

The Conservative Party and Thatcherism, 1970-1979:
A Grass-Roots Perspective

by

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Abstract

This thesis argues that 'Thatcherism' was consistent with the values and interests of the Conservative party. The threat of socialism was pervasive and underpinned by the party's socio-economic base. The economic status of the middle class, under threat from inflation, pay controls, taxation, organised trade unions, and even comprehensive education, resulted in a strong emphasis on individual freedom. The free market, property, and choice, with their strong norm of methodological individualism, were the Thatcherite alternative. This strengthened those with skills and qualifications but destroyed the collective structures that supported those without. Thatcherite historiography is exercised most by intellectual high politics while the broader Conservative party has been neglected. However Thatcherism was a real political movement, not just the creation of metropolitan intellectuals and politicians. The grass-roots perspective offers a fuller and richer insight into the Thatcher revolution.

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INTRODUCTION

Conservatism and Thatcherism

Despite its place in Conservative party history, Thatcherism's place in Conservative thought has been disputed by scholars and commentators. Heath loyalist and Thatcher detractor Sir Ian Gilmour, described Thatcherism as 'right-wingery',¹ and like any right-wing system 'merely reactionary or, simply, right-wing. It is not Conservative.'² Peter Riddell claimed that 'Both critics and supporters would be mistaken to regard Thatcherism as synonymous with Conservatism.'³ The central aim of this thesis is to show that Thatcherism *is* synonymous with Conservatism and in harmony with the values of ordinary Conservatives.

According to Anthony Seldon the remarkable thing about Thatcherism is that it 'came from outside the party'.⁴ He traces its origins to the neo-Liberal Mont Pelerin Society formed in the 1940s. Milton Friedman, a Mont Pelerin founder, famously suggested that Thatcher 'was not in terms of belief a Tory' but 'a nineteenth-century liberal'.⁵ Similarly Gilmour suggests that Thatcherism is largely 'nineteenth-

¹ I. Gilmour, *Dancing with Dogma* (1992) p.8.

² I. Gilmour, *Inside Right: A Study of Conservatism* (1977) p.112.

³ P. Riddell, *The Thatcher Government* (1985) p.10.

⁴ A. Seldon, 'Conservative Century', in *Conservative Century*, Ed. by A. Seldon and S. Ball (1994) p. 58.

⁵ *The Observer*, 29 Sept. 1982.

century individualism dressed-up in twentieth-century clothes.’⁶ Some of Thatcher’s own comments support this view. In 1980 she spoke of her admiration for another founder of Mont Pelerin, Friedrich von Hayek. Speaking on the ‘principles of Thatcherism’ in 1992, Thatcher cited both Professor Hayek and Sir Karl Popper. In the 1996 Keith Joseph Memorial Lecture she argued that ‘The kind of Conservatism which he and I favoured would be best described as ‘liberal’... And I mean the liberalism of Mr Gladstone not of the latter day collectivists.’⁷ Given this outside influence, how important is the Conservative party in the development of Thatcherism?

The election of Margaret Thatcher as leader of the Conservative party in 1975 is a useful starting point. The standard account of this event underplays its ideological significance and gives the impression that Thatcherism started life outside the Conservative party. Riddell argued that ‘Mrs Thatcher became leader of the Conservative Party in February 1975 principally because she was not Edward Heath, not because of a widespread commitment to her views.’ Hugo Young added that Heath’s failure was essentially ‘a personal not an ideological event.’ Most recently John Campbell has argued that ‘They voted for her primarily because she was not Ted Heath ... it was not a deliberate turning towards the right.’⁸

⁶ Gilmour, *Dancing with Dogma*, p.9.

⁷ M. Thatcher, Keith Joseph Memorial Lecture, 11 Jan. 1996, Margaret Thatcher Foundation [online] Accessible at: <http://www.margaretthatcher.org/speeches> (hereafter, Thatcher online archive).

⁸ Riddell, *Thatcher*, p.23; H. Young, *One Of Us* p.96 (1990); J. Campbell, *Pistols at Dawn: Two hundred years of political rivalry* (2009) p.323. For the ‘personal’ account see also, P. Cosgrave, *Margaret Thatcher: A Tory and her Party* (1978); P. Jenkins, *Mrs Thatcher’s Revolution* (1989); A. Gamble, *The Free Economy and the Strong State* (1990); S. Jenkins, *Thatcher & Sons: A Revolution in Three Acts* (2006) p.46.

This 'personal' account has two key features. The first is that Thatcher's vote was primarily a vote against Heath. His failure to allow a supporter to stand in the first round of the leadership contest meant that Thatcher benefited fully from disaffection with his leadership. The Thatcher team then deliberately downplayed their candidate's chances to exploit anti-Heath feeling. The second feature is that Thatcher's unexpected victory in the first round gave her unstoppable 'momentum' in the second. This account is consistent with the recollections of some MPs. Reflecting on the contest Geoffrey Howe wrote, 'Margaret had won above all because, like all the others, she wasn't Ted - and, like none of the others, she had had the guts to offer her colleagues the choice.'⁹ While this account is valuable and has strong anecdotal evidence in its favour,¹⁰ it only partly explains the outcome. Ewen Green argues that there was more than contingency to Thatcher's victory over Heath. Likewise, John Fair and John Hutchinson caution that 'the importance of this change of leadership in the Conservatives' emerging ideological tradition cannot be understated.'¹¹

Thatcher was the candidate for the Conservative right. Only after Keith Joseph and Edward Du Cann had ruled themselves out did she let her name go forward. Nigel Lawson reflects that he 'broadly shared her political and (in particular) economic thinking' and was 'greatly relieved' by her election.¹² Alan Clark, 'the

⁹ G. Howe, *Conflict of Loyalty* (2008 edn.) p.93.

¹⁰ For a summary see, J. Campbell, *Margaret Thatcher: The Grocer's Daughter* (2000) p.301.

¹¹ J. Fair, J. Hutchinson, 'British Conservatism in the Twentieth Century', in *Albion*, Vol.19 No.4 (Winter 1987) p.567.

¹² N. Lawson, *The View From No.11: Memoirs of a Tory Radical* (1992) p.13.

maverick right-wing M.P', was seen 'rushing out of Westminster Hall shouting at the top of his voice, 'she's won, she's won'.¹³ Rhodes Boyson welcomed Thatcher's election with a 'sigh of relief' and added that it was 'important now to pursue some genuine right-wing policies.'¹⁴ Thatcher's affiliation is reflected on the left of the party. Edward Heath recalls that he appointed Thatcher to his shadow treasury team in 1974 in part to 'disarm the right.'¹⁵ On Thatcher's appointment Gilmour complained that there was 'no reason in logic, history, philosophy or expediency, why the Tory Party should join the Labour party in moving towards the extremes.'¹⁶

These anecdotes suggest that Thatcher was strongly associated with the right. The results of a survey by Philip Cowley and Matthew Bailey of the way MPs voted in the contest reinforce the point. Of Thatcher's 130 votes in the crucial first round about 75 can be attributed to the right of the party, while of Heath's 119 votes 70-80 can be attributed to the left. They conclude that ideology was a 'key determinant' in both rounds.¹⁷ John Campbell still reckons that the largest group of voters could not be defined as left or right-wing. Yet Bailey and Cowley's figures suggest that 140-150 votes in the first round can be defined as left or right-wing with a smaller group of 126-136 that cannot. What is more, the group of left/right voters were almost split down the middle between Heath and Thatcher

¹³ J. Prior, *A Balance of Power* (1986) p.100.

¹⁴ *Finchley Times*, 14 Feb. 1975, Thatcher online archive.

¹⁵ E. Heath, *The Course of My Life* (1998) p.529.

¹⁶ Campbell, *Pistols at Dawn*, p.323.

¹⁷ P. Cowley, M. Bailey, 'Peasants Uprising or Religious War?' in *British Journal of Political Science* (Oct. 2000) p.628.

respectively. This makes claims such as Hugo Young's that Thatcher 'was not elected as a right-winger' difficult to sustain.¹⁸

The ideological nature of the leadership contest challenges the view that Conservatism is not an ideology. According to Ian Gilmour 'British Conservatism... is not an '-ism'... Still less is it a system of ideas. It cannot be formulated in a series of propositions, which can be aggregated into a creed. It is not an ideology or a doctrine.'¹⁹ Another Heath loyalist, Francis Pym, argued that 'If the main strength of Conservatism is adaptability, its main enemy is ideology.'²⁰ Historians and political scientists have frequently interpreted this hostility to ideology as a lack of principle. According to Andrew Gamble, Conservatives are 'renowned for their hostility to doctrine and their lack of principle.'²¹

Others are critical of this view. Brendon Evans and Andrew Taylor argue that the tendency to interpret pragmatism as a lack of ideology 'is a mistake'.²² Stuart Ball agrees. 'It is a mistake to regard the Conservative party as driven only by a desire for power, or acting only on the basis of pragmatism and expediency. *There is a clear relationship between different approaches ... and their underlying foundation of principles.*'²³ Political theorists have tried to articulate these

¹⁸ Young, *One of Us*, p.100.

¹⁹ Gilmour, *Inside Right*, p.121.

²⁰ F. Pym, *The Politics of Consent* (1984) p.172. For this view see also, T. Russel, *The Tory Party* (Penguin, 1978); P. Walker, *Staying Power* (1991).

²¹ A. Gamble, 'Thatcherism and Conservative Politics', in *The Politics of Thatcherism*, Ed. by S. Hall and M. Jacques (1983) p.119.

²² B. Evans, A. Taylor, *From Salsbury to Major: Continuity and change in Conservative politics* (1996) p.277.

²³ S. Ball, *The Conservative Party since 1945* (1998) p.162 (My own italics).

principles. W.H Greenleaf suggested 'libertarianism' and 'paternalism' as possible underlying principles, and Norman Barry distinguishes between 'dispositional' and 'substantive' Conservatism.²⁴

The Historian Ewen Green believed that 'Ideology, as it is for all political parties, is central to the history of the Conservative party.'²⁵ He finds that Greenleaf's division between libertarians and paternalists fails to account for times when Conservatives have held libertarian and paternalist views simultaneously. Instead Green adopts Martin Seliger's terminology.²⁶ Conservatism has a set 'fundamental' positions that underly a range of 'operative' positions, with the latter shifting in response to political reality. John Barnes makes a similar distinction. He suggests that Conservative ideology operates on two levels, the first being the Tory 'facts of life' which the Conservative views as common-sense politics, and the second being the deployment of a further set of related ideas.²⁷

In the 'Politics of Imperfection' Anthony Quinton offers three fundamental positions: traditionalism, organicism and political scepticism, related to each other by the concept of human intellectual and moral imperfection.²⁸ Throughout the twentieth century Green confirms 'a marked adherence to the closely related tenets of intellectual imperfection and political scepticism'.²⁹ It follows that

²⁴ See also, N. O'Sullivan, *Conservatism* (1976), R. Scruton, *The Meaning of Conservatism* (1980).

²⁵ E.H.H. Green, *Ideologies of Conservatism* (2001) p.14.

²⁶ Ibid. p.280.

²⁷ J. Barnes, 'Ideology and Factions', in *Conservative Century*, p.318.

²⁸ A. Quinton, *The Politics of Imperfection* (1977) p.17.

²⁹ Green, *Ideologies*, p.283.

Conservatives prefer experience and practice as a guide to political action rather than abstract theory. The twentieth-century conservative thinker Michael Okashott, wrote that 'politics is the pursuit of intimations, not of a dream or general principle.'³⁰ From a historical perspective Lord Blake observed the Conservatives' sceptical attitude towards Utopian panaceas, international idealism and the goodness of human nature, and his belief in the continuity of institutions and traditions.³¹

Although Thatcherism was influenced by Mont Pelerin, its influence was at the operative rather than the fundamental level. Firstly, this was not the first time Conservatives had been influenced by neo-liberalism. Secondly, the Thatcherites never fully embraced it. And thirdly, when neo-liberal language or policies were adopted they were defended on Conservative rather than neo-liberal grounds. Andrew Taylor suggests that the role of neo-liberalism is best understood as a 'tool not a blueprint', and fashioned in a way conditioned by British Conservatism.³² For instance Nigel Lawson justified the Thatcher government's market reforms by arguing that free markets were truthful about man's intellectual and moral limits, whereas state intervention tries to achieve too much.³³

Green acknowledges that even at the operative level consolidating neo-liberalism with Conservatism is not without its problems. For instance, the market

³⁰ Ibid. p.94.

³¹ R. Blake, *The Conservative Party: From Peel to Major* (1998) p.414.

³² Evans & Taylor, *From Salisbury to Major*, p.239.

³³ Lawson, *View from No. 11*, Annexe I, p.1040-1046.

'can be deemed guilty of intellectual imperfection' itself.³⁴ However it is important to point out that the Thatcherites did not see the market as perfect. Lawson was explicit that 'markets are undoubtedly imperfect'. Rather, by the 1970s the imperfections of the state were considered the greater evil. Lawson adds, 'So far from ever more state intervention being justified by virtue of the admitted imperfections of the market, a greater reliance on markets is justified by virtue of the practical imperfections of state intervention.'³⁵ Earlier in 1974 Thatcher argued, '...we are not and never have been a party of 'laissez faire' ... But we do believe that the Government's overall responsibility for the nation's well-being must be exercised in harmony with the working of market forces. Otherwise the contradictions and distortions created make the best—intentioned policies counter-productive.'³⁶ This explains the operative shift to neo-liberal economics during the 1980s, and it bears out Lord Hailsham's argument in 1951 that 'laissez-faire economics were never orthodox Conservative teaching and Conservatives have only begun to defend them when there appears to be a danger of society swinging too far to the other extreme.'³⁷

If society was swinging too far to the left, then those who most strongly identified themselves as Conservatives must have been calling for a restatement of principles and a change of policy. Green argues that they were. 'In terms of contextualizing Thatcherism, the ideas, arguments and prejudices of the middle

³⁴ Green, *Ideologies*, p.288.

³⁵ Lawson, *View from No.11*, Annexe I. p.1046.

³⁶ Thatcher, *The Daily Telegraph*, 1 July 1974, Thatcher online archive.

