievement it is

<sup>&</sup>lt;sup>48</sup> Callaghan, "Leader's speech, Blackpool 1976."

<sup>&</sup>lt;sup>49</sup> Social Contract, 4 § 1.

<sup>&</sup>lt;sup>50</sup> Speaking to the Conservative Party Conference, Thatcher said: "They told us that the Social Contract would solve everything. But now everyone can see that the so-called contract was a fraud—a fraud for which the people of this country have had to pay a very high price."; Thatcher, "1975 Speech to Conservative Party Conference."

<sup>51</sup> Social Contract. 9 § 29.

<sup>&</sup>lt;sup>52</sup> "We have tried to take short cuts to Utopia" is a quote from a speech Keith Joseph gave in June 1974.; Joseph, *Reversing the Trend*, 7.; *Social Contract*, 9§33.; Callaghan, "Leader's speech, Blackpool 1976."

our Government has made in the last two years?"<sup>53</sup> Indeed, after 1977, unemployment inched down 0.1% each year until the end of the decade, while inflation finally dipped below the symbolically important 10% threshold in 1978.

Few were as optimistic as Healey was in Labour convention speech, however, and their critiques went beyond the discussion of inflation and unemployment. Those who were convinced by the positive economic impact of the Callaghan administration may nonetheless have been swayed a general growing economic discourse that sought to characterize the "lag" in British growth since the turn of the century. A White Paper in 1975 entitled *An Approach to Industrial Strategy* lamented the "long-term weakness of British Industry" born out of the "relative decline of British industry which has been continuous for many years." In February 1979, *The Banker*, which was highly influential in the finance sector, published an article by Daniel Benjamin and Levis Kochin entitled "Voluntary Unemployment in Interwar Britain," which found that the unemployment dole led to 2–3% loss of potential output annually in the interwar period. Attacking the welfare state in its present or historic form was one means of explaining the 'British sickness.' Despite economists Donald McCloskey and Lars Sandberg's claim in 1971 that "the late Victorian entrepreneur, who started his historiographic career in damnation, is well on his way to redemption," economic historians continued to compare Britain's industrial performance with

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<sup>&</sup>lt;sup>53</sup> Denis Healey speech in the economic debate in *Report of the Seventyseventh Annual Conference of the Labour Party*, 220-1.; The comparisons to other industrial countries is notable given the overwhelmingly negative comparisons drawn by both academics and the government itself. Beyond the Opposition literature, see the Donovan Report, *In Place of Strife*, *An Approach to Industrial Strategy*, and the Labour Party conferences. See also Economic Affairs, 9 November 1978. Parliamentary Debates, Commons, vol 957 (1978), cols. 1211-338.

<sup>&</sup>lt;sup>54</sup> Brittan, "How British is the British Sickness?" 246.
<sup>55</sup> Cmnd 6315 § 1-2.

<sup>&</sup>lt;sup>56</sup> Daniel Benjamin and Levis Kochin, "Voluntary Unemployment in Interwar Britain," v.129 (1979), *The Banker*, Microfilm. Ann Arbor, Mich.: University Microfilms. microfilm reels; 35 mm.; Another iteration of this article would be published in June of that year in *Journal of Political Economy*.

European neighbors.<sup>57</sup> This tendency was strengthened by the movement towards economic union in Western Europe and the possibility of Britain's attachment, which may have ameliorated some of the effects of decline and led to deep rifts in the Labour party.<sup>58</sup> Economic productivity, and industrial productivity in particular, thus became a benchmark by which Britain increasingly fell behind other industrialized nations, and which undergirded its sense of "failure," as discussed further in Chapter 3.<sup>59</sup>

This economic self-diagnosis can be seen in light of a declinist continuum stretching from Andrew Shonfield's *British economic policy since the war* (1958) to Samuel Brittan's *Economic Consequences of Democracy* (1977), Peter Calvocoressi's *The British Experience 1945–75* (1978), and James Alt's *Politics of Economic Decline* (1979). Book titles in the 1970s helped convey the sense of British "sickness" and decline, such as *The Future that Doesn't Work* (1977) and *Is Britain Dying?* (1979), as did the articles cited throughout this chapter, such as "How British is the British sickness?," "Englanditis," and "Overload: Problems of Governing in the 1970s." 60

In addition to the economic discourse of relative decline, there was a corollary of political-economic pessimism. For influential public economic thinkers like Samuel Brittan and Peter Jay, who contributed regularly to the *Financial Times* and the *Times*, respectively, inflation was merely a symptom of a deeper-rooted 'sickness' or 'disease.' Brittan argued that "electorates tend to

<sup>&</sup>lt;sup>57</sup> Donald McCloskey and Lars Sandberg, "From Damnation to Redemption: Judgments on the late Victorian Entrepreneur," *Explorations in Economic History* 9, no. 1 (1979): 89-108. <a href="https://doi.org/10.1016/0014-4983(71)90052-0">https://doi.org/10.1016/0014-4983(71)90052-0</a>, 108.

<sup>&</sup>lt;sup>58</sup> See Stephen Meredith, *Labours Old and New* (Manchester: Manchester University Press, 2008) and Roy Jenkins, *A Life at the Centre* (London: Macmillan, 1991).

<sup>&</sup>lt;sup>59</sup> Jim Tomlinson, "Inventing 'Decline': The Falling behind of the British Economy in the Postwar Years," *The Economic History Review* 49, no. 4 (1996): 731-757. http://www.jstor.org/stable/2597971, 740-1.

<sup>&</sup>lt;sup>60</sup> Peter Jay, "Englanditis" in Emmett Tyrell, Jr., R., ed. *The Future that Doesn't Work* (Garden City, NY: Doubleday & Company, 1977) was a restatement of *A General Hypothesis of Employment, Inflation, and Politics* (1976). Not all books were negative, but the fact that a book such as Bernard Nossiter, ed., *Britain–A Future That Works* (Boston: Houghton Mifflin, 1978) was published in the first place indicates the general sentiment quite well.; Tomlinson notes the wise circulation of these declinist works in the 1960s.; Tomlinson, *Managing the Economy*, 59. <sup>61</sup> Searches for Samuel Brittan, Peter Jay, and Peter Jenkins in Hansard, which contains parliamentary minutes, shows that their articles in *The Financial Times*, *Times*, and *Guardian*, respectively, were widely read and discussed

expect too much from government action at too little costs," and the gap between expectations and reality was most notable when there was a sudden, unexpected shock to progress as in the 1970s.<sup>62</sup> Inflation was simply a manifestation of the more serious underlying problem of social democracy for which Brittan borrowed the language of Joseph Schumpeter to argue that the political arena for voters did not match the economic marketplace for production.<sup>63</sup>

Peter Jay synthesized the 'contradictions of democracy' with the problems of economic decline and industrial strife, uniting the failure of investors, management, excessive government regulation, and taxation with the problem of 'union-monopoly power.' Unions were responsible for driving up the natural rate of unemployment—meaning that even when there is no recession, there are still frictions in the labor market for finding jobs and moving locations to accept new contracts, etc.<sup>64</sup> According to Jay, from cycle to cycle of government decision making, inflation would be built into expectations, thereby lessening the short term benefits of monetary expansion, forcing unions to choose between accelerating inflation without any corresponding increase in the value of output or pricing themselves out of jobs until their monopoly power was effectively eroded.<sup>65</sup> The notion of rising expectations, which was in vogue amongst economists as a means of analyzing postwar British political phenomena, went beyond just Jay. This theory was readopted by Brittan, Nobel-

in the House of Commons.; It important to note that neither Brittan nor Jay were members of the New Right even if their works were "a resource for the New Right."; Roger Middleton, "Brittan on Britain: 'The Economic Contradictions of Democracy' Redux," *The Historical Journal* 54, no. 4 (2011): 1141-1168. http://www.jstor.org/stable/41349636, 1162.

<sup>&</sup>lt;sup>62</sup> Samuel Brittan, "The Economic Contradictions of Democracy," *British Journal of Political Science* 5, no. 2 (1975): 129-159. http://www.jstor.org/stable/193396, 139.

<sup>&</sup>lt;sup>63</sup> Brittan, "The Economic Contradictions of Democracy," 136.

<sup>&</sup>lt;sup>64</sup> Callaghan accepted the idea of the natural rate of unemployment as "an absolute fact of life" in his 1976 Blackpool speech.; James Callaghan, "Leader's speech, Blackpool 1976," *British Political Speech*, http://www.britishpoliticalspeech.org/speech-archive.htm?speech=174.

<sup>&</sup>lt;sup>65</sup> Peter Jay, *A General Hypothesis of Employment, Inflation, and Politics* (Lancing, Sussex: Institute of Economic Affairs, 1976), 18.; See also Keith Joseph's speech "Inflation Retards Growth" on December 14, 1974.; Joseph, *Reversing the Trend*, 34-45.

prize-winning economist James Meade, and among the new generation of economists.<sup>66</sup> Moreover, the Counter-Inflation Publicity Unit, founded in 1975, strongly conveyed the causative role of unions in inflation; though its purpose was to explain how critical the inflation situation was and to forge links between employers and unions to secure combined support for the Social Contract, in the end it legitimated and entrenched through its successful albeit short-lived campaign an anti-union perspective.<sup>67</sup>

Nonetheless, there was no overwhelming desire by any of the prominent intellectuals, even those who would become ardent Thatcherites, to radically upend the existing system of industrial relations in the mid-1970s. Keith Joseph, later an acolyte of Thatcherism, made sure to note that he was not making an "attack on the unions," which were "part of the warp and weft of our society." Instead Joseph sought to make an appeal to unions to address this tension before Britain would reach a point of no return. <sup>69</sup> Moreover, because of the political problems of social democracy and the postwar promises of full employment, voters were not given a choice between continuing this cycle of rising inflation or raising levels of unemployment. <sup>70</sup> This idea of a zero-sum game in which some decisive political moment or crisis would determine the future course of government was an implicit underlying assumption in these theories, and it was increasingly deployed in creating a lexicon of "ungovernability."

Ungovernability could be understood as a crisis of legitimacy, in which the government was unable to deliver on the promises it made. Critics argued that the government took on more and

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<sup>&</sup>lt;sup>66</sup> James Meade, "On Stagflation," *The Listener* (London, England), Thursday, December 14, 1978; pg. 778; Issue 2590.; "Thesis Titles for Degrees in the United Kingdom 1975/76 and 1976/77," *The Economic Journal* 87, no. 345 (1977): 135-142. <a href="http://www.jstor.org/stable/2231839">http://www.jstor.org/stable/2231839</a>.

<sup>&</sup>lt;sup>67</sup> Tomlinson, Managing the Economy, 193, 201, 204-5.

<sup>&</sup>lt;sup>68</sup> Joseph, Reversing the Trend, 53.

<sup>&</sup>lt;sup>69</sup> See ""Stepping Stones" Report (Final Text)," November 14, 1977. Archive (Thatcher MSS). Margaret Thatcher Foundation. Source: THCR 2/6/1248, http://www.margaretthatcher.org/document/111771, 4.3.1.

<sup>&</sup>lt;sup>70</sup> Under these conditions, the government either had to accept higher unemployment or continued cycles of inflation with ever-decreasing returns that would lead to hyper-inflation in the long-run.; Jay, *A General Hypothesis*, 23.

more responsibilities and was therefore accountable to more and more people with the expansion of the welfare state, but its expansion of duties coincided with the decline in its capacity to manage these tasks. To describe this process, political scientist Anthony King used the metaphor of the government as a sorcerer's apprentice: "The waters rise. The apprentice rushes about with his bucket. The waters rise even faster. And none of us knows when, or whether, the magician will come home."<sup>71</sup> The reasons for the government's seeming ineptitude were a complex combination of the inability of the government to intervene in all aspects of the economy, the increased interdependence of the economy as evidenced in the 1974 miners' strike, a failure of the imagination, and the lessening of political authority. The dependence of the state was most clearly seen in the voluntary wage restraint of the Social Contract, though it can also be discerned in its absence: balance of payments problems persisted in part because of the unwillingness of British businessmen to follow the government exhortation to 'have fun' by exporting and in the readiness of British consumers to buy imported automobiles. 72 Thus, King argued that the miners' success "effectively restricted the range of choices open to government," and he captured the mood among contemporary political-economists when claiming that whereas politicians in the past made calculated decisions, in the 1970s they "merely grope."<sup>73</sup>

The discussion of authority needs to be contextualized, however, within a growing recognition by 1970s political scientists that voter *perception* mattered much more than economic or political reality. Regard for the mainstream political parties deteriorated because the "opposition's panaceas had, time and again, proved no better than the muddles being made by those in power."<sup>74</sup> Thus

<sup>&</sup>lt;sup>71</sup> King, "Overload," 286.

<sup>&</sup>lt;sup>72</sup> Richard Rose, "Ungovernability: is there fire behind the smoke?" *Political Studies* 27, no. 3 (1979): 351-370. doi: 10.1111/j.1467-9248.1979.tb01209, 368.

<sup>&</sup>lt;sup>73</sup> King, "Overload," 291, 294.; Rose, "Ungovernability," 368.

<sup>&</sup>lt;sup>74</sup> Butler and Kavanagh, *The British General Election of 1979*, 2.; "With awkward leads and lags, the two parties wheeled in unison to Left and to Right," thereby depriving the public of a choice between different views for the common good.; Samuel Beer, *Britain Against Itself* (New York: W. W. Norton & Company, 1982), 8, 16.

while in 1951 and 1955 only one in twenty-five voters refused to vote Labour or Conservative, by October 1974 one in four did so. The pessimism vis-à-vis politics and doubts about the durability of Britain's two-party system is evidenced in the fact that every year from 1961 to 1979 showed that a plurality of British voters expected the economy to face difficulties. Therefore in an attempt to differentiate their politics from their opponents and change this outlook, hyperbole began to define political debate even though the true gap between parties was not so drastic. This in turn led to political polarization, such that "all sort of people, who scarcely know (or care) what is the difference between a nationalised and a denationalised industry, suddenly become political partisans" over issues that they care about as individuals.

Read within the political-economic framework established by thinkers such as Brittan, Jay, and Jenkins, psephological accounts thus demonstrate that voters, while maintaining their "excessive demands" for provisions by the welfare state, nonetheless expected that politicians would underperform in the political arena.<sup>78</sup> The resultant attempt of politicians to 'outbid' each other without a commitment to the "quantum of resources required to fulfil the programme on which the winning political team has won an election" led to a spiral of increasing indifference to standard political-economic policy solutions.<sup>79</sup> While this explanation alone does not provide a comprehensive account of why people voted for Thatcher, it does provide a legitimate explanation for the intellectual mood on the precipice of the Thatcherite moment.

<sup>&</sup>lt;sup>75</sup> Ivor Crewe, Bo Sarlvik and James Alt, "Partisan Dealignment in Britain 1964-1974," *British Journal of Political Science* 7, no. 2 (1977): 129-190. <a href="http://www.jstor.org/stable/193543">http://www.jstor.org/stable/193543</a>.

<sup>&</sup>lt;sup>76</sup> Butler and Kavanagh, *The British General Election of 1979*, 5.

<sup>&</sup>lt;sup>77</sup> Andrew Alexander, "The poison of power." *Daily Mail* [London, England] 20 Dec. 1976: 6. *Daily Mail Historical Archive*, 1896-2004. Web. 25 Nov. 2017.

<sup>&</sup>lt;sup>78</sup> Denis Healey told the House in 1974: "least in the next few years, the great majority of us cannot expect any appreciable increase in our living standards, and increases in public expenditure will have to be held below the average increases in national output."; Medium-Term Objectives, 12 November 1974. Parliamentary Debates, Commons, vol. 881 (1974), cols. 253-8.

<sup>&</sup>lt;sup>79</sup> Jay, A General Hypothesis, 13.

This 'Thatcherite moment' was essentially the evolution of the New Right, which set out to undo the failures of the Heath-led Conservative Party. 80 Heavily influenced by F. A. Hayek, the New Right was predicated on the principles of laissez-faire economics and the adoption of monetarism, though these ideas did not constitute a fully coherent ideology in the 1970s. 81 Thus it is understandable that Keith Joseph professed to not understanding what Conservatism meant until later in his political career: "It was only in April 1974 that I was converted to Conservatism. (I had thought I was a Conservative but I now see that I was not really one at all)."82 Monetarism offered a way to fight inflation, but even more importantly, it gave Thatcher an ideology through which "the whole party could unite," unlike the fraught years as the Heath experiment came to an end. 83 Thatcher mobilized a reinvigorated declinism, in which unions became "central villains," a much more wholehearted hostility to welfare was espoused, and the importance of macroeconomics particularly as a form of statecraft took precedence.<sup>84</sup> In contrast to the "groping" of the earlier years of the decade, a decisive program predicated on a readily understandable economic basis, however flawed it may have been, provided a viable alternative to the problems politicians both created and suffered from in the political arena.

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Implicit in all the 1970s political-economic models is the notion that the problems of ungovernability or excess demands were uniquely British.<sup>85</sup> Despite frequent comparisons made in economic output and productivity terms to Britain's neighbors, these comparisons stopped when

<sup>&</sup>lt;sup>80</sup> Jim Bulpitt, "The Discipline of the New Democracy: Mrs Thatcher's Domestic Statecraft," *Political Studies* 34, no. 1 (1986): 19-39. <a href="https://doi.org/10.1111/j.1467-9248.1986.tb01870.x">https://doi.org/10.1111/j.1467-9248.1986.tb01870.x</a>, 30.

<sup>&</sup>lt;sup>81</sup> Bulpitt, "The Discipline," 31.; See F.A. Hayek, *The Road to Serfdom* (London: Routledge, 2009).

<sup>82</sup> Joseph, Reversing the Trend, 4.

<sup>83</sup> Bulpitt, "The Discipline," 34

<sup>&</sup>lt;sup>84</sup> Tomlinson, *Managing the Economy*, 71-2.; See Paul Johnson, "A brotherhood of national misery," *New Statesman* 89, Issue 2304 (May 16, 1975): 652-656. ISSN: 0028-6842.

<sup>&</sup>lt;sup>85</sup> "The repeated disappointment of rising expectations has led to a marked loss of faith in politicians' promises."; Conservative Party. "1979 Conservative Party General Election Manifesto," *ConservativeManifest.com*, Accessed 25 September 2017, http://www.conservativemanifesto.com/1979/1979-conservative-manifesto.shtml.

the contradictions of social democracy or the unsustainability of the zero-sum game of monopoly union power was concerned. In other words, there was a prevailing sense that Britain suffered from industrial relations because of its uniquely strong trade union movement that combined with a highly outmoded system of industrial relations incapable of modernization. <sup>86</sup> In her 1983 memoir *The Downing Street Years* Thatcher acerbically noted: "We were all conscious of Germany's economic success. Indeed, we helped create the conditions for it after the war by introducing competition and restructuring their trade unions." Though the system could not be extended to the UK because of the lack of "responsible" trade unions, there was a sense of irony that Britain could help formulate a successful corporatist system for other countries but not their own. <sup>88</sup>

Whatever the actual root causes of the tensions between the Government and trade union leadership and trade union leadership and rank and file members were, the result was that in conjunction with the backdrop of relative economic decline, the Winter of Discontent was perceived as a distinctly British affair. In the winter of 1978–9, Britain saw itself at a decisive moment, one in which its outmoded, distinct industrial system culminated in spectacular apoptosis.

<sup>&</sup>lt;sup>86</sup> Stephen Blank, "Britain's Economic Problems: Lies and Damn Lies," in *Is Britain Dying?* Edited by Isaac Kramnick (Ithaca, NY: Cornell University Press, 1979), 85.

<sup>&</sup>lt;sup>87</sup> Margaret Thatcher, *The Downing Street Years* (New York: Harper Collins, 1983), 94.

<sup>&</sup>lt;sup>88</sup> See Edward Heath, "A Tory View," in *Is Britain Dying?* Edited by Isaac Kramnick (Ithaca, NY: Cornell University Press, 1979), 41-2.

## 2. Constructing the Winter of Discontent

There was I waiting at the Church, waiting at the Church, waiting at the Church.

When I found he'd left me waiting in the lurch, Lor' how it did upset

All at once, he sent me round a note, Here's the very note, this is what he wrote, 'Can't get away to marry you today. My wife won't let me. 1

—Chorus from music hall song quoted by PM Jim Callaghan in speech to Trades Union Congress on September 5, 1978

As Prime Minister, it was James Callaghan's prerogative to choose the date of a general election, provided that it was not more than five years after the previous one. Callaghan, acting in accordance with the political constraints of the weak Labour majority and miscalculations over his influence over the trade unions, decided to defer an early election in autumn 1978 until the next February.<sup>2</sup> Callaghan held off calling the election because opinion polls indicated that the Conservatives would win a majority, or at the least gain "a psychological victory, as in 1951."<sup>3</sup> More significantly, Callaghan failed to call an early election because of, as Labour 'insider' Shirley Williams phrased it, his "tragic over-estimation of his own influence with the trade unions leaders, and of their influence over their members." Specifically, Callaghan's government in July 1978 set the pay policies to limit the pay increases at 5% as a means of "Winning the Battle Against Inflation," as the eponymous White Paper was titled.<sup>5</sup> With inflation still hovering around 8%, the

<sup>&</sup>lt;sup>1</sup> Lyrics from "(THERE WAS I) WAITING AT THE CHURCH," International Lyrics Playground, Accessed 9 January 2018, http://lyricsplayground.com/alpha/songs/t/therewasiwaitingatthechurch.shtml.

<sup>&</sup>lt;sup>2</sup> David Lipsey. *In the Corridors of Power* (London: Biteback Publishing, 2012), 113-4.

<sup>&</sup>lt;sup>3</sup> Peter Dorey, "Should I stay or should I go?': James Callaghan's decision not to call an autumn 1978 general election," British Politics 11 (2016): 95-118. doi: 10.1057/bp.2015.9, 102.; See James Callaghan, Time and Chance (London: Collins, 1987), 516.

<sup>4</sup> Shirley Williams, *Climbing the Bookshelves* (London: Virago, 2010), 248.

<sup>&</sup>lt;sup>5</sup> Cmnd 7293 § 7.

implications of the pay guidelines were price increases outpacing pay rises and therefore a net reduction in real wages. Trade unions were opposed to the proposed fourth round of wage restraints, but they did not make a public pledge to 'take on' the Government over the 5% pay norm, expecting that the pay norm was a pre-election public relations exercise, little more than political "window dressing."

Callaghan did not make it clear to the unions that he did not plan on calling an early election. Rather he gave a somewhat oblique indication at the TUC annual conference two days before he informed his cabinet of his decision by singing the old music hall song quoted in the epigraph above. With hindsight, it appears clear that Callaghan was alluding to Thatcher as the person who would be left 'in the lurch' at the altar, but the unions had interpreted his TUC conference speech as meaning that he would call the early election. Whatever political gratitude Callaghan had earned from TUC members when he opposed *In Place of Strife* was insufficient to overcome the backlash from the rigid 5% pay norm coupled with the elections-timing deception. Moreover, by autumn 1978 Jack Jones of the Transport and General Workers' Union and Hugh Scanlon of the Amalgamated Union of Engineering Workers, two former staunch TUC allies, retired as leaders of their respective unions, and without their authority and influence, trade union willingness to acquiesce with the Government's new pay policy was further weakened.

Callaghan did have some support within the Labour Party, and a number of ministers articulated their support for the government's pay policy during Labour's Annual Conference in Blackpool in October, particularly by appealing to the specter of Thatcherism as an undesirable

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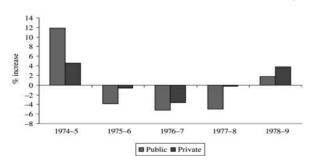
<sup>&</sup>lt;sup>6</sup> Dorey, "Should I stay or should I go?" 107.

When Callaghan announced his decision to call a later election, there was a sense of being "terribly disappointed," "bruised," and "deliberately deceived."; Bernard Donoughue, *Downing Street Diary* (London: Jonathan Cape, 2008), 359-360.; Denis Healey, *The Time of My Life* (London: Michael Joseph, 1989), 462.

<sup>&</sup>lt;sup>8</sup> Healey wrote in his autobiography with reference to Labour's failures after 1979 that "With the retirement of Jack Jones and Hugh Scanlon, the Party lost its ablest supporters in the TUC," leading to a crumbling of the union political base.; Healey, *The Time of My Life*, 468.

alternative. Wage restraint, the familiar devil, was thus pit against the "incalculable monster dreaded more than anything else." Nonetheless, the impassioned retorts against the "old politics and moth-eaten dogma" of wage restraint and in favor of a return to free collective bargaining, won the day. The Conference rejected a resolution calling for cooperation between trade unions and the government on wage restraint passed by 4,017,000 votes to 1,924,000.<sup>10</sup>

Most importantly, however, there was an increasing gulf between national-level trade union leaders and their rank-and-file members at the local level. In part, this was due to the problems discussed in Chapter 1 with respect to the union movement's "defective and outdated organization" that were simultaneously undermanned and underfinanced. There was also a shift from public to private sector workers because the Social Contract was adhered to most carefully in those sectors where bargaining was least fragmented, notably the public services, whose pay thereby fell substantially behind workers in the private sector and in the nationalized industries. This was, in effect, the price that public sector workers paid for a Labour government:



Average annual increase in real wages (%)—private and public sectors. Calculated from OECD Economic Trends and CSO Blue Book, various years.

Chart from Colin Hay, "Chronicles of a Death Foretold: The Winter of Discontent and Construction of the Crisis of British Keynesianism," *Parliamentary Affairs* 63, no. 3 (2010): 446–470. <a href="https://doi.org/10.1093/pa/gsp056">https://doi.org/10.1093/pa/gsp056</a>, 460.

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<sup>&</sup>lt;sup>9</sup> Colin Hay, "Narrating Crisis: The Discursive Construction of the 'Winter of Discontent," *Sociology* 30, no. 2 (1996): 253-277. http://www.jstor.org/stable/42855681, 260.

<sup>&</sup>lt;sup>10</sup> Labour Party, *Report of the Seventyseventh Annual Conference of the Labour Party* (London: Labour Party, 1978), 210.; See in particular Clive Jenkin's and Sylvia Ingerson's speeches.

<sup>&</sup>lt;sup>11</sup> Cmnd 3888 § 67.

<sup>&</sup>lt;sup>12</sup> William Brown, "Industrial relations and the economy," in *The Cambridge Economic History of Modern Britain* vol. 3 edited by Roderick Floud and Paul Johnson. Cambridge: Cambridge University Press, 2008. https://doi.org/10.1017/CHOL9780521820387.017, 413.

Shop stewards and other more 'militant' union officials in the workplace were able to bridge this gulf because of their daily proximity and visibility vis-á-vis shop-floor workers, coupled with their demonstrable ability to secure higher pay increases. By contrast, official, national, leaders were increasingly seen as out of touch and even colluding with Ministers to hold down public workers' wages, "always promising jam tomorrow, but never today." After all, Barbara Castle wrote in 1979 that "we know you voted for us for higher wages and fatter social services, but the sky's the limit until this country has reversed the slow industrial decline by investing more in basic industry." Thus, the Winter of Discontent was not, as is often popularly imagined, precipitated by changes in the attitudes of TUC leaders. 15 Rather, it was a rank-and-file rejection of the strictures of wage restraint.

In its most basic sense, the Winter of Discontent was a direct outcome of the miscalculation in delaying the election and in setting the pay norm at 5%. This rendering of the Winter of Discontent as a challenge to the existing framework of Labour Party governance, driven by the growing schism between trade union leadership and the rank and file, is useful insofar as it explains why the events of October 1978—February 1979 occurred. It does little, however, to explain how labour unrest was represented in the media or how the Winter of Discontent was later understood. For the latter component of analysis, we must turn back to the intellectual ferment in the preceding decade, explore the discourse of crisis, and finally look at the May 1979 election.

The etymology of the term "Winter of Discontent" is decidedly Shakespearean—Gloucester opens Richard III with the line: "Now is the winter of our discontent"—and was popularized by

Dorey, "Should I stay or should I go?" 108.
 Barbara Castle, "A Socialist View," in *Is Britain Dying?* Edited by Isaac Kramnick (Ithaca, NY: Cornell University Press, 1979), 47.

<sup>&</sup>lt;sup>15</sup> Hay, "Narrating Crisis," 260.

Larry Lamb, the editor of *The Sun*. <sup>16</sup> However, some caution ought to be exercised when assigning exact temporal parameters. No one decided to instigate the "Winter of Discontent," per se, and its origins stretch back long before the first strikes set of industrial unrest in motion. Even in picking an end date, there are difficulties. Though a natural endpoint may be February 14, 1979 when the TUC and the government agreed to a concordat, the "winter" in political terms clearly extended to the vote of no confidence on March 28 and the consequent General Election on May 3.

The "Winter of Discontent" can nonetheless be summarized by the following rough timeline: following a strike, the Ford automobile company, somewhat of an industry benchmark, decided in November 1978 to offer its workers a pay increase 17% and accept government sanctions. Sanctions drew widespread criticism, however, and an anti-sanctions amendment was voted on in the House of Commons in December by a slim margin, which in effect deprived the government of any means of enforcing the 5% limit on private industry. Shortly thereafter, drivers working for BP and Esso refused to work overtime in support of raises of up to 40%, and on January 3 an unofficial strike of all Transport and General Workers Union lorry drivers began. The road haulage dispute dragged on through the worst winter weather in decades, "contributing to the impression of a state besieged by unions." On January 10, Callaghan returned from a summit in Guadeloupe and gave a press conference, where he joked about having a swim in the Caribbean in a manner that was uncharacteristically tone-deaf for someone who claimed his communication skills as a core political strength.<sup>18</sup>

<sup>&</sup>lt;sup>16</sup> William Shakespeare, "King Richard III," *Project Gutenberg*, March 7, 2015. http://www.gutenberg.org/cache/epub/1103/pg1103.html. Act 1, Scene 1, Line 1.; James Thomas, Popular Newspapers, The Labour Party and British Politics (New York: Routledge, 2005), 84.; The winter of 1979 was particularly cold.; "UK Minimum Temperature (Degrees C)," MetOffice, Accessed October 25, 2017. https://www.metoffice.gov.uk/pub/data/weather/uk/climate/datasets/Tmin/date/UK.txt.