³⁷ Visct. Hailsham, *The Conservative Case*, (1959 edn.) p.133.

and lower ranks of the Conservative party provide a route to understanding the 'popular' origins.'³⁸ Thatcher herself certainly believed that it was their views she was representing. In 1975 Thatcher she told the Conservative Conference at Blackpool that 'We shall not have to convert people to our principles. They will simply rally to those which truly are their own.'³⁹

Paul Whiteley, Patrick Seyd and Jeremy Richardson, conclude from their 1992 survey of Conservative members that the Thatcherites failed in their programme to 're-educate' the party which remained 'rather anti-Thatcherite'. This is a valuable insight into the Conservative party of the 1990s. However, in so far as it gives an insight into what the membership thought in the 1970s, its conclusions are retrospective. The authors do concede an 'absence of data on grass roots beliefs prior to Mrs Thatcher's premiership', which seems a good opportunity for an historical inquiry.⁴⁰

Historians have tended to study the Conservative party from a high political or 'historical' perspective. Its form is chronological and tends to focus on the leadership or principal Conservative politicians, neglecting the wider party.⁴¹ While political scientists have largely confined their studies to policy making, in the 1950s and 1960s local studies into voting patterns and studies into working class

³⁸ E.H.H. Green, *Thatcher* (2006) p.40.

³⁹ Thatcher at Harrogate, 15 Mar. 1975, Thatcher online archive.

⁴⁰ P. Whiteley, P. Seyd, J. Richardson, *True Blues* (1994) p.158.

⁴¹ See, N. Gash, *The Conservatives: A History from their Origins to 1965* (1977); R. Blake, *The Conservative Party from Peel to Thatcher* (1987); J. Ramsden, *An Appetite for Power: A History of the Conservative Party since 1830* (1998); A. Clark, *The Tories: Conservatives and the Nation State 1922-1997* (1999).

Conservative support offer a partial insight into Conservative society.⁴² However, by in large the party rank-and-file have been neglected by scholars.

In a rare early study into Conservative opinion Mike Wilson collated motions to the party conference from 1945 to 1973, and examined whether there was a correlation between rank-and-file attitudes and Thatcherism.⁴³ He divides Conservative opinion into four categories, libertarian (right), libertarian (left), collectivist (right), and collectivist (left), and then breaks down motions along these ideological fault lines. On issues such as taxation, public expenditure, nationalisation, property ownership, and trade unions, Wilson concludes that the libertarian (right) have played a major role since the end of the war. This is especially true during periods of economic difficulty. For instance in 1956 and 1957, the number of motions to conference on 'economic management' increased from 54 in 1955 to 122 in 1957, before falling back to 53 in 1958. The number of these that came from the libertarian (right) also increased from 29 in 1955 to 61 in 1957, before falling back to 31 in 1958. A similar preoccupation with economic matters from a libertarian (right) perspective occurred again in the late 1960s and early 1970s (also years of economic difficulty). This would seem to pre-empt Thatcherite economic policy. John Ramsden, followed by Stuart Ball and N.J Crowson, have pioneered research into grass-roots opinion, utilising local and national archive material. Ramsden's research into rank-and-file discontent with

⁴² For the former see, J. Blondel, 'The Conservative Association and the Labour Party in Reading, in *Political Studies*, 6 (1958); and for the later see, F. Parkin, 'Working-class Conservatives', in *British Journal of Sociology*, 18 (1967).

⁴³ M. Wilson, 'Grass-roots Conservatism', in *The British Right*, Ed. by R. King and N. Nugent (1977).

Edward Heath's leadership, seems to reinforce Wilson's earlier findings on the prominence of libertarian attitudes.

Increasing scholarly interest in the party rank-and-file has been justified by a number of historians who have pioneered this research. The conventional understanding of the party as a 'monarchical' model with the leader and close advisors exerting executive control, was established by Robert McKenzie⁴⁴. To an extent this remains the case. As Barnes and Cockett concede, 'Nothing becomes Conservative policy without the assent of the leader.'⁴⁵ However, this needs qualification. Nicholas Crowson argues that 'this classical analysis of the party structure places too great a stress upon the written constitution'. In reality the party leadership is subject to 'unwritten constraints'.⁴⁶ Barnes suggests that the party membership can 'set the bounds beyond which the leadership dare not go.'⁴⁷ Significantly for the study of the Conservative party and Thatcherism, Ball argues that the rank-and-file 'do manifest and mould party attitudes, which were often the precursor of policy.'⁴⁸ Whitely, Seyd and Richardson agree, 'party members provide an input that should not be ignored, and facilitate the process whereby ideas get onto the agenda of public concern.'⁴⁹

⁴⁴ R. McKenzie, *British Political Parties* (1964).

⁴⁵ J. Barnes, R. Cockett, 'The Making of Party Policy', in *Conservative Century*, p.347.

⁴⁶ N.J. Crowson, *Facing Fascism: The Conservative Party and the European Dictators 1935-1940* (1997) pp.198, 317.

⁴⁷ J. Barnes, R. Cockett, 'The Making of Party Policy', in *Conservative Century*, p.347.

⁴⁸ S. Ball, 'The National and regional party structure', *ibid.* p.219.

⁴⁹ Whitely, Seyd & Richardson, *True Blues*, p.7.

This thesis is about the development of Thatcherism in grass-roots Conservative politics. The first chapter discussed three themes within Conservative politics that guide the response to the 'failure' of the Heath government in the 1970s and the party's approach post-1975. The second chapter will look at economic concerns of the party's core constituency. Through a combination of economic forces and government policy, their relative financial rewards were under pressure. This was reflected in rank-and-file protest over inflation, taxation, the ability of trade unions to secure above inflation wage settlements, and later their ability to secure exemptions from pay controls. The final chapter will deal with concepts such as the free market, private ownership, and freedom of choice, with their strong strong norm of methodological individualism.

In terms of source material, the main input will be unpublished constituency correspondence between 1970 and 1979 held at the Conservative Party Archive, Oxford. These have wide geographical scope and provide a good cross-section of the party organisation. There are the views of ordinary members, local officers, agents, and communication between agents, Members of Parliament and the party headquarters. The latter manuscripts show that Conservative Central Office were directly informed of events unfolding at the local level. Their major limitation is that the views expressed by some constituency associations are predictable given the views of their Members of Parliament. One example is Oswestry represented by the right-wing John Biffen. However, this is not the case for all the material and where it is it cannot be assumed that the Member of Parliament is always driving

local opinion. *The Conservative Agent's Journal* is consulted to get the perspective of this important strata of the party organisation. Most of these issues are occupied with administrative questions, but there are some useful extracts. At the local level, club magazines are valuable. They are limited in the respect that editorials provide only the views of one person. However, when members of various organisational importance are drawing on the same themes, then they provide a valuable insight. For a more formal measure of grass-roots opinion, motions submitted to the party conference are used in a supportive role. General shifts of opinion are clearly perceptible in these, particularly between 1973 and 1975. There was no conference in 1973 and so the differences of opinion between 1973 and 1975 are quite stark. The wider media is consulted including *The Times*, *The Daily Telegraph* and *The Political Quarterly*. Finally, the prodigious archival work of John Ramsden, Stuart Ball, Ewen Green and others, is used to support the research presented in the following chapters.

I.

THEMES

Thatcherism is often seen as a reaction to the events of the 1970s. The electoral failure of the Heath government led to overwhelming calls in the party for a change of direction. More broadly the end of the post-war boom and rampant inflation, or 'stagflation', discredited conventional economic wisdom. Rising prices served as a recruiting agent for trade unionism, and the strike was increasingly used to obtain real wage increases. According to Norman Barry the emergence of Thatcherism 'was not originally an ideological conversion but more a response to events.'¹ Kenneth Minogue agrees that 'the real context of Thatcherism are to be found ... in the 1970s.'²

This chapter suggests that while the context of this decade are indeed crucial, there were long-standing themes in Conservative politics that guided the party's reaction. Firstly, the threat of 'socialism'. Secondly, the emergence of individualism. And third, the expansion of the middle class, which served to enhance the electoral viability of a more atomistic settlement. These themes, extant since at least 1945, reached a head in the 1970s. The Heath government's u-turns were the final straw, resulting in unusually high levels of internal party protest.

¹ N. Barry, 'New Right', in *The Political Thought of the Conservative Party since 1945*, Ed. by K.Hickson (2005) p.34.

² K. Minogue, M. Biddis, *Thatcherism* (1987) xii.

In their survey on the ideological evolution of the Conservative party, John Fair and John Hutcheson show that party literature reveals a growing recognition of socialism as 'the principal force to be reckoned with'.³ In 1912 Hugh Cecil compared the threat presented by socialism to that of Jacobinism a century before. He wrote that in both movements there is 'a reckless disregard of private rights' and 'a disposition, not gradually to develop one state of society out of another, but to make a clean sweep of institutions in the interest of half-thought-out reform'.⁴ In the inter-war years, socialism resumed its role as the party bogeyman. Professor F.J.C Hearnshaw wrote about the 'menace of socialism',⁵ and Lord Halifax thought that the Conservative party was its only effective opponent.⁶ In 1946 Harold Macmillan called for an alliance against socialists. 'The great dividing line', he wrote, 'is between those who believe in the prime socialist dogma, and those who see in such a development the grim nightmare of the totalitarian state.'⁷

The enhanced clarity of Conservative policy during this period owed much to the socialist threat. Defeat at the 1906 general election underscored the need for the Conservatives to develop a distinct agenda. In 1910 the Fifth Earl of Malmesbury called for 'some philosophical writer of genius' to lay down the foundations for Conservative policy.⁸ Others were less enthusiastic. In a chapter

³ J. Fair, J. Hutchinson, 'British Conservatism in the Twentieth Century', in *Albion*, Vol.19, No.4 (Winter 1987) p.551.

⁴ *Ibid.* p.549.

⁵ *Ibid.* p.559.

⁶ *Ibid.* p.556.

⁷ *The Times*, 16 Sept. 1946.

⁸ Fair & Hutchinson, 'British Conservatism', p.552.

entitled 'The Problem with a Programme', Hearnshaw argued that the more Conservatism was defined in terms of a programme the more rigid and less Conservative it sounded. In *The Middle Way*, published in 1938, Harold Macmillan tried to consolidate the need for programme politics with Conservatism. It sought to combine Conservative scepticism of ideology with a balance between laissez-faire individualism and socialist command economy. In practice it included the use of demand management techniques to create economic conditions conducive with high employment, industrial re-organisation to increase economic output, and nationalisation in clear instances of market failure. It became the basis for the Conservative party's acceptance of the state's enlarged remit after 1945.

However, by the 1970s the middle-way seemed a hopelessly inadequate bulwark against socialism. Keith Joseph argued that the 'middle way' had replaced the usual 'pendulum' between left and right with a 'ratchet' whereby the socialists moved it forward 'as fast as they considered politic' and Conservative governments 'either kept things as they were, or let them move on under their own momentum.'⁹ He termed this process the 'ratchet effect'. Angus Maude expressed the same concern. Rebuking Ian Gilmour in *The Times*, Maude wrote that 'Whatever the results of elections, it is only what the left does when in power that remains permanent.'¹⁰ Rhodes Boyson's 'slow-quick-quick-slow foxtrot to socialism' tapped into the same theme.¹¹

⁹ J. Ramsden, *The Winds of Change: Macmillan to Heath 1957-1975* (1996), p.421.

¹⁰ *The Times*, 7 May 1974.

¹¹ Ramsden, *Winds*, p.421.

At the parliamentary level the critique of the middle-way resonated. Terrence Higgins, the M.P for Worthing, warned his constituents that 'if on coming to office we merely occupied 'the middle ground' and adopted a policy of moderation, we shall inevitably find over the years a ratchet effect which takes our national policies on every issue further to the left.'¹² Jill Knight, the M.P for Edgbaston, argued that 'we shall never beat the socialists with policies that are wishy-washy pale-lilac versions of socialism.'¹³ Hugh Fraser, the M.P for Stafford and Stone, argued that recent failings were not just those of socialism but 'the failure of consensus politics.' He argued that 'the so-called centre was proving a political morass', and called for the party to 'make their traditional stand.'¹⁴ Philip Vander Elst, the Editorial Director of the Conservative Selsdon Group, wrote that Britain had 'steadily become more socialist despite the fact that Tory governments have held office for most of the past 40 years.'¹⁵

At the grass-roots level, East Leicester strongly urged the next Conservative government to 'reverse the trend of socialism.'¹⁶ At the 1974 Annual Women's Conference, Esher members called for the principles of Conservatism to be 're-examined in order to produce true Conservatism and not watered-down socialism.'¹⁷ Aldershot Conservatives argued that it would be impossible for the

¹² T. Higgins, *Worthing Courier*, Spring 1978, CPA/Box 7/Constituency Correspondence, S/E Area, 1972-1983.

¹³ *Looking Right*, Autumn 1968, BCL (Birmingham Central Library)/B76.21.

¹⁴ *Looking Right*, Winter 1968.

¹⁵ P. Vander Elst, 'Radical Toryism - The Libertarian Alternative', in *The Political Quarterly*, Vol.46 (1975).

¹⁶ *92nd Conservative Conference* (1975), p.133.

¹⁷ *The Times*, 7 May. 1974.

party to represent all the people 'in a progressively left-wing environment', and called for 'the next Conservative government to redress the balance by the cancellation of extreme left-wing policies.'¹⁸ On the eve of the 1979 general election, an editorial questioned, 'Will we move towards a freer, more democratic society, or will we be just delaying the inevitable slide to socialism and communism like we have done in the past?'¹⁹

In consequence there was a noticeable move to the right. In 1976 Gillingham Conservatives observed that it was 'undeniable that constituency opinion has moved towards the right in the past year.'²⁰ One member at West Gloucestershire called for the party to be 'more vociferous and more right-wing.'²¹ In 1974 Oswestry members criticised the shadow cabinet, and suggested the replacement of Edward Heath as leader by Keith Joseph, who the association described as 'the only success in our last government.' They also suggest the promotion of right-wing Conservatives such as John Biffen, Edward Du Cann and Angus Maude to the shadow cabinet, and call for Edward Heath to work with Enoch Powell 'for the good of the party and the country.'²²

¹⁸ Wessex Area Annual Report, 1974, CPA/Box 69/Area Council Officers, Annual Meeting Reports, and General Correspondence, E/West Mid. and Wessex Areas, 1969-79.

¹⁹ *Looking Right*, Feb. 1978.

²⁰ Gillingham Conservative Association Annual General Meeting, 1976, CPA/Box 116, Constituency Correspondence, S/E Area, 1972-1983.