<sup>&</sup>lt;sup>17</sup> Hay, "The Winter of Discontent Thirty Years On," 547.

<sup>&</sup>lt;sup>18</sup> James Callaghan, "Jim Callaghan Press Conference 1979," January 10, 1979. YouTube video, 2:39. Posted December 28, 2010, https://www.youtube.com/watch?v=dX06xqN6710.; Stephen Meredith, "The Oratory of James Callaghan: 'We used to think that you could spend your way out of a recession..." in Labour Orators from Aneurin

With many in the private sector having achieved substantial raises, public sector unions became increasingly concerned about keeping pace with wage increases, especially because over the previous five years the Social Contract had acted as "a very effective means of redistribution from public to private sector workers." January 22, 1979 was the biggest individual day of strike action since the General Strike of 1926, with an estimated 1.5 million public sector workers walking off their jobs. After another month of industrial unrest, the TUC General Council negotiated and agreed to a concordat on February 14.<sup>20</sup>

January and February 1979 saw the height of the media's sensationalized reporting, and a few episodes in particular, such as the waste collector's and gravediggers' strikes captured the public's attention.<sup>21</sup> A retrospective report, entitled *A Cause for Concern*, by the TUC Media Group in June 1979 found that the "unending series of attacks and abuses [against trade unions], which exceeded the experiences and expectations of even the most seasoned media watchers."<sup>22</sup> An implicit bias thus manifested itself in the media's fixation on industrial disputes instead of conflict resolution and unions' voluntary efforts to restrict the impact of their industrial action on families, patients, and essential supplies and services. While commentators showed the most sympathy for striking nurses, who were given the chance to present a human element to their claims by detailing their pay, work, and living conditions, for most sectors newspapers simply stated the percentage claims for increased wages, divorced from any concrete figures on how much the original wages were.<sup>23</sup>

*Bevan to Gordon Brown*, edited by Andrew Crines and Richard Hayton (Manchester: Manchester University Press, 2013), <a href="http://clok.uclan.ac.uk/11234/5/5974">http://clok.uclan.ac.uk/11234/5/5974</a> Meredith.pdf.; Healey, *The Time of My Life*, 463.

<sup>&</sup>lt;sup>19</sup> Hay, "The Winter of Discontent Thirty Years On," 549.

<sup>&</sup>lt;sup>20</sup> Joint Statement by the TUC and the Government, "The Economy, the Government, and Trade Union Responsibilities," *The Industrial Law Journal* 8, no. 2 (1979): 114-117. http://heinonline.org/HOL/P?h=hein.journals/indlj8&i=130.

Members of the punk rock band Sex Pistols recounted in the opening of their 'rockumentary' "a garbage strike that went on for years and years and there was trash piled ten-foot high."; *The Filth and the Fury*, Film, Directed by Julien Temple (2000; New Line Home Video, 2000), DVD.

<sup>&</sup>lt;sup>22</sup> TUC Media Group, A Cause for Concern (London: TUC Publications, 1979), 5.

<sup>&</sup>lt;sup>23</sup> TUC Media Group, A Cause for Concern, 12, 26, 19.

Moreover, "the hypothetical" became news, such as in the case of the gravediggers' strike when Dr. Duncan Bolton, the medical officer of Liverpool, suggested that burial at sea would be considered *if the strike continued for months*. This was an unlikely scenario, but that did not prevent the *Daily Mail* from running the famous headline "THEY WON'T EVEN LET US BURY OUR DEAD." By making this the salient aspect of the story, the newspaper's view of unions "refusing" to bury the dead unless their wage increase were met is readily apparent. This headline was only one of many where the editorial view came through despite supposedly impartial reporting of facts, with the sense of crisis heightened by the vitriol in news editorials and the preponderance of reporting on more extreme views because they were more "newsworthy." Having anti-union stories in the press spilled over into broadcasting and vice-versa, in part because of the rarity of exclusive stories and the difficulty of disentangling supposedly impartial news from the sensational stories presented by other media competitors. <sup>25</sup>

A Cause for Concern presciently identified the increasingly conservative editorial slant in news publications, in part due to the meteoric rise of *The Sun*: in 1970 the *Sun* held 10% of the market and 28% in 1979.<sup>26</sup> Robert Murdoch's *Sun* remained vaguely on the center-left throughout the early part of the 1970s, and did not initially support Thatcher; it was the *Sun* that coined the phrase "Maggie Thatcher, Milk-Snatcher" when she was Secretary of State for Education and Science, dubbing her the most unpopular woman in Britain.<sup>27</sup> It was only in 1976 that the paper's tone against Labour hardened as it denounced the Labour left, led by Tony Benn, even if this did not incline the paper to the Conservatives. On May 9, 1978 the *Sun* officially became Britain's most popular daily, with the paper announcing its first explicit change of political affiliation two months

<sup>&</sup>lt;sup>24</sup> *Mail* 1 February 1979.

<sup>&</sup>lt;sup>25</sup> TUC Media Group, A Cause for Concern, 16.

<sup>&</sup>lt;sup>26</sup> TUC Media Group, A Cause for Concern, 13.

<sup>&</sup>lt;sup>27</sup> Sun 3 February 1975. Supposedly these insults reduced Thatcher to tears.; Thomas, *Popular Newspapers*, 74.

earlier. The driving force behind the right shift coming from editor Larry Lamb, who often met with Thatcher and other Conservative leaders, flattering them in turn for access to inside political information and gossip, and in 1980 Thatcher obtained a knighthood for Lamb.<sup>28</sup>

While the Sun was slow to come around to Thatcher, the Mail was anxious to get rid of the Labour Government and to support Thatcher as it had in 1975, seeing as both appealed to a "middle class seeking to reverse their apparent 'decline and fall' in the 1970s in the face of an over-mighty state and an increasingly militant and powerful Labour movement."<sup>29</sup> The culmination of the "ratcheting," to borrow Keith Joseph's word, rightwards of news coverage manifested itself in the Sun's "CRISIS? WHAT CRISIS?" headline, a paraphrase that was soon being reported as a direct quote.<sup>30</sup> Therefore, between 1979 and 1992 roughly 70% of the press supported the Conservatives while only around 30% supported Labour. 31 Additionally, instead of dedicating most space to positive coverage of a paper's favored party, papers shifted a stance in which roughly two-thirds of coverage attacked opponents instead.<sup>32</sup> Each individual event was presented as part of a wider picture of the "utter bankruptcy of an ungovernable, union-dominated and over-extended state form unable even to guarantee the most basic needs of its citizens."<sup>33</sup>

The political scientist Colin Hay wrote his seminal paper "Narrating Crisis" (1996) on the discursive construction of the Winter of Discontent as a moment of "crisis." According to Hay, the industrial unrest was transformed into "a strategic moment in the transformation of the British state" through the implicit linking of primary narratives of 'newsworthy events' such as the trash

<sup>&</sup>lt;sup>28</sup> Thomas, *Popular Newspapers*, 76-7.; Sun 1, 4 March 1978.

<sup>&</sup>lt;sup>29</sup> The *Mail* was the only major paper to support Thatcher in 1975, and the editor David English became one of Thatcher's closest and most reliable Fleet Street friends.: Thomas. Popular Newspapers, 77.

<sup>&</sup>lt;sup>30</sup> Sun 11 January 1979.; The expression had originated in the Mail two days prior.; Hay, "Narrating Crisis," 270.

<sup>&</sup>lt;sup>31</sup> James Thomas, "Bound in by history': The Winter of Discontent in British politics, 1979–2004," Media, Culture & Society 29, no. 2 (2007): 263–283 doi: 10.1177/0163443707074257, 274.

<sup>32</sup> Thomas, "Bound in by history," 274.
33 Thomas, "Bound in by history," 269.

in Leicester Square or the dead left unburied.<sup>34</sup> This transformation allowed, as Hay argues, for more than just a governmental shift in power in 1979: "the New Right proved itself capable of changing, if not the hearts and minds of the electorate, then certainly the predominant perceptions of the political context." According to Hay's analytic framework, based on philosopher Louis Althusser's work, readers of media accounts interpretatively 'hail' themselves as dramatis personae. 36 Readers were asked to imagine that they too could not bury a loved one, that their sick children would not be cared for, that their government was being held ransom by industrial chaos, or that they may face a food shortage, to name a few examples.<sup>37</sup> Beyond the gripping headlines that "coerced" the readers into their interpellative roles about specific events, a meta-narrative was constructed through mutually reinforcing headlines presented side by side in a given issue and over time.<sup>38</sup> This secondary mediation meant that the direct agent was replaced by an abstraction as a new and more generic agency and causality was attributed, namely that the unions were holding the country hostage.<sup>39</sup> Thus, as far as anti-unionism constitutes an ideology, Hay is justified in asserting that these narratives presented the contradictions and failures of the existing political-economic system as symptomatic of a more general condition of crisis. 40

<sup>&</sup>lt;sup>34</sup> Hay, "Narrating Crisis," 254.

<sup>35</sup> Hay, "Narrating Crisis," 254.
36 See Louis Althusser, "Ideology and Ideological State Apparatuses," in *Lenin and Philosophy and Other Essays*, trans. Ben Brewster (Paris: Monthly Review Press 1971), https://www.marxists.org/reference/archive/althusser/1970/ideology.htm.

<sup>&</sup>lt;sup>37</sup> In sequence for the examples given: *Mail* February 1, 1979 headline read "They Won't Even Let us Bury our Dead."; The Sun ran "Angry mums rolled up their sleeves and went into action yesterday against hospital strikers threatening the safety of their sick children" on February 1. The Mirror featured "Britain is being held to ransom as industrial chaos grip the country" on January 18, and a week earlier: "Things will get worse. Food will rapidly disappear from supermarket shelves and millions of workers will be in danger of losing their jobs — Healey prediction." Also on January 12, the Sun headlined "Famine threat supermarket shelves could be empty in ten days." <sup>38</sup> Hay, "Narrating Crisis," 264, 266.

<sup>&</sup>lt;sup>39</sup> For example, *The Sun* replaced its usual Page Three 'Girl' on 15 January 1979 for the first time due to the fact that it "really is a crisis." Quoted in Hay, "Narrating Crisis," 268.; See also "Retreat from siege," Economist [London, England 20 Jan. 1979: 11+. The Economist Historical Archive, 1843-2013. Web. 7 Jan. 2018.

<sup>&</sup>lt;sup>40</sup> Hay, "Narrating Crisis," 254.

It did not matter that the number of stoppages in January and February 1979 were considerably lower than the average monthly total of previous years or that the number of days lost to the industrial unrest in the Winter of Discontent fell far short of the number of days lost through injuries, accidents, or sickness; ironically, the largest number of days lost to industrial disputes in 1979 came under Thatcher due to the engineering strike. <sup>41</sup> Moreover, the relative stability in the financial markets over the Winter of Discontent indicates that the City believed that the economy remained strong in spite of the at times apocalyptic portrayal of the country: the Financial Times Share Index closed at 470.9 on December 29, 467.7 on January 31, and 481.8 on February 28. <sup>42</sup> In fact, it was the media's coverage of "hypothetical" scenarios was what led to some cases of panic buying, thus adding weight to the TUC Media Group's claims that the media, not the unions, were actually responsible for the shortages in early and mid-January. <sup>43</sup>

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Within this context of an "ungovernable" state, held hostage by unions, Thatcherism emerged as a viable alternative to the existing political system, offering something different from the previous "blundering about in the dark" of politicians throughout the better part of the 1970s.<sup>44</sup> This is not to say that contemporary observers necessarily thought that Thatcher would actually carry out a revolutionary break with the postwar politics, and Thatcherism continued to evolve well into the 1980s.<sup>45</sup> While there was a "certain coherence" about free market politics throughout

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<sup>&</sup>lt;sup>41</sup> TUC Media Group, A Cause for Concern, 8-9.; Thomas, Popular Newspapers, 80.

<sup>&</sup>lt;sup>42</sup> The range for the index during the previous two years was from less than 430 to 540.; TUC Media Group, *A Cause for Concern*, 10.

<sup>&</sup>lt;sup>43</sup> TUC Media Group, A Cause for Concern, 27.

<sup>&</sup>lt;sup>44</sup> Margaret Thatcher, *The Downing Street Years* (London: Harper Collins, 1993), 15.

<sup>&</sup>lt;sup>45</sup> "The election of Mrs. Thatcher as Party Leader seemed to signal the resolution of this conflict in favour of what are often called the monetarists.... The result has, however, been more ambiguous than this litany of names suggests. The Party has by no means turned to control of the money supply to the exclusion of wage restraint."; Michael Moran, "The Conservative Party and the Trade Unions since 1974," *Political Studies* 27, no. 1 (1979): 38-53. <a href="https://doi.org/10.1111/j.1467-9248.1979.tb01186.x">https://doi.org/10.1111/j.1467-9248.1979.tb01186.x</a>, 47.; It was only after the 1983 General Election, when privatization and deregulation became key parts of a recognizable tone and set of recommendations.

the 1970s, the avoidance of detail in Conservative policies in the late 1970s "fitted in with a new modesty about what government could actually do to solve problems," as British political scientist Dennis Kavanagh wrote. <sup>46</sup> In part, this was due to the free-marketeers' general distrust of government activity, but it was also due to the manner in which Thatcher needed to maintain her authority as leader of the Opposition. <sup>47</sup>

Following the October 1974 election, there was a vacuum in leadership and when Thatcher won on the second ballot on February 11, 1975 she was "very much an intruder." As one astute commentator put it: "the choice was a surprising one and can be taken as an indication that 'things' were seriously wrong." The task ahead of the newly-elected leader was not only difficult on a party-political level because of the Heath loyalists and those who did not share Thatcher's individualist, free market dogma, but also because the 1974 election dissipated the notion that Conservatives were more competent administratively than Labour. So

To deal with the purported threat of socialism as a challenge to economic and political freedom, Thatcher and Keith Joseph—who played a major role in shaping the intellectual atmosphere as head of the research and policy development division—argued that Conservatives had to prevent further political drift leftwards. This drift resulted, as Keith Joseph saw it, from the ratcheting effect of Labour increasingly moving left and Conservatives accepting this benchmark as enshrined by 'consensus.' Yet, despite the image of divisiveness associated with her insistence on ideology and "capital C" Conservatism over strict political pragmatism, Thatcher's shadow cabinet

<sup>&</sup>lt;sup>46</sup> Dennis Kavanagh, *Thatcherism and British Politics* (Oxford: Oxford University Press, 1987), 107.; David Butler and Dennis Kavanagh, *The British General Election of 1979* (London: Macmillan, 1980), 77.

<sup>&</sup>lt;sup>47</sup> Kavanagh, *Thatcherism*, 107.

<sup>&</sup>lt;sup>48</sup> Butler and Kavanagh, *The British General Election of 1979*, 61, 64.;

<sup>&</sup>lt;sup>49</sup> Jim Bulpitt, "The Discipline of the New Democracy: Mrs Thatcher's Domestic Statecraft," *Political Studies* 34, no. 1 (1986): 19-39. <a href="https://doi.org/10.1111/j.1467-9248.1986.tb01870.x">https://doi.org/10.1111/j.1467-9248.1986.tb01870.x</a>, 28.

<sup>&</sup>lt;sup>50</sup> Butler and Kavanagh, *The British General Election of 1979*, 73.

continued to be dominated by Heath's former colleagues.<sup>51</sup> Her insistence on political caution is evidenced by the fact that the conservative frontbench did not oppose the British Leyland and Chrysler rescues, not did it wage war against closed shop policies, that monetarists considered a major cause of non-competitiveness, unemployment, and slow economic growth.<sup>52</sup>

Conservative policy was also shaped by external stimuli and political inertia. When Labour was able to successfully roll back inflation, Conservatives were at a disadvantage on the main socio-economic issues of prices, handling of unions and unemployment, and on welfare questions. The trajectory of Conservative policy on industrial relations after 1945 could be summarized by the rise and fall of voluntary wage restraints. After the humiliation of 1974, Conservative policy makers found solutions in two different approaches. The first of which was to revive the 19<sup>th</sup>–century tradition of individualism, which rejected free collective bargaining and closed shop unionism. The other strand of thought within the Conservative Party stressed the importance of the bargaining process especially for nationally organized trade unions and employers' organizations. Despite employing the language of individualism, Thatcher presided over the Conservative shift to the latter approach leading up to the Winter of Discontent in an attempt to avoid another "Who governs?" conflict. 53

However, Thatcher's caution gave way due to two main causes. In spite of soaring inflation and unemployment, the IMF packages and public expenditure cuts, Labour had improved its political position, and yet public opinion remained on and even moved to the right, particularly with regards to immigration, crime, tax reductions, and the fight against waste in the public

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<sup>51</sup> Kavanagh, Thatcherism and British Politics, 110-111.

<sup>52</sup> Butler and Kavanagh, *The British General Election of 1979*, 67.; Kavanagh, *Thatcherism*, 108.

<sup>&</sup>lt;sup>53</sup> Moran, "The Conservative Party and the Trade Unions since 1974," 52.

sector. <sup>54</sup> More importantly, however, Thatcher's rhetorical shift occurred because relative economic decline had undermined established political leaders and political and economic ideas. The decline of Callaghan's Labour party provided the New Right with an opportunity to assert itself, in line with advertising company Saatchi & Saatchi's recommendations laid out in its 1977 "Stepping Stones" report on the Conservatives main communication problems.

In addition to calling for a "sea-change in Britain's political economy," the "Stepping Stones" report urged Conservatives to stress the link between "the union movement sufficiently closely" to the Labour Party and "thus show the public that, far from being able to control and "get on with the unions", the Labour party is itself dictated to, by them." The danger for a Tory government, therefore, would be to reach a "satisfactory" relationship with union leaders while failing to change the "underlying industrial arithmetic," which though disguised by the North Sea Oil revenue, did not change the underlying fact that Britain was "becoming an under-capitalised, under-developed country whose political expectations make it impossible to bootstrap our economy back to west European status." Seasch as Saatch events, it is clear that Thatcher heeded the recommendations of the Saatch & Saatch events by uniting the discourses of industrial unrest and relative economic decline once given the chance.

Ultimately, the main boost to Thatcher was the unravelling of Labour's claim that it alone could work with the unions, which was "shown to be hollow by the spectacle of union members openly contemptuous of agreements and spurning the instructions of leaders and the exhortations of Labour ministers." While Labour publicly floundered, Thatcher seized the narrative in a

<sup>&</sup>lt;sup>54</sup> Butler and Kavanagh, *The British General Election of 1979*, 82.; ""Stepping Stones" Report (Final Text)," November 14, 1977. Archive (Thatcher MSS). Margaret Thatcher Foundation. Source: THCR 2/6/1248, http://www.margaretthatcher.org/document/111771, 4.3.2.

<sup>55 &</sup>quot;Stepping Stones," 6.2.

<sup>&</sup>lt;sup>56</sup> "Stepping Stones," 4.2.3.1.; 6.2.2.2.; 2.3.4.

<sup>&</sup>lt;sup>57</sup> Butler and Kavanagh, *The British General Election of 1979*, 85.; See Thatcher, *Path to Power*, 419-30 for her account of the Winter of Discontent.

crucial party political address on January 17, 1979, in which she framed the country as "under siege" by picketers who brought "the country to its knees." Using this national "crisis," Thatcher proposed industrial reforms to amend picketing laws and the closed shop, to democratize union processes, and to restrict vital services from striking. On one level, Thatcher clarified a position that substantiated the New Right's return to the individualist tradition of industrial relations. On another level, Thatcher rhetorically united the nation as "not just one party or even one government" against the rotten trade unionists, who did not speak for the majority of union members. In other words, Thatcher explicitly linked anti-unionism to economic sclerosis, while simultaneously suggesting a legislative agenda that would counter this ever-worsening crisis.

Returning to the previous discussion of Colin Hay's interpellative framework, anti-unionism *did* constitute a coherent ideology, but only after Thatcher qualified it as an economic and political remedy in her party political broadcast. Henceforth, the "messy patchwork" of the negative body of ideas that was defined more by what it opposed rather than by a specific set of policies, could be succinctly summarized, unilaterally cementing a Conservative position despite the divergent strands of thought in the Party.<sup>60</sup> Thatcher's response on January 17 to the Winter of Discontent thus laid the framework for resolving the incoherence within the Conservatives' own union policy more so than any radical rethinking of the matter.<sup>61</sup>

In spite of the failure of Labour and TUC leadership in bringing the Winter of Discontent to an early end, the 1979 Labour manifesto maintained the promise of a "strong, fair, and more just

<sup>&</sup>lt;sup>58</sup> Margaret Thatcher, "Conservative Party Political Broadcast (Winter of Discontent)," Margaret Thatcher Foundation. Source: Thatcher Archive: CCOPR 71/79, <a href="https://www.margaretthatcher.org/document/103926">https://www.margaretthatcher.org/document/103926</a>.

Thatcher, "Conservative Party Political Broadcast (Winter of Discontent)."
 Moran, "The Conservative Party and the Trade Unions since 1974," 44.

<sup>&</sup>lt;sup>61</sup> Robert Saunders, "'Crisis? What crisis?' Thatcherism and the seventies," in *Making Thatcher's Britain*, ed. Ben Jackson and Robert Saunders (Cambridge: Cambridge University Press, 2012), 40.; Within the framework of monetarism, the New Right blamed the unions for their indirect role in causing inflation via their effects on the level of unemployment and responsibility for a whole range of other ills.; Tomlinson, *Managing the Economy*, 73, 204.

society" in contrast to their inheritance of "a Britain in crisis" in 1974 after the Conservative's policies that "failed so badly." With the memory of the Winter of Discontent so fresh, however, the allusions to the three-day week and the runaway inflation of the early 1970s had less resonance than the industrial strife of the last winter, in which the Conservatives claimed, "confidence, self-respect, common sense, and even our sense of common humanity were shaken." In the General Election manifesto, Thatcher promised to restore "a once great nation that has somehow fallen behind." In this new paradigm, it was the lack of growth in production, rigid pay control, high marginal rates of taxation, and the extension of trade union power and privileges that had allowed the "crippling industrial disruption." The link between economic decline and industrial strife could hardly be more explicitly articulated.

The Winter of Discontent could not have come, perhaps, at a better moment for the Conservative movement. In February 1979, a new cohort of young voters would be able to vote for the first time, presumably for Labour. Before the Labour Party repudiated the 5% pay norm at the Blackpool conference, it seemed as if Callaghan may well have made the right decision to defer the election to a time when he was more confident of securing a stronger majority. Instead, it was Thatcher who benefitted from the opportunity to resolve the incoherence within the Conservatives' union policy and begin implementing a new paradigm. By uniting the erstwhile distinct threads of relative economic decline and Britain's intractable industrial problems, Thatcher retrospectively assigned a coherent discourse of the 1970s.

<sup>&</sup>lt;sup>62</sup> Labour Party, "The Labour Way is the Better Way," *Politics Resources*, 22 October 2012, http://www.politicsresources.net/area/uk/man/lab79.htm.

<sup>&</sup>lt;sup>63</sup> Conservative Party, "1979 Conservative Party General Election Manifesto," *ConservativeManifest.com*, Accessed 25 September 2017, http://www.conservativemanifesto.com/1979/1979-conservative-manifesto.shtml.

<sup>&</sup>lt;sup>64</sup> Conservative Party, "1979 Conservative Party General Election Manifesto."

<sup>&</sup>lt;sup>65</sup> Conservative Party, "1979 Conservative Party General Election Manifesto."

## 3. The Ghost of Winters Past

Everything we wished to do had to fit into the overall strategy of reversing Britain's economic decline, for without an end to decline there was no hope of success for our other objectives.<sup>1</sup>

— Margaret Thatcher, *The Downing Street Years* (1993)

The widely-accepted notion of the 1970s as a period of relative decline was determined by the academic discourse among economists and economic historians, thereby providing a ready-made discourse of decline that could be used to discount postwar failures in political-economic governance. In essence, the idea that Britain was lagging took on a hegemonic status in the political-economic discourse, allowing criticisms of unions and inflationary policies to take on not just an ideological dimension but also one that reiterated and further publically cemented the qualitative and quantitative economic discourse. Though these discussions were not focused on the specific moment of the Winter of Discontent, their retrospective casting of the 1970s and of the postwar era more generally provided grounds for debate between the competing economic paradigms of monetarist, 'small-state' neoclassicism and neo-Keynesianism.

The economic literature on Britain's '100-year' decline from its height in the late Victorian era is rife with accusations, many pointing to the struggles of the 1970s as a "culmination" of long-run failures in the market structure and incentives for British entrepreneurs. The economic performance in the 1970s, it will be recalled from Chapter 1, was not categorically poor, least of all when considered in an international perspective. Nonetheless, the onset of stagflation led contemporaries to bemoan the death of the Keynesian economic paradigm that had dominated

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<sup>&</sup>lt;sup>1</sup> Margaret Thatcher, *The Downing Street Years* (London: Harper Collins, 1993), 15.

since 1945, while the Winter of Discontent represented the breaking point, when the failures erupted into a series of strikes during a particularly cold winter.<sup>2</sup>

Declinism has "periodically been reinvented in relation to differing current concerns," as the economic historian Jim Tomlinson observes, with a general pattern of narratives initiated in the political arena, taken up by historians only to be followed in turn by other historians' rebuttals of such arguments. This pattern is clear in the historiography of the 1870–1914 period, the inter-war years, and for the postwar period, when declinism reached its apogee, especially during and since the Thatcher government, when the competing economic paradigms of Keynesianism and "neoclassicism," as espoused by Thatcherism, dominated the discourse.<sup>3</sup>

To understand how declinism was constructed in the immediate aftermath of the Winter of Discontent and then later mobilized in political memory, it is useful to begin with the original arguments about entrepreneurial failure, which are best summarized by historian David Landes: "the Britain of the late nineteenth century basked complacently in the sunset of economic hegemony.... They worked at play and played at work." Another strain of the "prosecution" against British capitalists was that they failed to make the necessary investments in 1. production facilities large enough to achieve cost advantages of scale and scope, 2. product-specific marketing, distribution, and purchasing networks, and 3. recruiting and organizing managers for supervising

<sup>&</sup>lt;sup>2</sup> See for example Robert Skidelsky, ed., *The End of the Keynesian Era* (New York: Holmes and Meier, 1977).

<sup>&</sup>lt;sup>3</sup> Jim Tomlinson, "Inventing 'Decline': The Falling behind of the British Economy in the Postwar Years," *The Economic History Review* 49, no. 4 (1996): 731-757. <a href="http://www.jstor.org/stable/2597971">http://www.jstor.org/stable/2597971</a>, 731.; idem, "Thrice Denied: 'Declinism' as a Recurrent Theme in British History in the Long Twentieth Century," *Twentieth Century British History* 20, no. 2 (2009): 227–251. <a href="https://doi.org/10.1093/tcbh/hwp019">https://doi.org/10.1093/tcbh/hwp019</a>.; As Tomlinson argued, declinism allowed Thatcher to shift blame for unemployment away from current policies and onto past errors.; idem, "Mrs Thatcher's Macroeconomic Adventurism, 1979–1981, and its Political Consequences," *British Politics* 2, no. 1 (2007): 3-19. <a href="https://doi.org/10.1057/palgrave.bp.4200038">https://doi.org/10.1057/palgrave.bp.4200038</a>.

<sup>&</sup>lt;sup>4</sup> David Landes, *The Unbound Prometheus* (Cambridge: Cambridge University Press, 1969), 336.; Derek Aldcroft formulated the critique as: "The British entrepreneur was obsessed with short-run possibilities and when things became difficult he took the line of least resistance and did not stop to consider the long-run implications of his actions.; Derek Aldcroft, "Technological performance and British entrepreneurs, 1875–1914," *Business History* 8, no. 2 (1966): 122-139. <a href="https://doi.org/10.1080/00076796600000020">https://doi.org/10.1080/00076796600000020</a>, 134.

and coordinating functional activities and allocating resources for future production and distribution. At least, this was the failure according to the immensely influential framework developed by the business historian Alfred Chandler, articulated most fully in *Scale and Scope* (1990).<sup>5</sup> In essence, Chandler espoused an "institutionalist" critique of British failure, in which businesses' short-termism prevailed, which alternately led to calls for increased state intervention and for empirical challenges to the benefits of the 'visible hand.' While these debates appear on the surface to be different from those presented in the 1970s, they actually reflect the underlying discourse that pitted neoclassicism and monetarism against neo-Keynesian demand-side stimulation and supply-side planning.

The interwar period had important ramifications for the way policy makers sought to address the issues of stagflation in the 1970s and recessionary spells in the 1980s that were exacerbated by de-industrialization. One economist in a survey of the economic literature on the interwar summed up the declinist view of the interwar years as "an interlude in Britain's inevitable decline from its pinnacle of world power." Interwar tariff protections and business cartels to set prices may have had short-term benefits in keeping industries afloat, but as neoclassical economists were

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<sup>&</sup>lt;sup>5</sup> Alfred Chandler, *Scale and Scope: The Dynamics of Industrial Capitalism* (Cambridge, MA: Harvard University Press, 1990).; idem, *Strategy and structure* (Cambridge, MA: MIT University Press, 1962).

<sup>&</sup>lt;sup>6</sup> David Teece, "The Dynamics of Industrial Capitalism: Perspectives on Alfred Chandler's Scale and Scope,"

Journal of Economic Literature 31, no. 1 (1993): 199-225. http://www.jstor.org/stable/2728154.

<sup>7</sup> Jim Tomlinson, "De-industrialization Not Decline: A New Meta-narrative for Post-war British History." *Twentieth Century British History* 27, no. 1, (2016): 76–99. https://doi.org/10.1093/tcbh/hwv030.