²¹ West Gloucestershire Political Discussion Group minutes, 20 Sept. 1976, CPA/Box 122/West Mid. Area, 1975-1980 (Hereafter, West Gloucestershire Political Discussion Group).

²² Biffen to Galloway, 11 June 1974, CPA/Box 49/Constituency Correspondence, West Mid. Area, 1972-82.

Even after Thatcher's election as leader, criticism was still directed at left-inclined Conservatives. In 1976 West Gloucestershire complained that 'front-bench spokesmen were not voicing credible alternatives to socialist policies'. Specifically criticism was leveled at the 'lack of team behind the leader rather than the leader herself'. One member felt that a change in Thatcher's team was 'long overdue', and there was further criticism of the Heathite loyalist Reginald Maudling.²³ From West Gloucestershire at least, there would have been some satisfaction when in November Maudling was removed from post.

Labour policies such as the Industry Act with its combination of public ownership and state direction, affirmed Conservative fears. At Upminster Keith Joseph argued that Britain had had 'too much Socialism',²⁴ and in Thatcher claimed that she was out to destroy it.²⁵ Further down the party West Gloucestershire Conservatives declared that 'destroying Socialism was vital', and urged Socialist bills to be fought 'clause by clause'.²⁶ In 1977, Hove Conservatives referred to the 'menace of socialist dogma'.²⁷ The fight against socialism was often Churchillian in rhetoric. Folkestone and Hythe Association declared that 'Upon us as Conservatives has fallen the task of fighting for our country in a way that it has never been fought for before. Socialism must be fought at every turn.'²⁸

²³ West Gloucestershire Political Discussion Group, 20 Sept. 1976.

²⁴ K. Joseph, Speech at Upminster, 22 June, 1974, Thatcher online archive.

²⁵ Fair & Hutcheson, 'British Conservatism', p.567.

²⁶ West Gloucestershire Political Discussion Group, 20 Sept. 1976.

²⁷ Hove & Portslade Annual Report, 1977, CPA/Box 7/Constituency Correspondence, S/E Area, 1972-1983.

²⁸ Folkestone and Hythe Conservative Association Annual Report, 1975, CPA/Box 116/Constituency Correspondence, S/E Area, 1972-1983.

Anti-socialist feeling amongst Conservative voters was recognized by the party hierarchy. A Steering Committee report circulated in May 1978 suggested that ‘the terms Labour and socialist should be used interchangeably so as to rub off onto each other.’ The same report recommended that the party ‘link the general British sickness to Labour government policies and to the socialist beliefs from which these policies derive’. Determined to destroy socialism, they recognised the need for a ‘substantial anti-socialist mandate.’²⁹

In the 1970s the menace of socialism resulted in a strong assertion of individual rights. In fact the threat to individual freedom had been central to the rights’ critique of socialism since the late nineteenth century. In *Social Equality* (1882) and *The Limits of Pure Democracy* (1919), William Mallock railed against the pursuit of equality. He argued that individual ingenuity underlay social progress. ‘Labour in itself’, he argued, ‘is no more the cause of wealth than Shakespeare’s pen was the cause of writing Hamlet.’ Ingenuity could not be redistributed by legislation but it could be disincentivised by the pursuit of equality and excessive wealth redistribution.³⁰ In *The Middle-Way* Macmillan virtually makes the same point. ‘Human beings, widely various in their capacity, character, talent and ambition, tend to differentiate at all times and in all places. To deny them the right to differ, to enforce economic and social uniformity upon them, is to throttle one of the most powerful and creative of human appetites.’³¹

²⁹ C.Patten, ‘Implementing Our Strategy’, 21 Dec. 1977, CPA/SC/16/62.

³⁰ J.Barnes, ‘Ideology and Factions’, in *Conservative Century*, Ed. by A. Seldon and S. Ball (1994) p. 334.

³¹ H. Macmillan, *The Middle Way* (1966 edn.) xviii.

In the post-war period the party started to construct an electoral appeal around individual freedom. In 1945 Winston Churchill argued that 'liberty in all its forms is challenged by the fundamental conceptions of socialism.'³² Labour's landslide victory and Churchill's surprise resignation, forced the Conservative party to accept many of the Attlee government's collectivist reforms. However, the individual was resurrected in 1950. The party manifesto, *This is the Road*, called for 'the encouragement of enterprise and initiative', and included pledges to 'Reduce Taxation', 'Limit Controls', and 'Stop Nationalisation'.³³

The 1959 general election is a significant point in the development of an individualist programme. In *The Conservative Case*, re-published in the run-up to the election, Lord Hailsham argued that Conservatives regarded themselves in the twentieth century as the 'true champions of liberty.' 'The danger', Hailsham wrote, was now 'not too much but too little freedom.'³⁴ During the campaign Heathcote Amory, the Chancellor of the Exchequer, told a rally in North Cornwall that the supreme issue in the election was 'a choice between freedom and opportunity and the all-pervading power of a bureaucratic Socialist State.'³⁵ To some extent rhetoric was reflected in party literature. *Onward in Freedom* called for 'fresh winds of freedom and opportunity' and trumpeted the party's success in removing from 'the trader, the farmer, the businessman, and the private citizen the whole socialist paraphernalia of burdensome and complex controls.'³⁶ Later Sir Alec Douglas

³² M. Gilbert, *Churchill: A Photographic Portrait*, extracts 335 and 336.

³³ D. Kynaston, *Austerity Britain 1945-51* (2008) p.379.

³⁴ Visct. Hailsham, *The Conservative Case* (1959 edn.) pp.65-67.

³⁵ *The Times*, 10 Sept. 1959.

³⁶ Hailsham, *Conservative Case*, p.150.

Home went so far as to say that ‘individuality is the hallmark of the Conservative philosophy.’³⁷

The emerging critique of the middle-way renewed the need for a distinct programme. The Political Discussion Group at West Gloucestershire, argued that ‘Destroying socialism is vital but we must have an alternative to put in its place.’ While ‘socialist dogma had an obvious immediate appeal’, ‘Conservatism should have something more attractive to offer.’³⁸ The obvious fall-back was individual freedom, expressed with greater clarity after 1975. Shortly after becoming leader Thatcher looked back to Churchill’s 1950 campaign for inspiration. She proclaimed, ‘The greatest Conservative Prime Minister of this Century, Winston Churchill, once had as his slogan: *Set the People Free*. It is time we revived it.’³⁹

At the grass-roots level the shift to individual rights is clear. In 1974 the North/West area C.P.C published a report entitled *The individual in society*. It states, ‘The theme of individualism has long been a major strand in Conservative thought. It seems especially relevant to the current period of fresh policy making in the light of accelerating trends towards collectivism.’⁴⁰ In the same year Aldershot Conservatives called for ‘a cancellation of extreme left-wing policies and the adoption of measures which will restore freedom of individual choice and action.’⁴¹

³⁷ *Looking Right*, Autumn 1976.

³⁸ West Gloucestershire Political Discussion Group, 20 Sept. 1976.

³⁹ J.Beavan, ‘The Westminster Scene’, in *The Political Quarterly*, July-Sept, Vol. 46 (1975).

⁴⁰ North/Western Area C.P.C, ‘*The Individual in Society*’, CPA/Box 26/Area Council Officers, Annual Meeting Reports and General Correspondence, Yorkshire, S/E, N/W and Eastern Areas, 1972-1983.

⁴¹ Wessex Area Annual Report 1974, CPA/Box 69/CPA/Box 69/Area Council Officers, Annual Meeting Reports and General Correspondence, East and West Mid. and Wessex Areas, 1969-79.

At a meeting of the North/West area Women's Finance and General Purposes Committee, members called for policies to 'encourage individuals' as a 'bulwark against the encroachment of Government and bureaucracy. White Hall does not know best.'⁴² East Grinstead members called for a simple 'restatement of the party's belief in personal freedom, independence and responsibility.'⁴³

The shift away from collectivism and towards individualism was helped by the expanding middle class and their mounting frustration with post-war the settlement. That the Conservative party was increasingly drawn from the ranks of this socio-economic group helped manoeuvre the Conservative party into an position based on the rights and responsibilities of individuals. The expanding middle class, sometimes called the new middle class, first appeared in Conservative politics during the 1950s and started to put pressure on the Conservative establishment to 'set them free'.

In October 1957 Harold Macmillan wrote a note to Michael Fraser, the party's chief research officer, which reads, 'I am always hearing about the middle classes. What is it they really want? Can you put it down on a sheet of notepaper, and I will see whether we can give it to them?'⁴⁴ It was penned during the so-called middle-class revolt. Inflation, pay freezes, high taxation and working class trade unionism, were pushing down on middle-class income differentials. From mid-1956 Rab

⁴² Harris (North/West area agent) to Sir Richard Webster (Director of Organisation), 8 Nov. 1974, *ibid.*

⁴³ East Grinstead Constituency Council minutes, 30 April 1974, CPA/Box 7/Constituency Correspondence, S/E Area, 1972-83 (Hereafter, East Grinstead minutes)

⁴⁴ Green, *Ideologies*, p.223.

Butler was being warned about the frustration of the 'oppressed middle classes'.⁴⁵ At the 1956 party conference there were calls for 'drastic measures' to defend the 'harassed middle class.' Ewen Green has studied the emergence of middle-class protest groups such as the Middle Class Alliance, which the party hierarchy saw as a manifestation of 'genuine disaffection within a social grouping that was normally regarded as a core element of the Conservative constituency.'⁴⁶

In by-elections the loss of Tunbridge Wells in 1956, Torquay, Edinburgh, Ipswich and Lewisham north in 1957, Torrington in 1958, and famously Orpington in 1962, were a embarrassing for the party leadership. Subsequent elections at Middlesbrough West, Stockton-on-Tees, Derby North, Montgomeryshire and West Derbyshire, all showed a collapse in Conservative support. At the same time the Liberals were making significant gains at the local level. From 1959 to 1962 the number of Liberal councillors increased from 475 to 1,603. 'Most of these gains', Ken Young points out, 'were made in the south of England, and predominantly in the home counties'. He adds that 'relative success in the suburbs and poor performance in the cities seemed to be the pattern.'⁴⁷ As at the national level the Liberals were making in-roads into the Conservative heartlands. Macmillan's response was dismissive. In the wake of Orpington he concluded that 'Conservative voters abstained, or voted Liberal as a by-election protest against

⁴⁵ Ibid. p.223.

⁴⁶ Ibid. p.193-194.

⁴⁷ K. Young, 'Orpington and the Liberal revival', in *By-elections in British Politics*, Ed. by C. Cook and J. Ramsden (2007) p.158.

some of the things they don't like, some things they don't understand, and some things where perhaps they are not patient enough to look to the end.'⁴⁸

There is a sense of déjà vu about the 1970s. The Middle Class Association (MCA) was founded in 1975, expanding from 650 to 5,000 members. It merged with the National Association for Freedom later the same year, whose newspaper *The Free Nation* reached a circulation of some 30,000 by 1976. The founder of the MCA, Conservative M.P John Gorst, argued that 'the middle class, if pushed too far, would spontaneously erupt.'⁴⁹ The M.P William Clark, himself connected to the MCA, argued that 'for too long the middle classes have shouldered a higher and higher proportion of the cost of running the country', adding 'enough is enough'.⁵⁰ These organisations were short-lived, as they were in the 1950s, but they did show an 'increased willingness of certain sections of an undeniably fragmented class to organise in the 1970s as to protect their interests.'⁵¹

Unlike Macmillan, Thatcher was keen to identify herself and her political values with the middle class. She objected to those who 'sneered' at the middle class and believed that the party's 'grandees' were overwhelmed by a sense of guilt towards the poor. During the 1975 leadership campaign Thatcher countered, 'if "middle class values" include the encouragement of variety and individual choice, the provision of fair incentives and rewards for skill and hard work, the

⁴⁸ Ibid.p.173.

⁴⁹ *The Times*, 4 Feb. 1975.

⁵⁰ *The Times*, 16 Jan. 1975.

⁵¹ R. King, N. Nugent, *Respectable Rebels* (1979) p.183.

maintenance of effective barriers against the excessive power of the State and a belief in the wide distribution of individual *private* property, then they are certainly what I am trying to defend.⁵² Her class association was reflected by her political rivals. Ian Gilmour warned Conservatives against retiring 'behind a privet hedge into a world of narrow class interests and selfish concerns.'⁵³ Julian Critchley warned against becoming the party 'of the aggrieved motorist.'⁵⁴

However, the term 'middle class', although often used in literature on Thatcherism, needs clarifying. The 'haute bourgeoisie' or the middle class elites were not the usual agitators. Roger King argues that it was the traditional middle class, 'the petit bourgeoisie and the independent professional' who had 'long been alienated ... squeezed between the millstones of big business and powerful trade unions.'⁵⁵ It was this group that Thatcher sought to represent. Thatcher distrusted 'upper middle-class intellectuals' who could not be depended on to defend middle class values. Her contempt for these 'traitors' or 'quislings' is evident. John Campbell writes that Thatcher was 'an unabashed warrior on behalf of her class', that is to say 'the lower and middling middle class' or 'our people'.⁵⁶ To an extent the skilled working class were also part of this group.

⁵² Thatcher, *The Daily Telegraph*, 30 Jan. 1975, Thatcher online archive.

⁵³ Ramsden, *Winds*, p.446.

⁵⁴ J.Critchley, 'Stresses and Strains in the Conservative Party', in *The Political Quarterly*, Oct-Dec, Vol. 44 (1973).

⁵⁵ R. King, 'The Middle Class in Revolt?', in *Respectable Rebels*, p.1.

⁵⁶ J. Campbell, *Margaret Thatcher: The Iron Lady* (2003) pp.351-352.

This middling strata of society was often referred to as those 'in the middle'. The Chairman of Mayfield Branch, East Grinstead, argued that 'The poor, those represented by strong trade unions, and the wealthy, all did well under the Conservatives but those "in the middle" did less well.' The secretary for Hadlow Branch called for an appeal to the 'in between'.⁵⁷ In a study-paper produced by North West CPA in 1975, particular attention was paid to owner occupiers, new town dwellers, teachers, doctors, nurses, shopkeepers, and also housewives and council house tenants. These were the type of people that made-up the 'middle' strata. A member of Leek conservatives wrote to Mrs Thatcher in August 1976 calling for 'the middle strata of the British population, such as the house-owners, middle management, professional classes and upper working class, to be represented by some form of association or organisation to protect their interests', which were 'undoubtedly being eroded.'⁵⁸

By-election defeats in Berwick-upon-Tweed, Ripon, Isle of Ely, and Sutton and Cheam, reminiscent of the 1950s, were demonstrations of their disillusion. The South-East deputy agent explained that there were parallels between Orpington in 1962 and Sutton and Cheam in 1973. Both contained a 'high percentage of commuters of middle and lower executive and professional types who will never vote socialist but feel disappointed with the present government.' As in the 1950s, this group found their differentials squeezed by trade union bargaining power and government policy. The letter continues, 'Worried by rising prices, rates, season

⁵⁷ East Grinstead minutes, 30 April 1974.