Barry Eichengreen, "Unemployment in Interwar Britain: New Evidence from London," *The Journal of Interdisciplinary History* 17, no. 2 (1986): 335-358. <a href="http://www.jstor.org/stable/204769">http://www.jstor.org/stable/204769</a>.; Patrick O'Brien, "Britain's Economy between the Wars: A Survey of a Counter-Revolution in Economic History." *Past & Present* 115 (1987): 107-130. <a href="http://www.jstor.org/stable/650841">http://www.jstor.org/stable/650841</a>, 107. David Landes' *Prometheus Unbound* (1969) traced Britain's "peculiarly poor performance" in the 1920s to interindustry structural deficiencies, such that the economy did not shift resources away from older, declining branches fast enough. This is in sharp contrast to H. W. Richardson, who wrote his well-known but controversial revisionist thesis two years before and asserted that the British economy escaped from its 'overcommitment' to the old Victorian staple export industries (coal, cotton etc.) while recovering rapidly through switching resources to a development block of new industries (motor vehicles, electrical engineering etc.) in response to adverse developments in the world economy the 1930s.; H. W. Richardson, *Economic Recovery in Britain: 1932-1939* (London: Weidenfeld & Nicolson, 1967). Later research has more or less vindicated Landes' conclusion, if not adopting his entrepreneurial failure criticism.

more than eager to point out, they also entailed adverse long term consequences in terms of international competitiveness. Moreover, while competition in Britain's export markets had grown more intense, levels of unionization had risen, meaning that the labour market grew more structured and, there was reason to think, less flexible, a fact that would in turn determine Britain's increasingly fissiparous industrial relations.

A distinctly classical economic revisionist trend that emphasized the benefits of free market enterprise was revitalized in the aftermath of the Winter of Discontent, led by Stephen Broadberry and Nicholas Crafts. Broadberry and Crafts contrasted the policy failures in the 1930s to a favorable assessment of the legislative program of the 1980s, and though they had reservations about some of Thatcher's specific policies, Broadberry and Crafts concluded that on the whole, these policies were likely to have been a helpful redirection from the point of view of long-run growth. Alternatively, as per Sean Glynn and Alan Booth (1975), the government was unable to effectively solve the intractable interwar unemployment problem because policy makers sought easy answers for a complex of frictional, structural, cyclical, seasonal and social factors problem that actually necessitated a wide range of ad hoc regional industrial measures. Therefore, while Keynesian demand-side management may have worked for the "old" industries, for the "new" industries, *laissez faire* would have been preferable, suggesting the limited success to be had in

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<sup>&</sup>lt;sup>9</sup> See Barry Eichengreen, "The British economy between the wars," in *The Cambridge Economic History of Modern Britain* vol. 2 edited by Roderick Floud and Paul Johnson (Cambridge: Cambridge University Press, 2008). https://doi.org/10.1017/CHOL9780521820370.013.

To Stephen Broadberry and Nicholas Crafts, "The impact of the depression of the 1930s on productive potential in the United Kingdom," *European Economic Review* 34 (1990): 599-607. <a href="https://doi.org/10.1016/0014-2921(90)90132-I">https://doi.org/10.1016/0014-2921(90)90132-I</a>.

Alan Booth and Sean Glynn, "Unemployment in the Interwar Period: A Multiple Problem," *Journal of Contemporary History*, 10 (1975): 611-636. doi: 10.1177/002200947501000404, 611.; Sweeping declinist condemnations of the inter-war economy have given way to much more nuanced accounts, where responses to the slump are seen as much more measured and sensible than was once the fashion to concede in narratives of the 'Devil's Decade'.; Tomlinson, "Thrice Denied," 234.

adopting one hegemonic economic paradigm. <sup>12</sup> Drawing the most academic debate, however, was Daniel Benjamin and Levis Kochin's research that found that the dole was responsible for the persistence of interwar unemployment: "The army of the unemployed standing watch in Britain at the publication of [Keynes's] *General Theory* was largely a volunteer army." <sup>13</sup> As one survey of the literature put it less severely, all of these critiques cumulatively suggest that unemployment insurance system was only part of the story. <sup>14</sup> What the discussion of interwar unemployment therefore reveals is that unlike in the "institutionalist" critiques, wherein a well-run state could conceivably have organized industry better than the atomistic individuals to prevent Britain's long-run problems Britain, the challenges of unemployment offered no such panacea. Perhaps it is for this reason that whereas a consensus has more or less coalesced around the problems in industry and services, much more uncertainty remains with respect to unemployment.

The postwar debate benefitted from a much more reliable data, and in particular Agnus Maddison's data helped economists distinguish crucially between relative and absolute decline in economic growth and industrial productivity. <sup>15</sup> In conjunction with Moses Abramovitz's influential "catch-up" theory—economic backwardness carries a potential for rapid advance, subject to "social capabilities"—economists sought to frame the postwar era as a failure to improve social capabilities and invest in the capital formation necessary to ensure that Britain could keep pace with her European neighbors, to say nothing of the US. <sup>16</sup>

<sup>&</sup>lt;sup>12</sup> Sean Glynn and Alan Booth, "Unemployment in Interwar Britain: A Case for Re-Learning the Lessons of the 1930s?" *The Economic History Review* 36, no. 3 (1983): 329-348. http://www.jstor.org/stable/2594968, 337, 348.

<sup>&</sup>lt;sup>13</sup> Daniel Benjamin and Levis Kochin, "Searching for an Explanation of Unemployment in Postwar Britain," *Journal of Political Economy* 87, no. 3 (1979): 441-78. <a href="http://www.jstor.org/stable/1832018">http://www.jstor.org/stable/1832018</a>, 474. A devastating critique of this thesis can be found in Glynn and Booth, "Unemployment in Interwar Britain, 345-7.

<sup>14</sup> Eichengreen, "The British economy between the wars," 330.

<sup>&</sup>lt;sup>15</sup> Agnes Maddison, *Phases of Capitalist Development* (Oxford: Oxford University Press, 1982). See table on page 98 in particular.

<sup>&</sup>lt;sup>16</sup> Moses Abramovitz, "Catching Up, Forging Ahead, and Falling Behind," *The Journal of Economic History* 46, no. 2, (1986): 385-406. http://www.jstor.org/stable/2122171.

The cliometric discourse was an inherently political-economic phenomenon, and even if it were not directly prescriptive, the focus on British institutions in the 1980s and 90s reflected a larger debate about the neoliberal project carried out by Thatcher. Some focused on British 'character' and the "mental quarantine" against economic development as was most notably the case in Martin Wiener's highly influential English Culture and the Decline of the Industrial Spirit (1981), which was featured in Keith Joseph's famed reading list for cabinet members. 17

No work captured the essence of the larger debate, however, more so than Correlli Barnett's The Audit of War (1986), which served as the reference point for the discourse against the welfare state. Barnett attacked the "Father Christmas system" for turning the mass of the British people into a "segregated, subliterate, unskilled, unhealthy and institutionalised proletariat hanging on the nipple of state maternalism." <sup>18</sup> It was these charges that the Chancellor of the Exchequer Nigel Lawson referred to when citing "Correlli's book" as a major source of authority for his fiscal and social policies. 19 Data reveal very little to suggest that welfare state spending in Britain outpaced economic growth before the mid-1960s, and, if it did so then, this was by no means a peculiarly British problem, but a European-wide and even global phenomenon, ignored in Barnett's account. 20 This may be due to the fact that Barnett was not an economist and thought a loose correlation between a growing welfare state and a relatively declining economy provided enough evidence to link them causally. Nonetheless, Barnett's book was conferred intellectual authority,

<sup>&</sup>lt;sup>17</sup> Martin Wiener, English culture and the decline of the industrial spirit, 1850-1980 (Cambridge: Cambridge University Press, 1981), ix.; See W. D. Rubinstein, Capitalism, Culture, and Decline in Britain, 1750-1990 (New York: Routledge, 1993).; "Empty shelves," Economist April 27, 2010, https://www.economist.com/node/15996751. <sup>18</sup> Correlli Barnett, *The Audit of War* (London: Macmillan, 1986), 30, 304. There is a degree of irony in that William

Beveridge, one of the main visionaries of the modern welfare state, had scathingly invoked the image of "the Santa Claus state" as the epitome of the kind of welfare system that he was determined to avoid.; Jose Harris, "Enterprise and Welfare States: A Comparative Perspective," Transactions of the Royal Historical Society 40 (1990): 175-195. http://www.jstor.org/stable/3679167, 188.

<sup>&</sup>lt;sup>19</sup> Harris, "Enterprise and Welfare States," 177.
<sup>20</sup> Harris, "Enterprise and Welfare States," 189.; See also Leslie Lenkowsky, "Welfare in the Welfare State," in Emmett Tyrell, Jr., R., ed. The Future that Doesn't Work. Garden City, NY: Doubleday & Company, 1977.

not least because it adopted the view of the welfare state that the influential Institute for Economic Affairs think tank had been promulgating for several decades.<sup>21</sup> Indeed, an early White Paper of the Thatcher Government warned in a similar vein that if rising public expenditures continued, "our economy would be threatened with endemic inflation and economic decline." Barnett did not use any novel econometric analysis; rather, he was influential because notions of 'decline' found resonance, and by the mid-1970s, they had become the 'common-sense' of British political argument, across the political spectrum.<sup>23</sup>

Barnett was not alone, of course, in promulgating a declinist narrative. Most notably, studies of the postwar performance focused on how the UK fell behind West Germany in productivity performance in both manufacturing and services. In line with Chandlerian critiques, Broadberry and Crafts argue that British manufacturing was bad at implementing mass production methods, leading to the "culmination of the problems in British manufacturing" in 1979.<sup>24</sup> A different study showed that while average age of British machinery was not very different from that in German plants, it was less technically advanced and subject to more frequent breakdowns, which took longer to correct. Thus by the mid-1970s German output per employee in manufacturing was about 50% higher than in Britain, and higher still in mechanical engineering and vehicle production.<sup>25</sup> Given data availability, productivity performance is most easily shown for the manufacturing

<sup>&</sup>lt;sup>21</sup> Jose Harris, "Enterprise and the Welfare State," in *Welfare and the State*, vol. II, eds. Nicholas Deakin, Catherine Jones-Finer, and Bob Matthews (London: Routledge, 2004), 94.; See Ben Jackson, "The think-tank archipelago: Thatcherism and neo-liberalism," in *Making Thatcher's Britain*, ed. Ben Jackson and Robert Saunders (Cambridge: Cambridge University Press, 2012).

<sup>&</sup>lt;sup>22</sup> Cmnd 7746 § 3.

<sup>&</sup>lt;sup>23</sup> Jim Tomlinson, "Mrs Thatcher's Macroeconomic Adventurism," 17.

<sup>&</sup>lt;sup>24</sup> While Britain had less scope for catch-up and, in particular, less opportunity to transfer resources out of agriculture to higher productivity uses, Broadberry and Crafts have found that growth was nonetheless lower than it could have been by about 0.5–0.7% per annum between 1950–73.; Stephen Broadberry and Nicholas Crafts, "UK Productivity Performance from 1950 to 1979: A Restatement of the Broadberry-Crafts View," *The Economic History Review* 56, no. 4 (2003): 718-735. http://www.jstor.org/stable/3698724, 719-20.

<sup>&</sup>lt;sup>25</sup> A. Daly, D.M.W.N. Hitchens, and K. Wagner, "Productivity, Machinery and Skills in a Sample of British and German Manufacturing Plants," *National Institute Economic Review* 111, no. 1 (1985): 48-61. https://doi.org/10.1177/002795018511100105.

sector even though at its phase of maximum relative importance, manufacturing accounted for less than 35% of total output. When studying the service sector, Broadberry found that Germany and the US caught up with and overtook Britain in labor productivity largely by shifting resources out of agriculture and improving productivity in services while manufacturing productivity has remained remarkably stable over the past 150 years or so. <sup>27</sup>

While it is tempting, as was in vogue in the postwar period, to attribute Britain's service sector slowdown to 'premature maturity,' whereby Britain was unlucky in not being able to receive the larger benefits from sectoral shifts that later industrializers such as Germany received, this explanation is overly deterministic and denies any role to government policy in affecting the relative economic slowdown. Moreover, the "early start" theory, as it is alternately known, fails to explain why Britain was slow to adapt to the modern business enterprise and its attendant technologies, including financial services. The "early start" thesis moreover, does not account for analyses that point to a remarkable capacity for structural adjustment, if not productivity advance, within the British economy. A more convincing explanation than sheer bad luck would thus be Britain's lower "social capability" in adopting new technologies, particularly in the service

<sup>&</sup>lt;sup>26</sup> Alan Booth, "The Manufacturing Failure Hypothesis and the Performance of British Industry during the Long Boom," *The Economic History Review* 56, no. 1 (2003): 1-33. http://www.jstor.org/stable/3698752.

<sup>&</sup>lt;sup>27</sup> Stephen Broadberry, "How Did the United States and Germany Overtake Britain? A Sectoral Analysis of Comparative Productivity Levels, 1870-1990," *The Journal of Economic History* 58, no. 2 (1998): 375-407. http://www.jstor.org/stable/2566739.

<sup>&</sup>lt;sup>28</sup> Stephen Broadberry and Sayantan Ghosal, "From the Counting House to the Modern Office: Explaining Anglo-American Productivity Differences in Services, 1870–1990," *The Journal of Economic History* 62, no. 4 (2002): 967-998. <a href="http://www.jstor.org/stable/3132398">http://www.jstor.org/stable/3132398</a>.

<sup>&</sup>lt;sup>29</sup> C. P. Kindleberger, "Obsolescence and Technical Change," *Oxford Bulletin of Economics and Statistics* 23, no. 3 (1961): 281-297. <a href="http://doi.org/10.1111/j.1468-0084.1961.mp23003003.x">http://doi.org/10.1111/j.1468-0084.1961.mp23003003.x</a>.; Nicholas Crafts, "British relative economic decline revisited: The role of competition," *Explorations in Economic History* 49 (2011): 17–29. <a href="https://doi.org/10.1016/j.eeh.2011.06.004">https://doi.org/10.1016/j.eeh.2011.06.004</a>.; Crafts and Mills' findings support the claim that greater competition in the recent past has been sufficient to allow the UK to match Germany's performance in 'true TFP' growth.; Nicholas Crafts and Terence Mills, "The Growth in British and German Manufacturing, 1950-1996," The Economic Journal 115 (2005): 649-670. <a href="https://doi.org/10.1111/j.1468-0297.2005.01013.x">https://doi.org/10.1111/j.1468-0297.2005.01013.x</a>, 664, 666.; M. W. Kirby, "Institutional Rigidities and Economic Decline: Reflections on the British Experience." *The Economic History Review* 45, no. 4 (1992): 637-660. <a href="https://www.jstor.org/stable/2597412">https://www.jstor.org/stable/2597412</a>, 650.

sector in the 20<sup>th</sup> century, as in the Abramovitz framework, lending credence to the "institutionalist" failure school of thought. This could be due to defects of 'British character,' lower educational levels, or to resistance by organized labor to intensification of office methods that diminished worker autonomy while increasing monitoring.<sup>30</sup>

The classical economic explanations for British relative decline can be roughly characterized as the 'competition-deficit thesis.' Multiple unionism paired with restricted competition led to shortfalls in productivity, so that the postwar settlement, as a 1998 paper by Broadberry and Crafts title put it, was "Not Such a Good Bargain After All." Indeed, anyone scanning the newspaper headlines over the postwar period could be forgiven for concluding that industrial relations lay at the heart of Britain's economic performance. Nonetheless, in the immediate postwar period trade unions made a positive, if diminishing, contribution to Britain's economic performance. Indeed, organized labor had played a crucial role in the mobilization of the war economy, and unions helped to establish highly centralized wage regulation that permitted a period of price stability and low unemployment.<sup>32</sup> However, this system came apart beginning in the 1960s and accelerating in the 1970s as governments attempted to control inflation by means of incomes policies. Indeed, in the 1996 Labour Party manifesto, Tony Blair wrote that while there was indeed less scope for British economic 'catch-up' and that Britain had been too committed abroad, the "deeper-seated reasons for the deterioration in the underlying performance of the British economy" was primarily due to the "polarised hostility between management and unions." 33

<sup>&</sup>lt;sup>30</sup> Broadberry and Ghosal, "From the Counting House to the Modern Office," 969, 988.