⁵⁸ Whalley to Thatcher, 23 Aug. 1976, CPA/Box 122/West Mid. Area, 1975-1980.

tickets, they show resentment at the success achieved by militant industrial trade unions and feel let down.' 'They are the "ones in the middle" that you and I discussed before the election.'⁵⁹ The C.P.C Officer in East Grinstead suggested that those in the middle 'found themselves overtaken in the wages stakes', and 'from frustration deserted the Conservative Party.'⁶⁰

They fueled the Liberal revival of the mid-1970s. The agent for Oswestry wrote to the area Chairman for the West Midlands warning of 'a strong liberal challenge.'⁶¹ The Chairman of Mayfield suggested that it was from people 'in the middle' that the Liberals were gaining support.⁶² The South East deputy agent explained that this group were 'easy meat for a liberal candidate.'⁶³ In May 1974, the North West area agent wrote to central office warning that 'the Liberal revival had not abated and that in some areas they were maintaining and strengthening their position.'⁶⁴ In 1977 Canterbury Conservatives lamented, 'It is only thanks to the Liberal party and its temporary supporters in 1974 that we had a Labour government in power at all.'⁶⁵

⁵⁹ Harris to Johnson-Smith, 13 Dec. 1972, CPA/Box 26/Area Council Officers, Annual Meeting Reports, and General Correspondence, Yorkshire, S/East, N/West, and Eastern Areas. 1969-1979.

⁶⁰ East Grinstead minutes, 30 April 1974.

⁶¹ Davis to Galloway, 30 Jan. 1974, CPA/Box 49/Constituency Correspondence, West Mid. Area, 1972-82.

⁶² East Grinstead minutes, 30 April 1974.

⁶³ Harris to Johnson-Smith, 13 Dec. 1972, CPA/Box 26/Area Council Officers, Annual Meeting Reports, and General Correspondence, Yorkshire, S/East, N/West, and Eastern Areas. 1969-1979.

⁶⁴ Garner to Webster, 14 May 1974, *ibid.*

⁶⁵ Canterbury Annual Report, 1977, CPA/Box 116/Constituency Correspondence, S/E Area, 1972-1983.

This socio-economic group were increasingly powerful within the party itself. In 1973 Julian Critchley wrote about 'the embourgeoisement of the Conservative party in the House of Commons, and beyond it.' The constituency associations were becoming 'increasingly *petit-bourgeois*' he complained, 'now judging supplicant's speeches not so much by volume as by content'. 'They are interested not simply in ritual condemnation of the policies of the rival parties, but in the political nuances... Will the candidate reflect their anxieties and prejudices? Is he a member of the Monday Club? Where does he stand in the Conservative coalition?'"⁶⁶ At the parliamentary level Ewen Green observes that 'The presence of the 'knights of the shires', military, and other public servants declined, and they were replaced by representatives of the salaried, professional middle classes.'⁶⁷ This registered with the more established Conservatives. Douglas Hurd complained about the 'typical Thatcherite - dark-suited, articulate, 55, accountant, full of sourness.' The following day he wrote, 'Quick sandwich in Pembroke and talk on devolution to PEST (left-inclined Conservative students) - a lively admirable group. These are the people who must win the party, not stiff-collared accountants from Stratford on Avon.'⁶⁸

In 1970 there was hope that the Heath government would succeed in reversing the ratchet where their predecessors had failed. Heath was working class, had fought his way to Oxford, Parliament and Downing Street, and thus supposed to understand the ambitious, hard-working middle class. He promised a

⁶⁶ J.Critchley, 'Stresses and Strains in the Conservative Party', in *The Political Quarterly*, Oct-Dec. Vol. 44 (1973).

⁶⁷ Green, *Ideologies*, p.237.

⁶⁸ D. Hurd, *Memoirs* (2003) p.234.

better Britain, to change the course of the nation's history. Green argues that the general election of 1970 was seen 'by a powerful body of Conservative opinion as the climax of a twenty-five year battle against not only the Labour party's socialism, but the quasi-socialism represented by their own party's failure to dismantle the 'post-war settlement'.⁶⁹ Regardless of the Heath leadership's true intentions, they were certainly complicit in the perception that they intended to reverse the 'ratchet'. For instance in 1968 Anthony Barber, then Chairman of the party, tapped into rank and file frustration:

As each new socialist bill is steam-rolled through the House of Commons, as ministers heap onto their civil servants new functions which even they cannot understand, so our opposition sometimes seems to be almost wholly in vain, and our protests to no avail.⁷⁰

The 1970 manifesto expressed the party's intent to 'clear away from Whitehall a great load of tasks which have accumulated under socialism; to hand back responsibilities wherever we can to the individual, to the family, to private initiative, to the local authority, to the people.'⁷¹ At the 1970 Conservative Conference Edward Heath famously determined 'to change the course of the history of this nation.'⁷² This tapped into the same rank and file frustration with 'socialist' policies that Thatcher would tap into five years later. Ian Gilmour concedes that any 'assumption' of a move to the right were 'largely the leadership's own fault.'⁷³ The

⁶⁹ Green, *Ideologies*, p.235.

⁷⁰ *Looking Right*, Summer 1968.

⁷¹ 'A Better Tomorrow', in *Conservative Party General Election Manifestos, 1900-1997*, Ed. by I. Dale (2000).

⁷² Green, *Ideologies*, p.233.

⁷³ I. Gilmour, *Whatever Happened to the Tories* (1998) p.241.

perceived move to the right is reflected in a letter published in the *Conservative Agent's Journal*:

As a rather old-fashioned Conservative I joined the Monday Club in 1963 as I believed it to be necessary to offset the then somewhat left-wing influence of the Bow Group. The aim, I sincerely think, was achieved as in 1970 the country elected what is, to my mind, a truly Conservative government. By that time I had ceased to belong to the Monday Club since it had suffered the fate of all ginger groups once the object for which they are set-up has been achieved.⁷⁴

Specifically the 1970 Manifesto pledged to reduce government spending, cut tax, 'disengage' from industry, and abandon pay policies. On each of these issues the party leadership transgressed while in government. Green contends that 'For those in the party, in both the upper and lower echelons, who had their hopes and expectations raised in 1970, the disappointment of 1972-4 was all too palpable.'⁷⁵ To make matters worse the 1970 manifesto had also stated that 'once a decision is taken ... the Prime Minister and his colleagues should have the courage to stick to it.'⁷⁶

At the parliamentary level disappointment was palpable. Briefing the party Chairman in advance of a meeting of the 1922 Committee, Chris Patten warned Peter Carrington to expect criticism of 'the Government's alleged "U" turns and its

⁷⁴ *Conservative Agent's Journal*, Feb. 1973, Birmingham University Library, JN 1129.C6/C.

⁷⁵ Green, *Ideologies*, p.234.

⁷⁶ 'A Better Tomorrow', in *Conservative Party General Election Manifestos, 1900-1997*, Ed. by I. Dale (2000).

publicity failures'.⁷⁷ It was also a factor in the 1975 leadership contest. Richard Body, M.P for Holland with Boston, argued that Thatcher's victory in the first round was 'a measure of the frustrations within the party.' He added, 'There is no doubt in my mind that from now on a great deal of rethinking is going to be done on a wide range of important matters, especially those on which the Conservative Government turned turtle after 1970.'⁷⁸ The recollections of senior Thatcherites confirm the importance of the u-turns. In an interview in 2006, Lord Parkinson argued that had the 1970 manifesto come out a few years later it would have been called Thatcherite, "The problem was, we abandoned it."⁷⁹

At the lower levels Oswestry Association expressed their belief that the party should not have 'turned about on 'lame ducks' and 'prices and incomes policy', and called for a 'return to the views held in 1970.'⁸⁰ At a heated Ludlow meeting the leadership was criticised for 'leading from behind, indulging in instant tarmac government, having poor policies or no policies at all in view of the many shifts of direction.'⁸¹ A member at East Grinstead 'called for a return to the policy on which we were elected in 1970.'⁸² At the party conference East Surrey urged the government to 'carry out the Conservative policy set out in the 1970 election manifesto', and Brent East expressed regret over the 'continuance of policies

⁷⁷ Ramsden, *Winds*, p.360-361.

⁷⁸ *The Times*, 5 Feb. 1975.

⁷⁹ Lord Parkinson interview, *Tory, Tory, Tory* (BBC, 2006).

⁸⁰ Oswestry C.P.C Committee minutes, 29 May 1974, CPA/Box 49/Constituency Correspondence, East Mid. Area, 1972-1982.

⁸¹ Murray to Galloway, 15 Jan. 1973, CPA/Box 49/West Mid. constituency correspondence, 1972-82.

⁸² East Grinstead minutes, 30 April 1974.

contrary to those expressed in the Party's 1970 manifesto'.⁸³ Later in 1977 Canterbury Tories urged the party under Margaret Thatcher to 'stick to our policies.'⁸⁴

The October 1974 manifesto, with its emphasis on 'national unity', received a lukewarm reception. One area committee argued that national unity 'displayed weakness' and a 'lack of positive policies.' They added, 'Amongst some of our supporters who wanted a Conservative government there was dismay at being asked to vote for a blank cheque.'⁸⁵ Ashford Conservatives rejected a parliamentary candidate on the same grounds. The panel judged that 'Roger was quite disappointing and did not impress them at all. He called for a national approach and seemed to favor a coalition government.'⁸⁶ The Thatcherite hostility to consensus is clear.

The Heath government was viewed as the latest example of Conservative retreat, reinforced by the high expectations that surrounded the 1970 manifesto. This gave rise to calls for a return to Conservative principles. Bill Deedes wrote in 1973 that the 'Tory rank and file find their government too radical by half and lacking determination to defend what they still believe to be Conservative principles.' He added that 'in so far as most of us at Westminster show a

⁸³ *91st Conservative Conference (1973)*, p.170.

⁸⁴ Canterbury Annual Report, 1977, CPA/Box 116/Constituency Correspondence, S/E Area, 1972-1983.

⁸⁵ North West Women's F & G.P Committee minutes, 30 Oct. 1974, CPA/Box 26/Area Council Officers, Annual Meeting Reports, and General Correspondence, Yorkshire, S/Eastern, N/Western, and Eastern Areas, 1969-79.

⁸⁶ Memo, 27 June 1974, CPA/Box 116/Constituency Correspondence, S/E Area, 1972-1983.

disinclination to get excited about the issues which excite them, we seem inadequate custodians of Tory traditions.⁸⁷ *The Conservative Agent's Journal*, usually light on policy, published a national newspaper article by the new member for Plymouth Sutton, Alan Clark. Entitled 'Re-appraisal', Clark states the need for the party to stand 'firmly by its essential principles.' In the following issue of the journal a letter is published which reads:

'So much of what Alan Clark said in his article has been said by rank-and-file Conservatives for the past decade or more, and very largely these views have been ignored by the leaders of our party. What is more, as Mr Clark himself avows, where opinions have run contrary to official views the tendency has often been to condemn their propounders as 'cranks' or 'troublemakers' and the 'we know best' attitude has prevailed.⁸⁸

One member at East Thanet questioned what the point was 'of voting Conservative when so much of the present Government's actions seem to have little, if anything, to do with true Conservative principles?'⁸⁹

It is evident that by the mid-1970s a substantial portion of the grass-roots were alienated from the leadership. In 1973 Jasper Moore, the M.P for Ludlow, reported 'considerable outrage' at the lack of communication between central office and his association.⁹⁰ In 1974 Peter Morrison, the M.P for Chester, reported that he had

⁸⁷ W. Deedes, 'Conflicts Within the Conservative Party', in *The Political Quarterly*, Oct-Dec. Vol. 44 (1973).

⁸⁸ *Conservative Agent's Journal*, May 1974 & July 1974.

⁸⁹ Killip to Thanet West Chairman, 28 Aug. 1972, CPA/Box 116/Constituency Correspondence, S/E Area, 1972-1983.

⁹⁰ Jasper Moore to Sir Richard Webster, 5 Jan. 1973, CPA/Box 49/West Mid. Constituency Correspondence, 1972-82.

'Once again' received 'complaints about the communications hang-up between central office and constituency organisations.'⁹¹ A member at East Thanet resigned his membership claiming that the Heath government were 'consistently ignoring the views of the members.'⁹² In 1975, *The Times* reported strong support in the West Midlands for a 'totally new brand of leadership'. A parliamentary candidate complained that the party was being run from Westminster 'without any real regard for the views of the people who do all the work out in the constituencies.'⁹³ The Chairman of Crowborough Branch, called for 'better communication' within the party. The agent for Lewes suggested that the party improve its communications, applying 'especially to communications upwards from the so-called grass-roots.' Ashford C.P.C committee, having experienced a fall in turnout, speculated that 'after the example of the final two years of the Heath regime, members doubted whether anyone pays any attention to the reports submitted by the C.P.C committees?' A member from Hartfield wondered if their political meeting was just a 'cosmetic exercise', 'Will central office take any notice of our views?' Heath, he said, was 'arrogant, obstinate, pig-headed and dictatorial.'⁹⁴ Oswestry were in no doubt that Heath had to go:

The meeting unanimously agreed that the really large problem of our role in opposition was the lack of leadership in the party. Even the likelihood of another election soon did not dissuade the

⁹¹ Morrison to Garner, 8 Aug. 1974, CPA/Box 26/Area Council Officers, Annual Meeting Reports, and General Correspondence, Yorkshire, S/Eastern, N/Western, and Eastern Areas, 1969-79.

⁹² Killip to Thanet West Chairman, 28 Aug. 1972, CPA/Box 116/Constituency Correspondence, S/E Area, 1972-1983.

⁹³ *The Times*, 20 Jan. 1975.