<sup>&</sup>lt;sup>31</sup> Stephen Broadberry and Nicholas Crafts, "The Post-War Settlement: Not Such a Good Bargain After All," *Business History* 40, no. 2 (1998): 73-79. <a href="http://dx.doi.org/10.1080/00076799800000170">http://dx.doi.org/10.1080/00076799800000170</a>.; Crafts, "British relative economic decline revisited."

<sup>&</sup>lt;sup>32</sup> This period is defined by Brown as 1939–59.; Brown, "Industrial relations and the economy," 408.

<sup>&</sup>lt;sup>33</sup> Tony Blair, *New Britain* (London: Fourth Estate, 1996), 77-8.

It is empirically difficult to measure the effects of unions on the economy and innovation, as the recent economic literature has shown.<sup>34</sup> The evidence appears, in part, to vindicate the antiunion sentiment that grew out of the Winter of Discontent and the academic literature that sprang up around this time, though empirical accounts cannot fully account for the benefits that unions provided to their members and the role they likely paid in achieving Britain's historically low levels of inequality in the 1970s. 35 American economist and social scientist Mancur Olson wrote his seminal study on rise and decline of nations in 1982, in which he postulated that stable societies "tend to accumulate more collusions and organizations for collective action over time" and that these "special-interest organizations and collusions reduce efficiency and aggregate income in the societies in which they operate and make political life more divisive."<sup>36</sup> Therefore, for all of the blessings of domestic tranquility, Britain's lower rate of growth compared to other large, developed democracies was, according to Olson's correlation-based analysis, rooted in Britain's many strong organizations and "collusions," of which the "number and power of its trade unions need no description." <sup>37</sup> To identify unions as collusions connotes a negative impact *a priori*, and despite Olson's lively rhetoric, unions ought not to be confused with cartels, but despite this conceptual analysis in Olson's analysis, his framework remained influential as a means of confirming the institutional framework in which rigidities hampered economic development.<sup>38</sup>

<sup>&</sup>lt;sup>34</sup> For more on the economic literature on unions, see William Brown, "Industrial relations and the economy," in *The Cambridge Economic History of Modern Britain* vol. 3 edited by Roderick Floud and Paul Johnson. Cambridge: Cambridge University Press, 2008. <a href="https://doi.org/10.1017/CHOL9780521820387.017">https://doi.org/10.1017/CHOL9780521820387.017</a>.

<sup>&</sup>lt;sup>35</sup> See Theo Nichols, *The British worker question: a new look at workers and productivity in manufacturing* (London: Routledge & Kegan Paul, 1986).

<sup>&</sup>lt;sup>36</sup> Mancur Olson, *The Rise and Decline of Nations* (New Haven: Yale University Press, 1982), 74.

<sup>&</sup>lt;sup>37</sup> Olson, *The Rise and Decline of Nations*, 77.; See Alberto Alensia and Roberto Perotti. "The Welfare State and Competitiveness." *The American Economic Review* 87, no. 5 (1997): 921-939. <a href="http://www.jstor.org/stable/2951333">http://www.jstor.org/stable/2951333</a>.; The presence of multiple unions depressed total factor productivity growth by some 0.75-1% compared to the TFP achieved by single union workplaces over 1954-79.; Charles Bean and Nicholas Crafts, "British economic growth since 1945: relative economic decline ... and renaissance?" in *Economic growth in Europe since 1945*, eds. Nicholas Crafts and Gianni Toniolo (Cambridge: Cambridge University Press, 1996), 155, 157.

<sup>&</sup>lt;sup>38</sup> Broadberry and Crafts, "The impact of the depression of the 1930s," 603.

Nonetheless, not every academic was as impressed, however qualified it may have been, by Thatcher's turn toward to a new *laissez-faire* paradigm. The Elbaum-Lazonick thesis offered a predominantly American perspective on the British economy, employing Chandler's model of the 'visible hand' to account for Britain's relative industrial decline. The thesis thus highlighted Britain's failure up to 1960 to emulate the progressive erosion of the self-regulating market system to any significant degree.<sup>39</sup> This view stands in stark contrast to the classical economic arguments articulated by Broadberry and Crafts. For their parts, Elbaum and Lazonick, unapologetically asserted: "Our conclusions regarding British economic decline run directly counter to the neoclassical presumption that atomistic competition is the best guarantor of economic wellbeing."40 Making the suggestion leaving the reins to the free market would be misguided, the political economist Peter Hall pointed to the many defects of Thatcher's strategy because the "policies aimed primarily at the unions tackle rigidities on only one side of the economic system" while doing nothing for the defects in management, supply in investment, organization of production, and distribution. 41 Likewise, the 'lesson' to be learned from Elbaum and Lazonick's volume can be summarized as: "supposition that there are forces latent in Britain's 'free market' economy that will return the nation to prosperity finds little confirmation in historical experience."42

Yet despite the Elbaum-Lazonick critique of an overly-passive, 'by-stander' state, quantitative analyses of British productivity when their suggested changes were enacted are damning. <sup>43</sup> For the

<sup>&</sup>lt;sup>39</sup> Kirby, "Institutional Rigidities and Economic Decline," 638.

<sup>&</sup>lt;sup>40</sup> Elbaum and Lazonick, "An Institutional Perspective on British Decline," 2.

<sup>&</sup>lt;sup>41</sup> Peter Hall, "The State and Economic Decline," in *The Decline of the British Economy*, eds. Bernard Elbaum and William Lazonick (Oxford: Clarendon Press, 1986), 291.

<sup>&</sup>lt;sup>42</sup> Elbaum and Lazonick, "An Institutional Perspective on British Decline," 16.

<sup>&</sup>lt;sup>43</sup> Lazlo Rostas' pioneering study in 1948 found that net output per worker in manufacturing in the second half of the 1930s was 11% higher in Germany than in the UK, while worker productivity was an astounding 125% higher in the United States. This is in spite of the fact that by the end of the 1930s some 250 British firms had adopted modern techniques of managerial control, modern cost accounting had been installed, top management was being

postwar years, as M. W. Kirby notes, in the postwar cases where multidivisional structures were adopted, often on the basis of advice from North American management consultants, the results in terms of enhanced productivity performance were disappointing. <sup>44</sup> Moreover, Broadberry's work on US/British comparisons established that the US had achieved its manufacturing productivity lead over Britain by the 1870s, and that subsequent variations in the relative levels of income per head had mainly to do with changes in the composition of output.

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These academic studies were important in helping define the way people, or at least academics, thought of the past and 'where Britain went wrong.' As Tomlinson put it: "Education' in economics is never innocent of ideological and political purposes." A larger scale dissemination of these debates raged beyond the ivory tower on Fleet Street, as mass-communication, to borrow the language of the influential cultural theorist Stuart Hall, became a veritable "complex structure in dominance." In 1968 Hall became the director of the Centre for Contemporary Cultural Studies, and under his tenure, he developed his encoding/decoding framework and oversaw the collective research that led to *Policing the Crisis* (1978), a study of law and order campaigns that focused on "mugging" and precipitated Thatcher's crusade of "Law and Order." The Centre built off a distinctly post-Marxist tradition of cultural studies, and even if it was not itself the 'dominant' or 'hegemonic' framework for understanding the power of mass media in the late 1970s–90s, it is

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professionalized, spending on research and development tripled over the course of the decade, and new products and processes proliferated.; Lazlo Rostas, *Comparative Productivity in British and American Industry* (Cambridge: Cambridge University Press, 1948).; Eichengreen, "The British economy between the wars," 341.

<sup>&</sup>lt;sup>44</sup> By 1970, 72% of the top 100 UK companies had adopted the Chandler 'M-form,' far ahead of the 40% in Germany. Yet by that date German labour productivity in manufacturing exceeded the UK level by 30% despite being more than 30% below it in 1950.; Kirby, "Institutional Rigidities and Economic Decline," 646.; See also Michael Ditenfass, "Entrepreneurial Failure Reconsidered: The Case of the Interwar British Coal Industry," *The Business History Review* 62, no. 1 (1988): 1-34. http://www.jstor.org/stable/3115382.

<sup>&</sup>lt;sup>45</sup> Jim Tomlinson, *Managing the Economy, Managing the People* (Oxford: Oxford University Press, 2017), 2. <sup>46</sup> Stuart Hall, "Encoding/decoding," in *Culture, Media, Language*, eds. Stuart Hall, Dorothy Hobson, Andrew Lowe, and Paul Willis (London: Routledge, 1992), 128.

<sup>&</sup>lt;sup>47</sup> Stuart Hall, Chas Critcher, Tony Jefferson, John Clarke, and Brian Roberts, *Policing the Crisis* (London: Macmillan, 1979).

useful for explaining how contemporaries understood the role of the newspaper and tabloid executives who were to have significant influence through the election of New Labour in 1997. According to the Centre's intellectual framework, ideology is a "code" once it has been socialized or 'consumed.' 48 To this end, problematic or troubling events need to be linked to their consumption before they can 'make sense' by relying on the dominant or preferred meanings, which are in turn institutionalized.<sup>49</sup> This is not how all events will be signified, but when the dominant or preferred meanings are accepted, the readers' and viewers' decoding of the event occurs within the limit of dominant definitions in which the event has been signified.<sup>50</sup> In practice, 'consumers' of mass media decoded stories with a mixture of adaptive (to the dominant meaning as signified by media executives) and oppositional elements, thus acknowledging the legitimacy of the hegemonic definitions to make abstract significations, while at a more restricted situational level 'consumers' make their own ground rules. 51

This "negotiated" coding and decoding explains why, as MP Bill Rodgers wrote in 1984 of the Winter of Discontent: "reporting of the strike by newspaper, radio and especially television was dramatic and had much more impact on opinion than the public's own direct experience of the strike. The demeanour of pickets—seen against a bleak, winter landscape caused anger and anxiety."52 Even if people could not directly relate to the necessity to bury their dead at sea, as discussed in Chapter 2, they nonetheless experienced the "fog of war," in which media myths and

<sup>&</sup>lt;sup>48</sup> Marina Camargo Heck, "The ideological dimension of media messages," in *Culture, Media, Language*, eds. Stuart Hall, Dorothy Hobson, Andrew Lowe, and Paul Willis (London: Routledge, 1992), 123.; Hall, "Encoding/decoding," 128.

<sup>&</sup>lt;sup>49</sup> Hall, "Encoding/decoding," 134.

<sup>&</sup>lt;sup>50</sup> Hall, "Encoding/decoding," 135. <sup>51</sup> Hall, "Encoding/decoding," 137.

<sup>&</sup>lt;sup>52</sup> William Rodgers, "Government Under Stress. Britain's Winter of Discontent 1979," The Political Quarterly 55, Issue 2 (1984): 171–179. doi: 10.1111/j.1467-923X.1984.tb02595, 178.

lived experience blended to engender the memory of a crisis.<sup>53</sup> It was this "fog" or perceived memory that the media targeted in its constant evocations of the Winter of Discontent throughout the 1980s. Indeed, every election between 1979 and 1992 saw at least one Conservative party political broadcast about the Winter of Discontent.<sup>54</sup> Thatcher's 1985 address to the Conservative Conference was typical:

Do you remember the Labour Britain of 1979? It was a Britain — in which union leaders held their members and our country to ransom; — A Britain that still went to international conferences but was no longer taken seriously; — A Britain that was known as the sick man of Europe; — And which spoke the language of compassion but which suffered the winter of discontent. Governments had failed to tackle the real problems which afflicted us. 55

Thatcher's political secretary from 1988 to 1990 John Whittingdale recounted that in the election campaigns of 1983 and 1987, "her most frequent request to me was for copies of the newspaper headlines from the Winter of Discontent which she would then hold up as a warning of the consequences of voting Labour." <sup>56</sup> In short, historian James Thomas writes that the electoral and intellectual triumph of the right in the 1980s was:

symbolised on a popular level by the obliteration of the left-wing image of 'the hungry 1930s' with their more recent right wing memory of the 'Winter of Discontent'.... The myth of Jarrow, a noble symbol of labourite collectivism deprived of work by an inefficient free-enterprise system, now became inverted into a nightmare picture of a socialist state form which so oppressed the individual that *even* the dead could not be buried.<sup>57</sup>

<sup>&</sup>lt;sup>53</sup> Colin Hay, "Chronicles of a Death Foretold: the Winter of Discontent and Construction of the Crisis of British Keynesianism," *Parliamentary Affairs* 63, no. 3 (2010): 446–470. https://doi.org/10.1093/pa/gsp056, 457.

<sup>&</sup>lt;sup>54</sup> James Thomas, "'Bound in by history': The Winter of Discontent in British politics, 1979–2004," *Media, Culture & Society* 29, no. 2 (2007): 263–283 doi: 10.1177/0163443707074257, 275.

<sup>&</sup>lt;sup>55</sup> Margaret Thatcher, "1985 Oct 11 Fr Speech to Conservative Party Conference," Margaret Thatcher Foundation. Source: Thatcher Archive: speaking text, <a href="https://www.margaretthatcher.org/document/106145">https://www.margaretthatcher.org/document/106145</a>.

<sup>&</sup>lt;sup>56</sup> Ben Fanton and Benedict Brogan, "25 years on: what is the Iron Lady's legacy to Britain and the world?" *The Telegraph*, 1 May 2004, <a href="http://www.telegraph.co.uk/news/uknews/1460761/25-years-on-what-is-the-Iron-Ladys-legacy-to-Britain-and-the-world.html">http://www.telegraph.co.uk/news/uknews/1460761/25-years-on-what-is-the-Iron-Ladys-legacy-to-Britain-and-the-world.html</a>.

<sup>&</sup>lt;sup>57</sup> James Thomas, *Popular Newspapers, The Labour Party and British Politics* (New York: Routledge, 2005), 162.