⁹⁴ East Grinstead minutes, 30 April 1974.

committee from believing a change of leader of the party essential and urgent. The names being mentioned included Sir Keith Joseph.⁹⁵

These extracts show an intensification of criticism. They are harsh considering Heath was either leader or still Prime Minister at the time. Disillusionment is reflected in levels of activism. Membership and donations are a recurring problem for Conservative associations across the country during the early-mid 1970s. In 1974 the Treasurer of the Birmingham Conservative Political Group reported that funds raised for the general election appeal 'had been very disappointing compared with the two previous elections', and falling interest forced the group to take the bold step of removing 'Conservative' from its title. At a meeting held in July, it was minuted:

'The Chairman of the club explained that the General Committee had unanimously agreed to recommend to the members that the name of the club should be changed from The Birmingham Conservative Club Limited to the Birmingham Club Limited. He explained that, in the opinion of the General Committee, the political name of the club dissuaded some people from becoming members and could, in the present political atmosphere, *require some people to resign their membership.*'⁹⁶

This is surely an indication that by the mid-1970s the Conservative party were alienating a considerable section of its base.

⁹⁵ Oswestry C.P.C Committee minutes, 29 May 1974, CPA/Box 49/Constituency Correspondence, East Mid. Area, 1972-1982.

⁹⁶ Birmingham Conservative Club, Political Committee minutes, 4 July 1974, BCL/MS2007 (My own italics).

Post Thatcher's election as leader there is evidence that the grass-roots were happier. In 1976 the Chairman of Gillingham Conservatives welcomed 'a willingness on the part of the parliamentary party to accept that some of our past policies pursued in the past have had effects contrary to their intentions', adding, 'In my view this last year will eventually be seen to be one in which the Conservative party was reborn to its traditional ideology.'⁹⁷ The Chairman of Folkestone and Hythe argued that 'In Mrs Thatcher we have the makings of the Prime Minister of the century. Her eloquence and clear thinking have begun to express what most of us have for years been able only to feel and long for.'⁹⁸ Brighton and Hove wrote:

'Twelve months ago the Conservative party was still reeling from two General Election defeats in one year. Our supporters were bewildered over the way the voters had rejected policies and stands which had seemed obviously right. This mood is so different today! Throughout the party there is a firm confidence, first that voters are now coming to see the emptiness of t Labour's promises and second that when in office we shall have learned from the past.'⁹⁹

Throughout the twentieth-century Conservatives were concerned about socialism and its implications for society. It involved a degree of collectivism and redistribution which Conservatives could only accommodate to a certain extent. The perception that Britain was moving inexorably left-ward gained influence during the post-war period. The middle-way was determined by points of reference

⁹⁷ Gillingham Conservative Association Annual General Meeting, 1976, CPA/Box 116, Constituency Correspondence, S/E Area, 1972-1983.

⁹⁸ Folkestone and Hythe Conservative Association Annual Report, 1975, *ibid*.

⁹⁹ Hove Conservative Association Annual Report, 1975, CPA/Box 7/Constituency Correspondence, S/E Area, 1972-1983.

that were constantly being shifted to the left, and more vociferously right-wing policies were required to reverse the trend. It is perhaps unsurprising that the Conservative response revolved around individual freedom and related ideas such as property ownership, the free market, and choice. Broader socio-economic change underlay the process, as the Conservative party came to represent and share the frustrations of those 'in the middle'. The sense of defeat shared by the whole party after the Heath u-turns resolved them not to turn back again.

II.

THE OPPRESSED MIDDLE

If you were to speak to an ordinary Conservative in the mid-1970s he or she would have readily agreed that Labour were out to destroy the middle class; that under the post-war drive for equality the income differential between them and manual wage earners was being eroded. There were three specific concerns. First, inflation (which reached levels in the 1970s unseen since the first world war). Second, the level of tax required to fund public spending. And third, over-mighty trade unions and their ability to obtain above inflation wage settlements. Complaints about these three issues were repeatedly relayed through the party's lines of communication, and when the party leadership failed to respond favourably, Conservatives resorted to protest groups outside the party and withheld their support at by-elections.

The problem was articulated as early as the 1950s. In *The English Middle Classes*, published in 1953, the right-wing Conservative M.P Angus Maude warned that through the pursuit of equality the social pyramid was being flattened.¹ This fear was behind the 'middle-class revolt' later the same decade. The Middle Class Alliance, founded by the conservative M.P H.A Price, lobbied mostly on tax and inflation. The People's League for the Defence of Freedom, Chaired by Edward Martell, campaigned on the sole issue of trade union law reform. While they did not oppose the Conservative party directly, they were institutional manifestations of

¹ R. Lewis, A. Maude, *The English Middle Class* (1953) p.217.

disquiet. It was against this background of middle-class agitation that Harold Macmillan sent his famous note to Michael Fraser asking what it was the middle classes wanted. Significantly, Fraser replied that they wanted a restoration of pre-war differentials between them and wage earners.² Macmillan's response is predictably dismissive. The middle class, he said, 'resent the vastly improved condition of the working classes, and are envious of their apparent prosperity & the luxury of the rich.'³

In by-elections the loss of Tunbridge Wells in 1956, Torquay, Edinburgh, Ipswich and Lewisham north in 1957, Torrington in 1958, and famously Orpington in 1962, encouraged Macmillan to take the interests of the party's core constituency more seriously. In 1957 he established the Policy Studies Group to look at options on inflation, public spending, and trade unions.⁴ In an attempt to rein in prices he agreed to public spending cuts on the advice of his Chancellor Peter Thorneycroft, and in the 1959 budget he cut Income and Purchase tax.

The same fear for middle-class differentials emerged again in the 1960s and 1970s. The Middle Class Association, established by the Conservative M.P John Gorst in 1974, sought to defend the middle class against 'spiteful' tax increases at a time when they were 'suffering disproportionately from inflation and massive erosions of savings and investment.'⁵ The more successful National Association for the

² J.Ramsden, *The Winds of Change: Macmillan to Heath 1957-1975* (1996) p.45.

³ E.H.H Green, *Ideologies of Conservatism* (2001) p.187.

⁴ *Ibid.* pp. 224-227.

⁵ R. King 'The Middle Class in Revolt?', in *Respectable Rebels*, Ed. by R. King and N. Nugent, (1979) p.3.

Defence of Freedom, campaigned mainly on trade union power. There were a plethora of other protest groups by in large occupied by the same issues. Once again this agitation within the party's ranks coincided with a series of by-election defeats described by one commentator as a protest vote on a 'massive scale'.⁶

Inflation

Out of the three issues, perhaps the most important was inflation. Prices rose year-on-year from 1966 to 1975 (except 1974), peaking at over 24%. By this point the Conservative leadership had prioritised the fight against inflation. Published in 1976, *The Right Approach to the Economy* states, 'THE FIRST ESSENTIAL in economic management is the conquest of inflation.'⁷ Many Conservatives considered it *the* most urgent issue facing the country. Esmond Bulmer, the M.P for Kidderminster, told his constituents that '*above all* inflation must be reduced.'⁸ Approximately one-third of the motions submitted to conference on economic policy in 1975, referred to inflation. Swansea West called it 'the greatest evil' facing the country.⁹

According to Green the redistributive effect of inflation was seen as a 'thinly disguised means of pursuing class war.'¹⁰ In 1975 Gosport called the party conference to 'recognise that inflation is a socialist weapon.'¹¹ More extreme still,

⁶ *The Times*, 28 July 1973.

⁷ *The Right Approach to the Economy*, 4 Oct. 1976, Thatcher online archive.

⁸ *Looking Right*, May 1976, BCL (Birmingham Central Library)/B76.21.

⁹ *92nd Conservative Conference (1975)*, p.98.

¹⁰ Green, *Thatcher*, p.67.

¹¹ *92nd Conservative Conference (1975)* p.95.

inflation was seen as a pre-condition for a Communist take-over. Jill Knight, the M.P for Edgbaston, highlighted inflation and warned that 'Britain is farer down the road to a Communist take-over than most of us dream.'¹² It is also worth pointing out that there was concern for the impact of inflation on party associations being dependent on small donations from individual members. The Chairman of Gainsborough Division, for example, appealed to branches 'to make a great effort this year towards our finances' with 'inflation making our task increasingly difficult.'¹³

This concern was anchored in the exposure of the Conservative party's core constituency. In an interview soon after becoming leader Thatcher argued, 'Not everyone's had wage and salary increases to keep up with price increases, and those who have saved or have taken out insurance policies have suffered a lot, and it's destroyed the faith of many people in some of our traditional ways of life, in being independent, in being thrifty and saving for a rainy day.'¹⁴ Jill Knight also spoke of the impact on the 'many careful, thrifty people who have always paid their own bills, shouldered their own responsibilities, provided for their old age and stood on their own two feet.'¹⁵ After the party's defeat in 1974, members of the Birmingham Conservative Club, criticised the electorate for failing to support the Heath Government's counter-inflation policy, and now anticipated policies which would do

¹² *Looking Right*, Oct. 1975.

¹³ Gainsborough Division Conservative and Unionist Association Chairman's Report, 1974, CPA/Box 55/Constituency Correspondence, East Mid. 1972-1982.

¹⁴ Green, *Thatcher*, p.67.

¹⁵ *Looking Right*, Oct. 1975.

‘untold harm to the nation, and which will severely penalise those who have worked hard to secure a decent standard for themselves and their families.’¹⁶

A series of by-election defeats were widely considered a protest against the rising cost of living. Explaining the loss of support to the Liberals at the Sutton on Cheam by-election, the agent at East Grinstead reported that those ‘in the middle’ were ‘worried by rising prices.’¹⁷ In 1973 both the Isle of Ely and Ripon were lost to the Liberals. *The Times* reported that ‘Tories defected on a massive scale’, and some M.Ps felt that the anti-Tory vote was ‘a huge protest against the rising cost of living.’ Lord Carrington, the party Chairman, conceded that they were ‘bad mid-term results for the Government’ and ‘a protest vote against rising prices.’¹⁸ The trend was confirmed at Berwick-upon-Tweed. Later in 1974, the agent for Oswestry felt the need to appraise the midlands area agent of ‘the enormous amount of bitterness and ill-feeling which the present beef prices and milk prices have generated in our normally loyal supporters, many of who say they would abstain from voting at a General Election.’¹⁹ There was particular concern for pensioners with fixed incomes. The director of organisation, Sir Richard Webster, wrote to Jim Prior that Eastbourne ‘is one of the oldest electorates in the country and, therefore, the main issues are bound to be prices and the cost of living, and thus the erosion of fixed pensions.’²⁰

¹⁶ Birmingham Conservative Club, Political Committee Annual Report, 1973-1974, BCL/MS2007.

¹⁷ Harris to Johnson-Smith, 13 Dec. 1972, CPA/Box 7/Constituency Correspondence, S/East Area, 1972-1983.

¹⁸ *The Times*, 28 July 1973.

¹⁹ Davis to Galloway (West-Mid agent), 30 Jan. 1974, CPA/Box 49/Constituency Correspondence, West Mid. Area, 1972-82.

²⁰ Webster to Prior, 1 June 1972, CPA/Box 7/Constituency Correspondence, S/East Area, 1972-1983.

The Heath government had entered office in 1970 pledging to cut inflation 'at a stroke', however Woodward argues that they had no intention of abandoning the post-war commitment to 'full employment' and the use of demand management to sustain conducive economic conditions.²¹ Indeed when unemployment touched one million in 1971 the Heath government applied the accelerator - the 'Dash for Growth'. While this temporarily reduced unemployment it did little to prevent the subsequent inflationary surge. Robert Price argues that this was 'the last and perhaps most dramatic of the attempts to use domestic demand to break through to the 'virtuous cycle' of demand-induced growth and investment. As History stands it failed.'²² Inflation peaked in 1975, and unemployment climbed back to 1971 levels.

As inflation rose the Heath government relied on micro-management of prices and incomes to hold down inflation. In his defence Heath argued that controls were the most 'familiar' counter-inflation policy available to government.²³ Established opinion certainly viewed pay rises as integral to the 'New Inflation'. Sir John Hicks, Professor James Meade, Lord Kahn, and Aubrey Jones, were amongst a group of influential economists and commentators who supported pay controls. Despite their interventionist nature, there was also considerable Conservative support. When Heath indicated a return to statutory controls at a meeting of the 1922 committee, *The Daily Telegraph* reported that 'Conservative back-benchers thumped their desks with approval.'²⁴ In his memoirs Heath claims that the 1972 party conference was

²¹ R. Coopey, N. Woodward, *Britain in the 1970s: The Troubled Economy* (1996) p.10.

²² R.W.R Price, 'Budgetary Policy', in *British Economic Policy 1960-74*, Ed. by F.T.Blackaby, p.208.

²³ E. Heath, *The Course of My Life* (1998) p.327.

²⁴ *The Daily Telegraph*, 1 Nov. 1972

broadly supportive and Geoffrey Howe recalls that prices and incomes policy 'received almost universal welcome.'²⁵ Motions to the party conference in 1972 and 1973 appear to vindicate this view. Stuart Ball argues that the bulk of the party accepted the need for statutory controls, and there was even 'some relief that government were asserting their authority.'²⁶

In a sense it was convenient for Conservatives to make the link between militant trade unions and inflation. As Richard Vinen has pointed out, advocates of an incomes policy were not 'soft' on other issues, 'On the contrary, their views were often tied to fierce anti-unionism.'²⁷ This is evident in conference motions and editorials that lay the blame for inflation firmly at the door of trade unionism, and is reflected in newspaper reports that signal some rank-and-file disquiet about dropping wage controls as late as 1978.²⁸ In August 1974, the Chairman of the Conservative Agent's Association argued that the country was faced with a serious crisis in part due to 'wage inflation resulting from an abuse of industrial power.'²⁹ In 1973 the Executive Council of Royal Tunbridge Wells stated that 'industrial unrest in Britain is rife and our whole economic future is threatened by those who, refusing to accept the provisions of phase three, are prepared to bring the nation to its knees in order to achieve their own ends.'³⁰ The parliamentary candidate for Small Heath, criticised the Labour party for failing to condemn 'militants' who were 'furthering the disaster of

²⁵ G. Howe, *A Conflict of Loyalty* (2008 edn.) p.75.

²⁶ S. Ball, A. Seldon, *The Heath Government 1970-74* (1996) p.330-331.

²⁷ R. Vinen, *Thatcher's Britain* (2009) p.88.

²⁸ *The Daily Mirror*, 19 Dec. 1978.

²⁹ *Conservative Agent's Journal*, Aug. 1974, Birmingham University Library, JN 1129.C6/C.

³⁰ Royal Tunbridge Wells Annual Report of the Executive Council, 1973, CPA/Box 116, Constituency Correspondence S/E Area, 1972-83.

unqualified inflation.³¹ Nonetheless, Conservatives were ideologically opposed to state control of prices and incomes, and only supported them as far as they promised to reduce inflation. According to Ball, it was more the 'pressure of events' which led to the acceptance of statutory controls rather than principle. As the party continued in the same direction the grass-roots 'trooped dispiritingly behind it displaying various degrees of loyalty, anxiety and reluctance.'³²

When incomes policy failed to control inflation, the inflationary consequences of demand management were reconsidered. In February 1974 the former Chancellor Anthony Barber conceded that 'with the benefit of hindsight, it would appear that when we had decided to reflate with unemployment at one million, we had in fact done so too quickly.'³³ This criticism was being voiced further down the party. In April a member at East Grinstead argued that the Heath government 'went for growth - failed, and by increasing the money supply produced roaring inflation.'³⁴ Another official insisted that 'control of the money supply must be maintained'. If an increase in demand was necessary then 'a figure for planned increase in money supply should be agreed and adhered to.'³⁵ The appearance of terms such as the 'money supply' was influenced by a renaissance in monetary economics. 'Monetarists' argued that inflation was always and everywhere a monetary phenomenon and therefore a consequence of monetary policy rather than wage inflation.

³¹ *Looking Right*, June 1973.

³² Ball & Seldon, *Heath*, p.330-331.

³³ Green, *Thatcher*, p.65-66.

³⁴ East Grinstead Constituency Council minutes, 30 April 1974, CPA/Box 7/Constituency Correspondence, S/E Area, 1972-83 (Hereafter, East Grinstead minutes)

³⁵ *Ibid.*

In a damning indictment of the Heath government, Keith Joseph argued that 'We were dominated by the fear of unemployment'. 'It was this', he argued, 'which made us turn back on our better judgement and try to spend our way out of unemployment.'³⁶ It was a view already being expressed by party activists. Four months earlier the Chairman of Buxted Branch, East Grinstead, had argued that the Heath government 'panicked' in the face of unemployment, and by producing inflation their 'economic policy failed'.³⁷

Pay controls were increasingly unpopular with the grass roots who demanded a return to the party's 1970 position. Oswestry expressed their belief that the party lost the 1974 election on its economic record and should not have 'turned about' on prices and incomes policy.³⁸ Similarly a committee member from East Grinstead criticised the Heath government for retreating from its under-taking to reject statutory wage controls, 'From then on we lost the trust of many supporters.'³⁹

Consequently the full employment objective was finally abandoned. Although no figure was estimated, unemployment was accepted as an inevitable consequence of counter-inflation policy. In May of 1974 Keith Joseph acknowledged that 'unemployment will be unavoidable if inflation is to be mastered.'⁴⁰ In 1978, Adam

³⁶ Joseph, Speech at Preston, 5 Sept. 1974, Thatcher online archive.

³⁷ East Grinstead minutes, 30 April 1974.

³⁸ Oswestry C.P.C report, 29 May 1974, CPA/Box 49/Constituency Correspondence, West Mid. Area, 1972-1982.

³⁹ East Grinstead minutes, 30 April 1974.

⁴⁰ Green, *Thatcher*, p.66.

Ridley of the Conservative Research Department warned of 'a prolonged period of high unemployment' and suggested a 'redefinition' of the highest sustainable level.⁴¹ The party itself was understandably anxious about unemployment. However, there were calls for monetary discipline at the expense of growth. The constituency council of East Grinstead questioned whether the country could 'continue to afford a high rate of growth?', and called for 'stricter control of the money supply'.⁴²

Margaret Thatcher's election as party leader strengthened the case. At the 1975 conference few motions called for pay controls and most called for control of the money supply. The usual suspects such as Brent East (Rhodes Boyson's constituency) were calling for 'a policy of monetary restraint'. However even the mining valley of Rhondda, which had previously expressed support for pay controls, now also called for 'an immediate reduction in government spending and borrowing' to combat inflation.⁴³

Public Spending and Taxation

The focus here on reducing government spending to influence the supply of money is instructive. It was a tactic that met criticism from the celebrated Monetarist Milton Friedman, who advocated a move to Monetary Base Control.⁴⁴ This required the government to regulate private lending and lending between banks as well as

⁴¹ Ibid. p.66

⁴² East Grinstead minutes, 30 April 1974.

⁴³ *92nd Conservative Conference 1975*, pp.94-96.

⁴⁴ D. Pierce, P. Tynsome, *Monetary Economics: Theories, Evidence and Policy* (1985 edn.) p.281.

government spending, an option rejected by the Thatcherites. The papers of the Shadow Cabinet's Economic Reconstruction Group, reveal the emerging focus on reducing government expenditure and the public sector borrowing requirement. Geoffrey Howe argued for 'proper management of the money supply' through 'greater restraint and economy in public spending.'⁴⁵ Keith Joseph suggested that the party should 'Aim to cut the government share of G.N.P from 63% to 40% in two Parliaments - so as to slash inflation.'⁴⁶

Pure Monetarism or not, it tapped into a second and longstanding grievance of Conservative voters, namely public spending and taxation. Keith Joseph's aim to drastically cut the government's share of G.N.P, is reflected lower down the party. In 1975 Royal Tunbridge Wells complained that spending had 'soared to a level at which it disposed of 60% of the Gross National Product, and despite increased taxation the Government was forced to treble its borrowing.'⁴⁷ There was a sense that the rising share of national output consumed by the State was being wasted on grandiose socialist schemes. Keith Speed, the M.P for Ashford, raised this particular concern:

'...the Labour government had allocated in its programme huge sums of money to be spent on doctrinaire socialist schemes, a total of £3,000 million in all, including £40 million on the withdrawal of pay beds, £25 million on Comprehensive Schools, £30 million on the Dock Labour Scheme,

⁴⁵ Green, *Thatcher*, p.60.

⁴⁶ Joseph to Thatcher, 22 July 1976, Thatcher online archive.

⁴⁷ Royal Tunbridge Wells Chairman's Report, 1975, CPA/Box 116, Constituency Correspondence South East Area, 1972-83.

£400 million on the community land bill, £550 million on the Nationalisation of the Aircraft Industry and £900 million on North Sea Oil.⁴⁸

In 1972 a member at Birmingham lamented that taxation was 'being used as a political weapon to hinder the entrepreneur, and by the total receipts amounting to near 50% of the Gross National Product, to foster socialism.'⁴⁹

Fiscal discipline became the method, not only for controlling inflation, but for reducing the burden of tax. In 1953 Angus Maude had argued that 'Taxation today is substantially heavier than before the war', and like inflation, was turning the screw on the middle classes.⁵⁰ It was a principal issue behind the middle class revolt later in the decade, and Macmillan responded by introducing the largest ever single cut in income tax in 1959. By the 1970s similar complaints surfaced. Philip Vander Elst, the Editorial Director of the Conservative Selsdon Group observed,

'The old pyramid-shaped income structure with a few rich people at the top and the mass at the bottom of the pyramid, has been replaced by a diamond-shaped pattern in which the great majority are affluent earners in the middle of the diamond, paying their full share of taxes. This means that the Socialist prejudice in favour of high public expenditure and high taxes conflicts with the economic interests of a growing "middle class".'⁵¹

⁴⁸ Ashford Chairman's Report, Mar. 1978, *ibid.*

⁴⁹ *Looking Right*, Jan. 1972.

⁵⁰ Lewis & Maude, *Middle Class*, p.217.

⁵¹ P. Vander Elst, 'Radical Toryism - The Libertarian Alternative', in *The Political Quarterly*, Vol.46 (1975).

Again, concern for the people 'in the middle' is evident lower down the Conservative party. In 1976 a member at West Gloucestershire sent a plea to Thatcher for 'the middle section of the community which at the moment is being over-taxed and victimised to a point far in excess of the other two sections of the populous.'⁵²

On tax reform there were mounting calls for a new approach. Thanet East CPC note that the items which raised most interest were, along with educational standards, 'controlling public expenditure' and 'the Conservative approach to taxation.'⁵³ There was a particular concern about the effect of inflation on non-indexed taxation, such as income tax. *The Right Approach the Economy* noted, 'the periodic adjustment of the income tax threshold has failed to keep pace with the increase in average earnings.'⁵⁴ Consequently there were calls for a tax switch from direct to indirect taxation. In the late 1960s Ian Macleod argued for a reduction in 'the burden of *direct* taxation as soon as possible.'⁵⁵ In a policy statement entitled *Make Life Better*, Edward Heath pledged to reduce rates of direct tax 'to give incentive and reward enterprise.'⁵⁶ The 1970 Manifesto followed through with a pledge to reduce income tax. The grass roots were largely supportive and continued to press for income tax relief. In 1972 a Birmingham member lamented that Britain had 'struggled for thirty years under the highest rate of *direct* taxation in the world.'⁵⁷

⁵² Letter to Thatcher, 23 Aug. 1976, CPA/Box 122/West Mid. Area, 1975-1980.

⁵³ Thanet East Annual General Meeting, 25 Mar. 1977, CPA/Box 116, Constituency Correspondence S/ East Area, 1972-83.

⁵⁴ *The Right Approach to the Economy*, 4 Oct. 1976, Thatcher online archive.

⁵⁵ *Conservative Agent's Journal*, Oct. 1967.

⁵⁶ *Looking Right*, Autumn 1976.

⁵⁷ *Looking Right*, Jan. 1972 (My own italics).

The Trade Unions

As early as 1957 Central Office had identified a hardening of attitudes to the trade unions. Reginald Maudling 'reported strong feeling in the party against trade unions', and James Douglas of the CRD observed 'a slight move to the right on trade union issues.'⁵⁸ By the 1970s attitudes had hardened still further. In a burst of frustration reported to Central Office at the beginning of 1973, Ludlow members complained about 'softness on many problems like prisoners, the influx of asians and strike pickets.'⁵⁹ At an Oswestry C.P.C meeting it was concluded that 'In the field of Industrial Relations... our party's attempt to defeat those wishing to bring the country to chaos was right but... we should have been firm over the previous miners strike and other industrial problems.'⁶⁰

This, as with inflation and tax, was anchored in the exposure of middle-income differentials, where there was resentment towards trade unions who were able to secure above inflation wage settlements for their members. David Watt, the Political Editor of the Financial Times, observed that the Conservative party in the country were 'quite obviously far more trenchant on the subject of the unions than its representatives in parliament.' He added, 'The middle class, in revolt against inflation and the loss of differential status resulting from the activities of powerful trade unions, gave ministers to understand that if they were seen to authorise another 'sell out' on

⁵⁸ Green, *Ideologies*, p.226.

⁵⁹ Murray (Ludlow agent) to Galloway, 15 Jan. 1973, CPA/Box 49/Constituency Correspondence, West Mid. Area, 1972-1982.

⁶⁰ Oswestry C.P.C Committee minutes, 29 May 1974, *ibid*.

the lines of the Wilberforce Settlement two years earlier, there would be virtually no Conservative party left.⁶¹

Reflecting this resentment Jill Knight observed, 'In Britain today, many careful, thrifty people who have always paid their own bills, shouldered their own responsibilities, provided for their old age and stood on their own two feet, look about them in anger and amazement at the hordes of people who have never done any of these things - and yet somehow have ended up with the colour TV sets and the holidays abroad which they simply cannot afford.'⁶² The 'hordes' expresses perfectly the resentment towards the unionised working class. The East Grinstead C.P.C officer argued that those 'in the middle' - 'small business men, junior executives, shopkeepers, farmers' - 'found themselves over-taken in the wages stakes' and 'found it difficult to keep up standards.' The same people had 'from frustration deserted the Conservative party.'⁶³

Pay controls, which had been used to contain wage inflation from the mid 1960s, added insult to injury. They disenfranchised the skilled and professional classes who had traditionally been able to use their skills or qualifications to demand a premium. One official argued that 'man must get true deserves for effort and wages policy will not give him this.'⁶⁴ Instead they enfranchised the large trade unions, such as the National Union of Miners, who had the organisation to demand exemptions.

⁶¹ D. Watt, 'The Westminster Scene', *The Political Quarterly*, April-June, Vol. 45 (1974).

⁶² *Looking Right*, Oct. 1975.

⁶³ East Grinstead minutes, 30 April 1974.

⁶⁴ *Ibid.*

The agent for East Grinstead warned that the people 'in the middle' were 'worried by rising prices, rates, season tickets' and 'show resentment at the success achieved by militant industrial trade unions and feel let down because the government appeared to give way before industrial action and then naively spent so long trying to achieve agreement before being forced to freeze.'⁶⁵ On the specific plight of the skilled working class, a regional profile by the West Midlands Area, identified 'a shortage of skilled labour ... the result of successive rounds of rigid pay policy which has left skilled men earning comparatively little more than their unskilled colleagues.'⁶⁶

Here in-lies the motivation behind calls for a return to 'free collective bargaining.' Grass-root's support for pay controls was often conditional on them being a temporary arrangement. In 1973 South Battersea called for the party conference to reaffirm its belief in free collective bargaining and to consider that 'any permanent state control of prices and incomes is incompatible with a free society.'⁶⁷ Hackney urged the government to 'announce whether it rejects the function of the price mechanism permanently or just temporarily?'⁶⁸ At the beginning of the government's phase three the PPC for Reading North congratulated the government on phase two of the prices and incomes policy, but urged that phase three should begin 'a gradual return to a freer economy.'⁶⁹

⁶⁵ East Grinstead minutes, 30 April 1974.

⁶⁶ West Midlands Area Profile, (date unknown), CPA/Box 49/Constituency Correspondence, West Mid. Area, 1972-1982.

⁶⁷ *91st Conservative Conference 1973*, p.95.

⁶⁸ *Ibid*, p.96

⁶⁹ Wessex Area Annual Report, 1973, CPA/Box 69/Area Council Officers, Annual Meeting Reports and General Correspondence, East and West Mid. and Wessex Areas, 1969-79.