Thatcher and the press had "dramatically illustrated the re-orientation of the press in a firmly anti-Labour direction." The *Sun* dedicated 72% of its political coverage to anti-Labour or pro-Conservative material, with two-thirds predominance to the former, following the Conservative strategy of profiling Labour's 'wild' Left. <sup>59</sup> Indeed, according to a memo from the *Sun* and the *Express* to freelance reporters at a rally the Labour leader was visiting, Michael Foot was not be photographed "unless falling over, shot, or talking to militants."

It is important to contextualize the impact that the surging tide of negative press had: 52% of *Sun* readers voted for Labour in 1979, a roughly constant figure since 1976, and one-third of its readers still thought the paper supported Labour. The importance in shifting opinion was not so much in shifting the view of readers, however, but in setting the parameters of electoral discourse. Returning to Stuart Hall's framework, readers approached mass-circulating tabloids with a mixture of adaptive and oppositional elements, as it did the direct participants in the elite level politics. The myth of massive press power over the electorate was more important in its impact on politicians because politicians' understanding of news as "the people" would understand it *did* give the press real power to influence political agendas. <sup>62</sup>

As the country's best-selling paper, the *Sun*'s readership closely mirrored the national electorate in their voting habits, more so than the politically committed readers of the *Mirror*, *Mail*, and *Express*.<sup>63</sup> Moreover, this readership was more readily influenced because they were more

<sup>&</sup>lt;sup>58</sup> Thomas, *Popular Newspapers*, 83. Also see tables on pages 82, 127.

<sup>&</sup>lt;sup>59</sup> Sun 9, 24 April 1979.; Thomas, Popular Newspapers, 84.

<sup>&</sup>lt;sup>60</sup> Peter Chippindale, *Stick it up your punter!* (London: Mandarin, 1992), 140 quoted in Thomas, *Popular Newspapers*, 90.

<sup>&</sup>lt;sup>61</sup> In fact, only one-third of readers correctly identified the *Sun*'s affiliations.; Peter Kellner and Robert Worcester, "Electoral perceptions of media stance," in *Political Communications: The General Election Campaign of 1979* eds. Robert Worcester and Martin Harrop, (London: Allen and Unwin, 1982), 59-62.

<sup>62</sup> Thomas, *Popular Newspapers*, 162.

<sup>&</sup>lt;sup>63</sup> Brian MacArthur, "Did The Sun sink Kinnock? Yes and no," *Sunday Times* [London, England] 26 Apr. 1992: 2[S]. *The Sunday Times Digital Archive*. Web. 17 Feb. 2018.

electorally volatile, politically ignorant, and undecided and disinterested than readers of other papers. Running up to the 1992 General Election, tabloid attacks were seen as 'relatively muted' as it seemed they were merely going through the motions, variously attributed to a loosening of the close press-party connections of the Thatcher years, the ineptitude and electoral unpopularity of the Tory campaign, and Labour Party Leader Neil Kinnock's electioneering which sought to avoid providing 'knocking copy.' What mattered more though, was the cumulative effect of day-to-day tabloid hostility since 1983 was more important than the 1992 election coverage itself. 65

Thus, it was not so far-fetched when the *Sun* boasted on its April 11, 1992 cover that "IT'S THE SUN WOT WON IT," referring to its assault on Kinnock and the Labour Party, which it capped off with the request that "If Kinnock wins today will the last person to leave Britain please turn out the lights." As Murdoch later told an interviewer about the ability to sway and election, "Well, unfortunately it's not true. It's very exaggerated." He did however concede that "You give a little momentum, a bit of help perhaps to a party... if you're relevant and intelligent and know how to popularise an issue, you're going to help set the agenda, there is some power there." Whether or not Murdoch was simply feigning humility, what made the 1992 press effect—with the *Sun* particularly important—so crucial was the closeness of the election, so that even if they only influence 1–2% of readers, this would have led to a hung parliament. 68

<sup>&</sup>lt;sup>64</sup> In his resignation speech as party leader, Kinnock commented that he had only one piece of advice for his successor: "do not feed and do not believe the press and broadcasting media in their reporting of these events."; Neil Kinnock, "From the archive, 14 April 1992: Neil Kinnock resigns as Labour leader," *Guardian*, 14 April 2015, <a href="https://www.theguardian.com/politics/2015/apr/14/neil-kinnock-resigns-labour-leader">https://www.theguardian.com/politics/2015/apr/14/neil-kinnock-resigns-labour-leader</a>.

<sup>65</sup> Thomas, *Popular Newspapers*, 97, 101.

<sup>&</sup>lt;sup>66</sup> Sun 11, 9 April 1992.; In a 1998 interview, Murdoch responded to the question of whether or not it the Sun wot won the 1992 election for John Major? "No. I think that was an over-enthusiastic editor who fell in love with his headline. It was a bit of fun."; Janine Gibson, "A man exposed," *The Guardian* November 9, 1998. https://advance.lexis.com/api/permalink/07d3f38c-1293-4e6d-ac6a-54e53b1cfa14/?context=1516831.

<sup>&</sup>lt;sup>67</sup> Gibson, "A man exposed."
<sup>68</sup> See Brian MacArthur, "Perhaps it was The Sun 'wot won it' for John Major," *Sunday Times* [London, England]
12 Apr. 1992: 17. *The Sunday Times Digital Archive*. Web. 17 Feb. 2018.; idem, "Did The Sun sink Kinnock?"

Quantitatively and qualitatively the press was more anti-Labour between 1979 and 1992 than at any other point in time in the postwar era, with roughly 70% of the press opposed to Labour in a ferocious manner, as emphasis shifted from news to opinion and political guidance. This was all the more important as individual readership of more than one paper had virtually died out. The anti-Labour shift of the press from 1979 onwards was not, however, merely a conspiracy of the editorial boards. It reflected the implosion of Labour in the early 1980s and the cresting of longer-term trends of a more negative, personalized and aggressive style of coverage that developed in the later 1970s. <sup>69</sup> Most importantly, the anti-Labour shift reflected the fabrication of a political memory in the form of the Winter of Discontent, in which the relied on refrains such as 'Lest we forget' as proof that Britain could not afford another Labour government. <sup>70</sup>

The Winter of Discontent's image had a lasting impact on Labour and people had strong 'memories' of 1979 whether or not those events occurred. In fact, some focus groups suggested that the 'memory' was stronger with younger groups that could not remember it than older ones that could.<sup>71</sup> There was no reason for the press in 1992 to focus on thirteen-year-old events, especially considering that Kinnock had not even been part of that government and Labour had no any intentions of restoring the supposedly culpable trade union powers.<sup>72</sup> Nonetheless, it was

<sup>&</sup>lt;sup>69</sup> Thomas, *Popular Newspapers*, 111, 113.; Philip Gould, strategy and polling adviser to the Labour Party in the of 1987, 1992, 1997, 2001 and 2005 General Elections, wrote that in 1983 that Labour had "become an anachronism, a relic of the past trying to appeal to an electorate whose sights were set on the future."; Gould, *The Unfinished Revolution*, 21.; See also Ross McKibbin, "Homage to Wilson and Callaghan," *London Review of Books*, October 24, 1991, https://www.lrb.co.uk/v13/n20/ross-mckibbin/homage-to-wilson-and-callaghan.

<sup>&</sup>lt;sup>70</sup> Thomas, *Popular Newspapers*, 108.; *Express* 13 March 1992.; *Sunday Express* 'Lest we Forget' series in March—April 1992.; *Sun* 8 April 1992.; *Mail* 9 April 1992.; The front cover of the issue presented a rather unflattering picture of Kinnock with his mouth somewhat agape in contrast to the composed, smiling John Major under the question "Which man do you trust?" In the context of the rest of the newspaper issue, there is little doubt that John Major is the only one of the two competent enough to avoid another "winter of shame."

<sup>71</sup> Thomas, *Popular Newspapers*, 108.

<sup>&</sup>lt;sup>72</sup> A reference to "Crisis? What crisis?" even as late as 2000 led a Downing Street aide to visibly wince, while Blair tore up his schedule to deal with fuel supplies right away.; Marie Woolf, "How Blair was driven off course by protest," *Independent*, September 12, 2000, <a href="http://www.independent.co.uk/news/uk/home-news/how-blair-was-driven-off-course-by-protest-699120.html">http://www.independent.co.uk/news/uk/home-news/how-blair-was-driven-off-course-by-protest-699120.html</a>.

Labour's task in the 1980s and through to 1992 to offset history. Conversely, for the Tory press, it was essential to maintain the myth of the crisis as "moment of decisive intervention, a moment of transformation" such that the "sequel to this winter's tale" would be construed as "a new ideology and strong leadership had made Britain great again, economically, politically, internationally."<sup>73</sup> This new paradigm could only succeed if Britain were not to return to the days when the dead could not be buried.

The discussion of media coverage and economic debates over the efficacy of postwar policy and the resurgence of neoliberal economics under Thatcher was more than just an exercise in rhetoric or a case study for the influence of intellectuals. That cherism fundamentally challenged many aspects of the postwar order and relegated the unions to a secondary status as a governing entity, a great fall form the lofty heights of the 1974 October election. Then, Labour was only able to answer "who governs" in a manner that was almost entirely conditional on its perceived capacity to work with the unions in a way that the Conservatives had long since demonstrated that they were no longer able to do. In effect, Thatcherism shifted the parameters of the political-economic discourse, forcing Labour to "ratchet" right before it had any chance of returning to 10 Downing Street.

When the young, charismatic Tony Blair took over the reins of the Labour party, he was charged with convincing the electorate that he and his party had overcome its socialist past. By the late 1980s many in the Labour party were beginning to realize that the resistance to the Thatcher revolution and dream of a new socialist society had little appeal to the modern voter. 74 Blair therefore jettisoned Old Labour's famous public ownership section, Clause IV of the 1918 Labour

<sup>&</sup>lt;sup>73</sup> Colin Hay, "Narrating Crisis: The Discursive Construction of the 'Winter of Discontent," Sociology 30, no. 2

<sup>(1996): 253-277. &</sup>lt;a href="http://www.jstor.org/stable/42855681">http://www.jstor.org/stable/42855681</a>, 254, 274.; Thomas, *Popular Newspapers*, 109.

The Blair succeeded John Smith, who succeeded Kinnock but died prematurely of a heart attack in 1994 after only two years as leader.; Melanie Sully, The New Politics of Tony Blair (New York: Columbia University Press, 2000), 4.

Party Constitution, to instead embrace the "enterprise of the market and the rigour of competition."<sup>75</sup> Blair's 'New Labour' had to show a definite break with the party wedded to unions and state ownership, and Labour's 1997 manifesto pledged it would not reverse the legislation introduced to deal with the unions but instead "put our relations with the trade unions on a modern footing where they accept they can get fairness but no favours from a Labour government."<sup>76</sup> This pivot away from the arrangements with the TUC favored by Old Labour both drove and was driven by the seismic shift in the media landscape in 1997, with the biggest electoral swing in fifty years.

Within Blair's 'new' discourse, quite possibly the greatest sea change in media history took place: on March 18, 1997 Murdoch ordered an 'historic' announcement: "THE SUN BACKS BLAIR." Convinced of the new rhetoric and fed up with the 'sleaze' of the Major Government, Murdoch's paper backed Blair's proposed changes in the hope of dragging Labour out of its 1970s mindset. The media shift was not, presumably, entirely ideological: Conservative electoral support crashed after 1992, and commercially and politically the newspapers could not continue to preach Conservative virtues. Not all of the media shift was due to Blair; the "Tory Praetorian guard" turned on John Major's unpopular government, and sharp press criticism magnified and even created some of the problems with the departure from the Exchange Rate Mechanism in September 1992, an episode which effectively marked the end of Conservative superiority over

<sup>&</sup>lt;sup>75</sup> Sully, *The New Politics of Tony Blair*, 5.; The full text of Clause IV is: "To secure for the workers by hand or by brain the full fruits of their industry and the most equitable distribution thereof that may be possible upon the basis of the common ownership of the means of production, distribution and exchange, and the best obtainable system of popular administration and control of each industry or service."

<sup>&</sup>lt;sup>76</sup> Labour Party, "new Labour because Britain deserves better," *Politics Resources*, 22 October 2012, <a href="http://www.politicsresources.net/area/uk/man/lab97.htm">http://www.politicsresources.net/area/uk/man/lab97.htm</a>.; Approval for Blair spiked upwards following his 1994 Party Conference address.; *Mail, Express, Sun* 22 July 1994.; Thomas, *Popular Newspapers*, 122.

<sup>77</sup> *Sun* 18 March 1997.

<sup>&</sup>lt;sup>78</sup> Thomas, *Popular Newspapers*, 129-30.; The *Mirror*'s polling day issue stated their view unequivocally with the strapline: "YOU DESERVE BETTER."; *Mirror* 1 May 1997.

<sup>&</sup>lt;sup>79</sup> Thomas, *Popular Newspapers*, 132.

Labour in economic competence. <sup>80</sup> Blair derided Thatcher's evocation of the prayer of St. Francis of Assisi upon moving into 10 Downing Street and claimed that the Conservatives' "time is up. Their philosophy is done. Their experiment is over. Their failure is clear. It is time for them to go." Nonetheless, this posturing and changing the name to "New" Labour was a not a true shift in political ideology, and as one critique described it, Blairism represented a manipulation of language to control public perception. <sup>82</sup> As such, Blair simply rhetorically dressed up his actual policies under the guise of reform. <sup>83</sup>

One need not accept the view that Blairism was nothing more than a highly sophisticated window dressing campaign to appreciate the rhetorical shift Blair executed.<sup>84</sup> Labour's key press triumph in 1997 thus stemmed from a combination of changing substance and image, as the party repositioned itself and borrowed policies, images, and rhetoric that had once been the property of the right while providing "reassurance, reassurance, reassurance."<sup>85</sup> After losing in 1992, New Labour embraced the ethos of the Thatcher period, as there "was no question of putting the clock back to the 1970s."<sup>86</sup> If this meant losing faith in traditional Labour, however, it also meant that New Labour could finally shed the memory of the Winter of Discontent.

<sup>&</sup>lt;sup>80</sup> Thomas, *Popular Newspapers*, 120.; Norman Lamont, "Black Wednesday: 'I felt like a surgeon realising the patient was dead,"" *The Telegraph*, 16 September 2012, <a href="http://www.telegraph.co.uk/comment/9545098/Black-Wednesday-I-felt-like-a-surgeon-realising-the-patient-was-dead.html">http://www.telegraph.co.uk/comment/9545098/Black-Wednesday-I-felt-like-a-surgeon-realising-the-patient-was-dead.html</a>.

<sup>&</sup>lt;sup>81</sup> Tony Blair, "Leader's speech, Blackpool 1994," *British Political Speech*, accessed 6 February 2018. http://www.britishpoliticalspeech.org/speech-archive.htm?speech=200.

<sup>82</sup> Norman Fairclough, New Labour, New Language? (London: Routledge, 2000), vii.