There were other concerns regarding the trade unions, but this resentment was the motive force behind a great deal of anti-union feeling. Thatcher and her supporters clearly reflected these concerns. There was the same resentment of the 'hordes' of people, or 'those with the big battalions able to hold the country to ransom', while the unorganised were 'worried stiff.'⁷⁰ Again in 1975 Thatcher asked, 'Who profits now? Not the people who have always tried to pull their weight. But those who use their weight to push others around.'⁷¹

The 1970s saw the emergence of a phalanx of protests groups, primarily exercised by trade unions and overwhelmingly drawn from Conservative voters. The Current Affairs Press was set-up by Ross McWhirter in 1974 with the 'express purpose of standing up to the unions.'⁷² A flyer by McWhirter entitled 'Standing up to the Unions', found its way into Conservative Central Office. Presumably it was considered of interest. It reveals working capital of £100,000 and their ability to print three million newspapers a day in the event of a national printers strike. It also describes operation 'Road-lift', designed to take effect in the event of a national rail strike. In an experiment in Brighton, two hundred car owners offered 700 seats for more than one thousand commuters who applied for transport facilities.⁷³ The Current Affairs Press, though officially non-partisan, pledged its support to the new

⁷⁰ *Finchley Times*, 14 Mar. 1975, Thatcher online archive.

⁷¹ Thatcher, Speech to Conservative Central Council, 15 Mar. 1975, Thatcher online archive.

⁷² N. Nugent, 'The National Association for Freedom', in *Respectable Rebels*, p.82.

⁷³ R. McWhirter, 'Time to Stand-up the the Unions', (date unknown), CPA/Box 26/Area Council Officers, Annual Meeting Reports and General Correspondence, Yorkshire, S/E, N/W, and Eastern Area, 1972-1983.

leader of the Opposition: 'Mrs Margaret Thatcher deserves, and must be given full support not only of the Conservative party but of anti-socialists everywhere.'⁷⁴

The National Association for Freedom (NAFF) was perhaps the most successful anti-trade union campaign group, attracting some 20,000 members within a year. Its activities verged on the paramilitary, most famously during the Grunwick dispute in 1976. Grunwick was a mail-order film processing lab in North London. When its workers went on strike in 1976 its owner, George Ward, fired them. This provoked an angry reaction from the Trade Union movement. When Royal Mail workers refused to handle packages from Grunwick, NAFF launched operation 'Pony Express'. Its activists delivered Grunwick's processed films overnight dispatching their consignments in post boxes across the country. In this pivotal event the trade union blockade was subverted. Although NAFF was officially non-partisan, it had strong links with the Conservative party. Speaking in 1978 the founder of NAFF, Major John Gouriet, told an audience, 'We have got to see that the Conservative Party, which we hope will be elected, does stand up for Conservative principles.' Thatcher herself spoke at NAFF's inaugural subscription dinner in January 1977, with the 500 supporters who attended giving her a standing ovation. Jill Knight was amongst a number of Tory M.Ps who sat on NAFF's Council. Others included Rhodes Boyson, Nicholas Ridley, Winston Churchill, Stephen Hastings, and Sir Fredrick Bennett. In the late 70s Neill Nugent observed that these links were mirrored locally

⁷⁴ N. Nugent, 'The National Association for Freedom', in *Respectable Rebels*, p.82.

‘where many NAFF supporters are actively involved in Conservative politics, as councillors, officials or active members.’⁷⁵

However, there was an important twist to the story which had implications for the Thatcher opposition’s approach to the trade union question. As income differentials were squeezed by inflation and trade union bargaining power, and with no prospect of an end to pay controls, the same socio-economic group that Thatcher was trying to represent started to imitate the techniques of organised labour. There was an expansion in ‘non-manual’ or ‘white-collar’ trade unionism from the mid-1960s onwards. The overall non-manual trade union density increased from approximately thirty to forty per cent from 1964 to 1974. A plethora of ‘white-collar’ unions emerged, too many to mention here. A typical example is The Association of Scientific, Technical and Managerial Staffs, which increased membership by 700 per cent between 1964 and 1977.⁷⁶ By the mid-1970s white-collar unionism accounted for almost a third of the Trade Union Congress⁷⁷, and Labour party affiliation declined from 70 per cent in 1956 to 52.5 per cent in 1976.⁷⁸

This development in trade unionism was recognised by the Conservative party. In 1976 Thatcher assured the Conservative Trade Unionists Conference, ‘The Conservative Party is not hostile to Trade Unions, but believes in a strong and responsible Trades Union movement. Strong to protect and represent the interests of

⁷⁵ Ibid. p.88.

⁷⁶ Ibid. p.104.

⁷⁷ J. Boccock, ‘The Politics of White-Collar Unionisation’, in *The Political Quarterly*, July-Sept. Vol. 44 (1975).

⁷⁸ T. May, ‘Middle Class Unionism’, in *Respectable Rebels*, p.120.

people at work.' Thatcher was candid about her motives. 'There is another very good reason why the Conservative Party would not want to work against the unions. Our next Conservative Government will have been elected with the help of millions of votes from individual members of trade unions. About a third of all trade unionists regularly vote for us.'⁷⁹ Lower down the party there was concern that trade union support had been lost by Heath's Industrial Relations Act. At a Cheshire political meeting, the North/West agent noted some concern that 'opinion had been alienated as so many Conservative spokesmen categorised all Trade Unionists as militants rather than referring to the left-wing minority'.⁸⁰ In 1974 a member at East Grinstead suggested that 'Many moderate trade unionists felt unfairly blamed for inflation'.⁸¹

However, Thatcherite sympathy with unionists was largely reserved for skilled and professional employees, or those 'in the middle'. Although Thatcher stressed that the Conservatives did not want a fight with the unions, she added that she would not be prepared to accept 'a T.U.C diktat' 'in exchange for rigid pay controls which *frustrate the energies and aspirations of skilled craftsmen and managers alike.*' There were echoes of this lower down the party. When skilled trade unions resisted pay policy in the late 1970s, Maidstone Association noted the 'increasing determination of the Trade Unions to resist a continuation of the present level of income restraint, and at British Leyland we witnessed an expression of the demand for the return of

⁷⁹ Thatcher, Speech to Conservative Trade Unionist Conference, 28 Feb. 1976, Thatcher online archive.

⁸⁰ Garner to Webster, 14 May 1974, CPA/Box 26/Area Council Officers, Annual Meeting Reports and General Correspondence, S/East Area, 1972-1983.

⁸¹ East Grinstead minutes, 30 April 1974.

differentials for the skilled worker.’⁸² This extract is highly significant. Whereas in 1973, Royal Tunbridge Wells had criticised trade unions for bringing the nation to its knees by not accepting the provisions of Phase Three, by 1976 Maidstone’s sympathies clearly lie with the Unions.

Consequently, Conservatives were cautious about their tone towards trade unionists. Though sympathetic to NAFF, the party rejected their hostile stance, remained officially neutral during the Grunwick dispute, and never attempted a wide-ranging Industrial Relations Act like the Heath Government had tried and failed to do. This was determined by a certain level of sympathy with trade unions, especially where they represented those ‘in the middle’ who had resorted to unionism due to inflation and pay controls. Green argues that the leadership adopted this cautious strategy ‘in spite of deep-seated resentment of trade unions in the party’s grass roots.’⁸³ However, it is important to add that there was some sympathy.

The economic status of the middle class is central to understanding Thatcherism. Although a large and fragmented group, those ‘in the middle’ were all affected by one of the three issues explored above. Accordingly the Conservative party made inflation, tax and trade unionism top priorities. Considered from the point of view of consequences, the significance of middle class income differentials is clear. According to Avner Offer there is no doubt about the distributional effect of the Thatcher years. There was a large shift in wealth away from the unskilled to the

⁸² Maidstone Chairman’s Annual Report, 1976, CPA/Box 116/Constituency Correspondence, S/East Area, 1972-83.

⁸³ Green, *Thatcher*, p.107.

managerial and professional middle class. On incomes the Thatcher government 'preferred 'stimulating' *inequality* to a regimented drive for equality.'⁸⁴

⁸⁴ A.Seldon, 'Conservative Century', in *Conservative Century*, Ed. by A. Seldon and S. Ball (1994) p. 58.

III.

THE INDIVIDUAL IS SOVEREIGN

Whereas the previous chapter was concerned with the grievances of the Conservatives' core constituency, this chapter looks at the development of individualism. The Thatcher programme was 'atomistic', designed to stimulate economic differentials. Keywords were 'freedom', 'liberty', 'rights', 'responsibilities' and related concepts such as 'the free market', 'private property' and 'choice'. The main part of this chapter will look at the emergence of individualism in the context of the 1970s with a particular focus on the free economy, property ownership and choice. This was the narrative of Thatcherism.

In March 1959, Ian Macleod observed the expanding middle class and recognised the electoral opportunity for the Conservative party:

'Perhaps they own a house, or, more probably they are buying one through a Building Society. They have a car and a television set - perhaps a refrigerator and a washing machine ... At this time of year you will find them looking at gaily-coloured travel brochures and planning their holidays ... They are for the most part employees drawing high wages in a prosperous and expanding economy ... *We [The Tory party] can give them the opportunity they long for instead of the equality they despise.*¹

¹ J. Ramsden, *The Winds of Change: From Macmillan to Heath 1957-1975* (1996) p.58 (My own italics).

Consequently the Conservative appeal at the 1959 election was constructed around the oppressed middle class. In the campaign the party made a concerted and expensive effort to rid itself of its upper class, patrician image, identifying members of the new middle class with Conservatism: 'Pictures of housewives, children, manual workers and white-coated technicians all appeared on bill-boards with the caption, 'You're looking at a Conservative'.² As outlined in Chapter One there was a focus on individual freedom, on a strong pound, free enterprise and property ownership. In the aftermath of the 1959 general election, the Labour M.P Patrick Gordon Walker observed that 'the Tories identified themselves with the new working class rather better than we did.'³

To some extent this foreshadowed strategy in the 1970s. In an article entitled 'Conservatism and the Changing Order', the Conservative M.P Eldon Griffiths essentially makes the same observation as Macleod in the 50s. He wrote that 'Competitive man is swinging hard against Labour.' 'There is, for one thing, the Labour dogma of egalitarianism', which was 'hostile to the ambitions of competitive man.' Bulmer testifies that the party was still trying to shed its upper class image. He argues that 'competitive man' were 'convinced ... that the Tory party would be reluctant to open wide the gates.' He added that 'Conservatives must and can dispel this erroneous impression. It ought not to be difficult for Mr. Heath - himself a competitor, par excellence.'⁴ Heath was indeed able to appeal to this group of people in 1970, though he subsequently lost their support.

² Ibid.

³ Ibid.

⁴ *Looking Right*, Winter 1969, BCL/B76.21.

Part of the reason for this was the Heath government's return to corporatism, in particular their negotiations with the 'peak powers' of industry, the CBI and the TUC, over economic policy. This produced a crowding-out effect with the dominant interest groups exercising enormous influence over the economic terms of play. In an article entitled 'The Plight of the Small Man', the Conservative M.P for Kidderminster argued that 'The great offence is to be independent, to stand outside the Trades Union movement or not fit in a tidy way with the great dream world of some powerful civil servant.'⁵ There were echoes of this in the activist base. North West C.P.C suggested the electoral advantage of opposing the 'socialist's impersonal society'.⁶ In an article titled 'Are you important?', the leader of Birmingham Conservatives warned that 'If we are not important we are as expendable as a soldier ... or as a union man when he refuses to toe the line.'⁷ At the party conference, The Wrekin called for the Conservative party to be seen as 'the champion of those people whose interests are not represented by the obvious pressure groups, e.g. trades unions, employers' organisations.' '...it is not sufficient to have a traditional commitment - it must be the constant and declared purpose of the party to be the "protectors of the great unrepresented".'⁸ Consequently, whereas Heath had tried to reach a corporatist settlement, Thatcher was highly resistant. As Green argues, confrontation with industry was easier than a constructive relationship 'in terms of holding her party and

⁵ Ibid. May 1976.

⁶ North/Western Area C.P.C, '*The Individual in Society*', (date unknown), CPA/Box 26/Area Council Officers, Annual Meeting Reports and General Correspondence, Yorkshire, S/E, N/W and Eastern Areas, 1972-1983.

⁷ *Looking Right*, Winter 1969.

⁸ *92nd Conservative Conference (1975)* p.137.

its constituency together.’⁹ The outcome was a free market economic model. As Bredon Evans argues, Thatcher ‘invited voters to conceive of themselves outside groups and the become isolated actors in the flourishing market relations of affluent capitalism.’¹⁰

There was a particular focus on financial reward. Elden Griffiths argued that Competitive Man ‘expect to reap a full, not a partial reward for effort.’ He added that ‘Far from idealising the onward march of organised labour, they see it far too often as the champion of something for nothing, forever pressing inflationary wage demands.’¹¹ One officer at East Grinstead argued that ‘the party must return to espousing great issues which divide Conservatives from Labour - individual incentive, proper reward for effort’, ‘Man must get *true* deserves for effort he puts into his work’.¹² At the 1975 party conference, the motion for the debate on economic policy, prices, taxation and savings, called for ‘the creation of a new social climate which rewards hard work and enterprise.’¹³ Sevenoaks expressed concern over ‘the growing erosion of the status and income of the professional and middle classes’, urging the party to effect policies ‘to ensure a proper reward for the contribution that these groups make.’¹⁴

⁹ E.H.H Green, *Thatcher* (2006) p.81.

¹⁰ B. Evans, ‘Thatcherism and the British People’, in *Mass Conservatism: The Conservatives and the public since the 1880s*, Ed. by S.Ball and I.Holliday (2002) p.226.

¹¹ *Looking Right*, Winter 1969.

¹² East Grinstead Constituency Council minutes, 30 April 1974, CPA/Box 7/Constituency Correspondence, S/E Area, 1972-83 (Hereafter, East Grinstead minutes)

¹³ *92nd Conservative Conference* (1975) p.26.

¹⁴ *Ibid.* p.134.

This was reflected at the top of the party. In her first conference speech as leader Thatcher set out her 'vision' of 'A man's right to work as he will, to spend what he earns, to own property, to have the State as servant and not as master.' 'These', she argued were 'the British inheritance.' 'They are the essence of a free economy. And on that freedom all our other freedoms depend.'¹⁵ This went down well with party activists. Worthing association described it as 'one of the finest speeches ever heard ... and the spontaneous reception accorded her was no more than deserved.'¹⁶ Hove Conservatives spoke favorably of the new leader's conference debut. 'She has repeatedly shown how we can achieve a freer society'. 'Her vision of a man's right to work as he will, to spend what he earns, to own property, to have the State as servant and not as master has enabled us to make contact with the many voters whom we had lost.'¹⁷ The 'many voters' is presumably a reference to the party's loss of support to the Liberals between 1972 and 1974.