<sup>&</sup>lt;sup>83</sup> Fairclough, *New Labour*, *New Language*? viii.; There is vindication for this critique in the way that Blair's government shut down MP Peter Hain for questioning the redistributive effects of the current tax policy. See "Hain humiliated," *Guardian*, 21 June 2003, <a href="https://www.theguardian.com/politics/2003/jun/21/uk.labour">https://www.theguardian.com/politics/2003/jun/21/uk.labour</a>.; See Ross McKibbin, "Very Old Labour," *London Review of Books*, April 3, 1997. <a href="https://www.lrb.co.uk/v19/n07/ross-mckibbin/very-old-labour">https://www.lrb.co.uk/v19/n07/ross-mckibbin/very-old-labour</a>.

New Labour adopted the rhetoric of "not only this but also that," in stark opposition to the 'old' politics which misguidedly thought you had to choose between these two. In fact, the word "New" occurred 609 times in 53 speeches by Blair between 1997–99.; Fairclough, *New Labour, New Language*? viii, 18.

<sup>&</sup>lt;sup>85</sup> Philip Gould, *The Unfinished Revolution: How Modernisers Saved the Labour Party* (London: Little, Brown and Company, 1998), Chapter 8.; Thomas, *Popular Newspapers*, 136.

<sup>&</sup>lt;sup>86</sup> Sully, The New Politics of Tony Blair, 29.

# **Conclusion**

So make no mistake who's looking forward in British politics. We'll leave the 1970s-style socialism to others. We are the party of the future. 1

— PM David Cameron to Conservative Party Conference on October 2, 2013

Historian David Edgerton was premature in his 1997 declaration that general economic history was no longer declinist, if by "general economic history" Edgerton was referring to the popular discourse of economic history as it is widely understood.<sup>2</sup> According to popular economic history, this assertion has been repeatedly repudiated in the manner in which a 'return to the 1970s' remains a strawman for British politicians attacking economic policies of their opponents.<sup>3</sup> However, if one narrows the scope of "general economic history" to the realm of academic cliometric discourse, Edgerton was justified in making his claim, and the general consensus today is that the events of the 1970s were not the 'culmination' of long-run problems but largely the consequence of short-run forces. The consensus view undermines the idea of some profound malaise or decline, asserting instead highly contingent and particular factors causing a short-run crisis within a longer-run picture of 'mildly disappointing' performance in the golden age.<sup>4</sup>

Perhaps it is not surprising given Donald McCloskey's historic defense of late Victorian entrepreneurs that he emerged as one of the first "post-declinist" authors. Edgerton bookmarks the

<sup>&</sup>lt;sup>1</sup> "David Cameron's speech, Conservative Party Conference 2013: Full text," *New Statesman*, October 2, 2013, <a href="https://www.newstatesman.com/staggers/2013/10/david-camerons-speech-conservative-party-conference-2013-full-text">https://www.newstatesman.com/staggers/2013/10/david-camerons-speech-conservative-party-conference-2013-full-text</a>.

<sup>&</sup>lt;sup>2</sup> David Edgerton, "The Decline of Declinism," *The Business History Review* 71, no. 2 (1997): 201-206. http://www.jstor.org/stable/3116157, 202.

A simple dichotomy was summed up by a review of a book on the 1970s began with "Everyone knows the Seventies were the "down" to the Sixties "up.""; Duncan Fallowell, "A Decade of Decadence; Review History," *Sunday Express*, July 31, 2005. <a href="https://advance.lexis.com/api/permalink/c6b7cf8b-85ae-4f70-987a-5a2e942938b7/?context=1516831">https://advance.lexis.com/api/permalink/c6b7cf8b-85ae-4f70-987a-5a2e942938b7/?context=1516831</a>.

<sup>&</sup>lt;sup>4</sup> Jim Tomlinson, "Thrice Denied: 'Declinism' as a Recurrent Theme in British History in the Long Twentieth Century," *Twentieth Century British History* 20, no. 2 (2009): 227–251. <a href="https://doi.org/10.1093/tcbh/hwp019">https://doi.org/10.1093/tcbh/hwp019</a>, 238-9.; Alan Booth, "The Manufacturing Failure Hypothesis and the Performance of British Industry during the Long Boom," *The Economic History Review* 56, no. 1 (2003): 1-33. <a href="https://www.jstor.org/stable/3698752">https://www.jstor.org/stable/3698752</a>.

second edition of Roderick Floud and Donald McCloskey's *Economic History of Britain* (1994) as the first true post-declinist opus, which is true if one takes McCloskey's *If You're So Smart* (1990) as more a work of popular economic history than a truly cliometric account. Nonetheless, it is in his 1990 book that McCloskey summarizes the fundamental problem of declinism as it is understood by historians today: "What is most wrong about the metaphor of leadership in a race of industrial might, though, is that it assumes silently that first place among the many nations is vastly to be preferred to second, or twelfth." Instead of ascribing fault for Britain's economic 'lag,' the question economists have begun asking is more along the lines of is "why was the United States so much more productive, not why Britain lagged."

Within this more forgiving framework, the British relative decline was not a failure, but actually an index of maturity: 228% increase of production between 1900 and 1987 was more important than an 8% "failure" in the end to imitate German productivity, and as McCloskey admonishes, such talk is, at best, "tasteless in a world of real tragedies." While it is true that a handful of other countries have higher average living standards than the British, on the whole those differences are trivial compared with the generally neglected differences between British living standards and those of the bulk of the rest of the world. Adopting a realistic viewpoint, one which essentially negates the whole of Correlli Barnett's romantic view of a formerly-triumphant British character, economic historian Barry Supple writes that Britain's decline was all but inevitable as more and more countries entered the ranks of the industrial economies, other and bigger countries

<sup>&</sup>lt;sup>5</sup> Donald McCloskey, *If You're So Smart* (Chicago: University of Chicago Press, 1990), 44.

<sup>&</sup>lt;sup>6</sup> Edgerton, "The Decline of Declinism," 202.

<sup>&</sup>lt;sup>7</sup> McCloskev. If You're So Smart, 46, 48.

<sup>&</sup>lt;sup>8</sup> Barry Supple, "Presidential Address: Fear of Failing: Economic History and the Decline of Britain." *The Economic History Review* 47, no. 3 (1994): 441-458. http://www.jstor.org/stable/2597588, 442-3.

grew more rapidly, the empire disintegrated, and the resources and commitments necessary for world power status became ever more extensive and expensive.<sup>9</sup>

The 1970s did see important political-economic debates, but as detailed in Chapter 1, the language of crisis and "ungovernability" was not an inevitable outcome of the decade. The existence of an alternate paradigm in the somewhat amorphous proto-Thatcherism was forged in the wake of the 1974 miners' strike and reached its rhetorical apotheosis on January 17, 1979 during Thatcher's party political address. Contemporary politicians, especially on the Right, linked declinist accounts of the golden age to a story of renewal from the 1980s, aided in large part by the Tory press. Thus decline was rhetorically framed in the 1980s as what Britain suffered from up until 1979 but from which it was then rescued. <sup>10</sup>

Just as the "crisis" of the Winter of Discontent was "discursively" constructed during the event itself, so too was the memory and re-construction of the event and the decade preceding it. The 1970s are viewed as a catastrophic climax to an ideological wrong-turn taken after 1945, characterized by a systemic crisis of social democracy, capped off with a winter of industrial unrest, which was experienced second-hand as a mediated crisis rather than more directly as a 'real' one. Indeed, once in power Thatcher did not 'roll back' the state and moreover failed to "educate" the electorate of its new economic paradigm: while Thatcher succeeded in shaping elite opinion, she faced limitations in shaping popular opinion.

<sup>&</sup>lt;sup>9</sup> Supple, "Presidential Address: Fear of Failing," 445.

Tomlinson, "Thrice Denied," 239.; There was, admittedly, a rational basis for the persistence of declinism beyond the canny politicking of the New Right and their press allies: as Supple notes, the British thought that they are declining because, as their wants change, they are less able to satisfy them than their forefathers were able to satisfy their own much simpler requirements.; Supple, "Presidential Address: Fear of Failing," 456.

<sup>&</sup>lt;sup>11</sup> James Thomas, "Bound in by history': The Winter of Discontent in British politics, 1979–2004," *Media, Culture & Society* 29, no. 2 (2007): 263–283 doi: 10.1177/0163443707074257, 271.

<sup>&</sup>lt;sup>12</sup> Jim Tomlinson, *Managing the Economy, Managing the People* (Oxford: Oxford University Press, 2017), 76, 83-6.

In an undergraduate student module taught in 2003/4, historian James Thomas asked students to write down 'key images' about the events of 1979, and a selection of comments included:

Socialism; mass strikes; rubbish; 1970s Billy Elliot/Brassed Off type era; industrial struggle; no fuel; low economy; desperation; 3 day week; street violence; unemployment; rats eating litter on streets; rubbish lining the streets; rioting; Saatchi and Saatchi; Crisis? What Crisis?; country at a complete standstill.<sup>13</sup>

Not all of these terms are wrong, but the ones that do not directly pertain to the Winter of Discontent reveal the influence re-presentation has had in the establishment of a myth of ungovernability quite detached from the lived experience of the events of January–February 1979. Almost forty years after the Winter of Discontent, I asked classmates at Oxford a similar question. A selection of comments from this iteration included:

Shakespeare; people looking miserable in grey gloomy weather; trade union policy; wages; problems under Callaghan's government; striking miners, rubbish on streets, and queues; people's fuel credits; wage stagnation under very weak Labour Government; Thatcher election; gravediggers.

The sample here was biased towards students who study history and contemporary politics, and yet while most responses were accurate, they too confounded the fuel crisis of the Heath years. Moreover, when respondents answered with imagery, oftentimes these were the accounts of rubbish and gravediggers that were what the TUC Media Group dubbed the "hypothetical": these events received little prominence at the time, and on the rare occasions when they did, they were presented as almost frivolous.

The memory of the Winter of Discontent and the 1970s are continually reinvented, and the manner in which the debates took place four decades ago has not disappeared.<sup>14</sup> The 2016 Brexit

<sup>&</sup>lt;sup>13</sup> Thomas, "Bound in by history'," 276.

<sup>&</sup>lt;sup>14</sup> See "Britain: back to being the sick man of Europe?" *The Economist*, July 19, 2017, <a href="https://www.economist.com/blogs/buttonwood/2017/07/1970s-show.">https://www.economist.com/blogs/buttonwood/2017/07/1970s-show.</a>; Ben Chapman, "Brexit will ''ake Britain back to the 1970s', says former Bank of England expert," *Independent*, October 28, 2016, <a href="http://www.independent.co.uk/news/business/news/brexit-britain-uk-economy-back-to-1970s-chronic-pain-adam-posen-bank-of-england-a7384336.html">http://www.independent.co.uk/news/business/news/brexit-britain-uk-economy-back-to-1970s-chronic-pain-adam-posen-bank-of-england-a7384336.html</a>.

referendum proved that the debates over economic discourse and media portrayals remain pertinent today. <sup>15</sup> The end of the 'Age of Spin' as inaugurated in the Blair years arguably coincided with the ignominious fall of Malcolm Tucker in the TV series *The Thick of It*, only to be replaced with today's media complex in which algorithms dictate news coverage and readership and create "echo chambers." <sup>16</sup> Just as the tabloids in the 1980s were able to smear Labour politicians and whip up controversy, politically expedient partial-truths—notably Brexiteers' claim that they "send the EU £350 million a week"—and other false claims now metastasize across social media and stoke fears of pernicious economic and political forces at play. <sup>17</sup>

Reflecting on the role of the *Mail* in dictating and amplifying the public mood with regards to the Brexit referendum, a 2017 *Guardian* article noted: "Rarely has there been a moment in British political life when newspapers—and, in particular, a single powerful newspaper—focused the thinking of its readers so effectively on one question." This comment ignores the almost identical role played by the Tory phase of the *Sun* from 1979 to 1997, but it does successfully capture the frustration of the "mainstream media" in conveying something other than outrage to their readers while ensuring that their articles will pay dividends. The comment, moreover, reveals a striking parallel to the TUC Media Group's complaints that non-representative, extreme views were

<sup>&</sup>lt;sup>15</sup> See "Empty shelves," *Economist* April 27, 2010, <a href="https://www.economist.com/node/15996751">https://www.economist.com/node/15996751</a>.; Zadie Smith, "Fences: A Brexit Diary," *New York Review of Books*, August 18, 2016, <a href="http://www.nybooks.com/articles/2016/08/18/fences-brexit-diary/">http://www.nybooks.com/articles/2016/08/18/fences-brexit-diary/</a>.

The Katharine Viner, "How technology disrupted the truth," *Guardian*, July 12, 2016, <a href="https://www.theguardian.com/media/2016/jul/12/how-technology-disrupted-the-truth.">https://www.theguardian.com/media/2016/jul/12/how-technology-disrupted-the-truth.</a>; Carole Cadwalladr, "The great British Brexit robbery: how our democracy was hijacked," *Guardian*, May 7, 2017, <a href="https://www.theguardian.com/technology/2017/may/07/the-great-british-brexit-robbery-hijacked-democracy.">https://www.theguardian.com/technology/2017/may/07/the-great-british-brexit-robbery-hijacked-democracy.</a>; Nicholas Thomas and Fred Vogelstein, "Inside The Two Years That Shook Facebook—And The World," *Wired*, February 2, 2018. <a href="https://www.wired.com/story/inside-facebook-mark-zuckerberg-2-years-of-hell/">https://www.wired.com/story/inside-facebook-mark-zuckerberg-2-years-of-hell/</a>.

17 Jon Henley, "Why Vote Leave's £350m weekly EU cost claim is wrong," *Guardian*, June 10, 2016,

https://www.theguardian.com/politics/reality-check/2016/may/23/does-the-eu-really-cost-the-uk-350m-a-week. Tim Adams, "Is the editor of the Daily Mail the most dangerous man in Britain?" *Guardian*, May 14, 2017, https://www.theguardian.com/media/2017/may/14/is-paul-dacre-most-dangerous-man-in-britain-daily-mail.; Andrew O'Hagan, "Who's the real cunt?" *London Review of Books*, June 1, 2017, https://www.lrb.co.uk/v39/n11/andrew-ohagan/whos-the-real-cunt.

ratcheted to the center of public discourse (as with today's algorithmically-determined echo chambers) and that the media "distorted" the public's view of day to day union activities due to its concentration on disputes and other "newsworthy" items. 19 While in the 1970s fears centered around the "hostage" situation that the country found itself in—both in terms of the disruptive effects of strikes and in terms of "institutional rigidities" that were blamed for Britain's relative economic decline—these fears were reconstituted in 2016 with the fear of lost autonomy at the hands of the European Union.

Brexit entered a similar realm of political discourse as the Winter of Discontent, in part because, putting all faulty economic and political arguments aside, it represented an alternative paradigm. The 2008–9 global recession, like the 1974 miners' strike, laid the groundwork for an upswell of economic and political resentment without providing an alternative political regime that could challenge the status quo. The Brexit vote offered this option, and on June 23, 2016 the UK opted for an alternate paradigm for the second time in just over thirty-seven years.

<sup>&</sup>lt;sup>19</sup> TUC Media Group, A Cause for Concern: Media Coverage of Industrial Disputes January and February 1979 (London: TUC Publications, 1979), 12.

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