This and a series of word-punching speeches by the party leader rallied Conservatives to the defence of 'freedom'. Jill Knight warned that Labour's re-election would see 'the end of all freedom in Britain.'¹⁸ Tim Sainsbury, the M.P for Hove, stressed the threat to 'individual freedom' and called for 'desperate efforts' to preserve 'freedom of choice.'¹⁹ In 1977 Eastborne Conservatives warned that 'If the socialists win, we shall see the end of freedom ... freedom is what we must fight for ...

¹⁵ Thatcher, Speech to Conservative Party Conference, 10 Oct. 1975, Thatcher online archive.

¹⁶ Worthing Annual Report, 1975, CPA/Box 7/Constituency Correspondence, S/E Area, 1972-1983.

¹⁷ Brighton and Hove Annual Report, 1975, *ibid*.

¹⁸ *Looking Right*, Feb. 1978.

¹⁹ Hove Divisional Annual General Meeting, 26 Mar. 1976, CPA/Box 7, Constituency Correspondence, S/E Area, 1972-1983.

All of you vote Tory!’²⁰ The C.P.C officer at Ashford called on Conservatives to ‘fight for personal freedom.’²¹

The Free Economy

One of the key aims of the Thatcher government was to ‘roll back the frontiers of the State’, to be achieved by replacing the mixed economy with a largely private one.²² Criticising the mixed economy in 1974, Joseph argued that ‘Judging from the past 30 years and paraphrasing Lincoln, we have to ask ‘can a country prosper, half collectivist, half free?’ The ‘free’ economy was being frustrated and undermined by socialism, by excessive taxation, trade unionism, inflation and even ‘well-intentioned social workers and misguided left-wing teachers’, all sapping the will to work. He called it ‘the socialist vendetta’. Socialists had been ‘downright antagonistic towards our wealth producers’, and had ‘condemned the profit motive’ and ‘attacked profits indiscriminately.’ The private sector, Joseph argued, was trying to survive with one hand tied behind its back.²³

As far as Jill Knight was concerned, the private economy was being deliberately sabotaged. In 1975 she reported an ‘unprecedented number of letters from Birmingham firms, and they all say the same thing ... ‘please explain to mr Benn/Shore/Foot that what they are doing to industry is going to mean the end of my

²⁰ Eastbourne Annual Report, 1977, *ibid.*

²¹ Ashford Annual Report, 1976, CPA/Box 116, Constituency Correspondence S/E Area, 1972-83.

²² E.H.H Green, *Ideologies of Conservatism* (2001) p.216.

²³ Joseph, Speech at Upminster, 22 Jun. 1974, Thatcher online archive.

firm'. I write back, explaining that Messrs Benn, Shore and Foot know **exactly** what they are doing.' She warned that the sabotage of private enterprise was another precondition for a communist take-over.²⁴ Esmond Bulmer argued that 'to aspire to be a Capitalist is the greatest crime of all ... a vendetta is being pursued.'²⁵ Constituency officers complained about 'the current fashion to denigrate the profit motive and capitalism generally.' Another added that the 'denigration of profit motive must cease', the 'survival of capitalism depends upon the profit motive.'²⁶ West Gloucestershire political discussion group declared that 'Capitalism in private hands is the only way to solve the country's economic problems.'²⁷ A plethora of conference motions in 1975 called for a reassertion of private enterprise.

The particular concern for the profit motive was related with the concern for income differentials. It was felt that the rewards for business men were being eroded. 'Never in history', Thatcher argued, 'have so many different forces joined together to squeeze industries rate of profitability.' Again, Inflation, tax and pay controls are listed by Thatcher as the principal forces. Consequently 'the rate of profit earned by companies has been halved since the early sixties.'²⁸ There is some evidence that key managing directors, a small but powerful Conservative constituency, were frustrated with the party's economic record. The Chairman of Warwick and Leamington Division canvassed executive opinion at a Bank of England lunch. It was

²⁴ *Looking Right*, Oct. 1975.

²⁵ *Ibid.* May 1976.

²⁶ East Grinstead minutes, 30 April 1974.

²⁷ West Gloucestershire Political Discussion Group minutes, 20 Sept. 1976, CPA/Box 122/West Mid. Area, 1975-1980.

²⁸ Thatcher, Speech to Leicester Conservative Businessmen, 1 Dec. 1975, Thatcher online archive.

reported to Sir Richard Webster that ‘the whole conversation over lunch was directed to the record of the Government ... and six of them were sweeping and wholesale in their condemnation of the Government, particularly of its economic policy.’ The directors in attendance were ‘reaching the end of their patience with the Conservative party.’²⁹ Aside from senior directors, the specific concern for small businesses was anchored in the socio-economic base of the Conservative party, the same people ‘in the middle’ whose differentials were most exposed.

If the lasting image of Thatcherism are the multi-nationals of Canary Wharf, it had more humble origins. At a speech to the Institute of Directors, Thatcher saw the encouragement of small businesses and the self-employed as an important step in restoring a prosperous private sector.³⁰ It was the ‘small businessmen’, the ‘self-employed’, and ‘shopkeepers’, that the grass-roots empathised with the most. Esmond Bulmer called it ‘the plight of the small man’. ‘Small businesses’, he stressed, ‘were being progressively destroyed by inflation, taxation and discrimination.’³¹ The Social Security Act of 1975 caused particular concern for the self-employed. One deputy-agent appraised central office of ‘groups ... being formed to fight the Government proposals imposing substantial increases in National Insurance Contributions for the self-employed, and they should be a natural source of support for the party.’ It also warned of some discontent with the Heath government’s introduction of earnings-related contributions in the 1973 Social Security Act. The agent noted that this new system hit a ‘natural source of support for the party’, and

²⁹ Galloway to Webster, 15 Sept. 1972, CPA/Box 69/CPA/Box 69/Area Council Officers, Annual Meeting Reports and General Correspondence, East and West Mid. and Wessex Areas, 1969-79.

³⁰ Thatcher, Speech to the Institute of Directors, 6 June 1975, Thatcher online archive.

³¹ *Looking Right*, Oct. 1975.

the 'damaging impression' that the party was dismissive of the self-employed needed to be killed.³²

The plight of small business was recognised by the Small Business Bureau (1976), founded within Conservative Central Office and chaired by Conservative M.P David Mitchell. Mitchell also chaired the Conservative Parliamentary Smaller Businesses Committee. He addressed the first meeting of the SBB in 1976, telling an audience of 250, 'I hope this shows the Conservative party cares about small businesses and the self employed. and appreciate how they have suffered through excessive socialist legislation.'³³ Group membership of the SBB included the National Federation of the Self-employed, the Union of Independent Companies, the Association of Independent Businesses, and the Association of Self-employed People. The Federation of Small Businesses (1974), the Forum for Private Business (1977), and the National Association of the Self-employed (1981), were other independent protest groups. Like the middle-class protest groups, these show a willingness on the part of the Conservative core constituency to organise.

Opposition to nationalisation was an adjunct to the emerging market philosophy. From his collation of conference motions Mike Wilson observes that denunciations were 'ritualistic' though numerically smaller than on other issues.³⁴ Whereas small business were seen as a repository of Conservative values, the

³² Nedler to Gower, 27 Feb. 1975, CPA/Box 26/Area Council Officers, Annual Meeting Reports and General Correspondence, Yorkshire, S/E, N/W and Eastern Areas, 1972-1983.

³³ Eastbourne Annual Report, 1977, CPA/Box 7/Constituency Correspondence, S/E Area, 1972-1983.

³⁴ M. Wilson, 'Grass-roots Conservatism', in *The British Right*, Ed. by N.Nugent and R.King (1977) p. 71.

nationalised industries represented everything that was wrong with the country. They were perceived as overmanned, unproductive, highly unionised and a drain on the productive economy. Recommendations often stopped short of outright denationalisation, but often included a stop to further nationalisation and steps to improve efficiency. In 1967 Thatcher argued that 'Although many of us have deep philosophical reasons for being against nationalisation and for private enterprise ... we must accept that many people judge these things purely upon the practical results. So let us start by adopting this approach.'³⁵ By in large this was the approach of the grass-roots. For instance a branch officer at East Grinstead argued that the Heath government's 'lame duck policy was right', adding that existing nationalised industries 'should be forced to shake out excess labour when employment rises to stop bidding up labour costs and increase the industry's own productivity.'³⁶

Property Ownership

Property ownership was well established in Conservative thought. William Mallock viewed it as a form of incentive. Lord Hailsham saw it as an essential pre-condition of liberty. 'No man', Hailsham argued, 'is fully free unless possessing some rights of property, since property is the means whereby he develops his personality by impressing it upon his external surroundings without dependence on the will of others.'³⁷ The Scottish Unionist Noel Skelton, argued for the dispersal of economic power in a series of articles for *The Spectator* in 1923 titled 'Constructive

³⁵ *Conservative Agent's Journal*, October 1967, Birmingham University Library, JN 1129.C6/C.

³⁶ East Grinstead minutes, 30 April 1974.

³⁷ Visct. Hailsham, *The Conservative Case*, (1959 edn.) p.99.

Conservatism'. 'Property Owning Democracy' appears here for the first time. His ideas influenced Anthony Eden who advocated a 'Property Owning Democracy' at the 1946 party conference.

The extension of property ownership was central to Thatcherism. Its emerging importance is clear in policy discussions. A Steering Group report circulated in 1978 called for a 'Capital owning democracy'. 'The aim here', the report outlined, 'would be a wide-ranging and coherent programme to introduce grass-roots private capitalism.' It would 'collide head-on with the most fashionable opinion in politics, trade union and academic circles, because they try to restore private capitalism ... in place of state paternalism and the doctrine of comparability regardless of achievement.'³⁸ The Steering Committee were also keen to move away from economic issues to non-economic ones. 'Among our positive themes', the committee concluded, 'the most important were the 'ownership theme' (whether of homes, pensions or shares), and the value of "dispersed ownership."³⁹ In the mid-1980s this theme emerged as 'Popular Capitalism'. It was, in Thatcher's words, 'A crusade to enfranchise the many in the economic life of the nation'.⁴⁰

Lower down the party, there was wide support for property owning democracy. Alan Clark, the newly elected M.P for Plymouth and Sutton, listed 'the creation of a property owning democracy in the widest sense' as an essential principle. Within the grass-roots, an editorial called for called for the 'wider spread of responsibility

³⁸ Steering Committee Progress Report, 6 May 1978, CPA/CCO 20/68/4.

³⁹ Steering Committee, Minutes of the 54th meeting, 27 Feb. 1978, CPA/SC/16.

⁴⁰ Green, *Thatcher*, p.100.

through a property owning democracy.⁴¹ At the 1975 party conference Meridan reaffirmed its belief in the property owning democracy. Ilford South called for everyone to be 'actively encouraged to participate in a property owning democracy.'⁴²

Home ownership was perhaps the most important aspect of the property owning crusade. A report on 'The Sale of Council Houses' by Michael Heseltine, stated that the 'expansion of home ownership is one of the most important things we can do to spread wealth and ownership, and therefore independence from the State, among our citizens.'⁴³ In 1974 East Grinstead Conservatives highlighted the 'need to modernise Building Societies' and the Chairman of Crowborough West branch also suggested that there was 'room for modernisation in the Building Societies.'⁴⁴ This foreshadows the Thatcher government's de-regulation of Building Societies, allowing them to leverage their loans thereby increasing the supply of credit and crucially, mortgages. One of the party's concerns with inflation was the resultant high interest on mortgages. One member remarked that the effect of inflation was not just to devalue savings but to push mortgages 'out of reach' from the ordinary man.⁴⁵

One of the Thatcher government's flag-ship policies was 'The Right to Buy', which allowed council house tenants the right to buy their homes at a discounted rate, variable depending on the length of tenure. Some policy-makers considered simply giving council houses to their tenants for free, but it was thought this would

⁴¹ *Conservative Agent's Journal*, May. 1974.

⁴² *92nd Conservative Conference* (1975) pp.116-117.

⁴³ M. Heseltine, 'The sale of Council Houses', 28 June 1978, CPA/SC/16/73.

⁴⁴ East Grinstead minutes, 30 April 1974,

⁴⁵ *Ibid.*

outrage mortgage holders.⁴⁶ As Gilmour points out, this had antecedents in Conservative policy. IN 1957 Macmillan gave the power to local authorities to sell council houses. It was voluntary rather than compulsory, and many Conservative councils allowed tenants to buy their homes in the 1960s. The Heath government continued, allowing councils to discount the properties by up to 20 per cent. The Thatcher government pushed the policy further, selling almost 1.5 million properties from 1979 to 1990.

Nevertheless, the Right to Buy was a political masterstroke and enthusiastically supported by Conservatives, especially in the localities where the sale of council houses was a divisive issue. Soon after becoming leader Thatcher told the Conservative Central Council:

‘Look at some of the municipal barons who treat the massive council estates they have built as their private political fiefs. It is no wonder they resist to the last ditch the sale of council houses. Home-ownership scares them. It threatens their power.’⁴⁷

In Birmingham, the leader of the Conservative group Alderman Griffin, warned that ‘For years now the Socialists in Birmingham have been acquiring large tracts of land and a great deal of property by way of back-door municipalisation’, ‘1,250,000 more municipal housing, heavily subsidised, and millions of millions of bricks unwanted by private builders because the government won’t allow homes for sale.’⁴⁸ In 1968, Jill Knight complained about ‘savage clamp-down on council house sales’ as ‘one more

⁴⁶ R. Vinen, *Thatcher’s Britain* (2009) p.202, I. Gilmour, *Dancing With Dogma* (1992) p.143.

⁴⁷ Thatcher, Speech to Conservative Central Council, 15 Mar. 1975, Thatcher online archive.

⁴⁸ *Looking Right*, July 1966.

manifestation of the dictatorship inherent in our present administration.⁴⁹ In Hove members rejected 'the philosophy that the way to solve the county's housing crisis is by building large municipal housing estates', instead calling for 'Housing associations and the private sector be encouraged to offer a wider selection of accommodation.'⁵⁰

Similar to Noel Skelton's 'constructive conservatism', home ownership was only part of the property owning democracy. Another was share holding, advanced by the Thatcher government by the sale of stakes in the privatised utilities, or 'selling the family silver back to the family.'⁵¹ It was the aspect of privatisation that Thatcher was most enthusiastic about, and was reflected within the party grass-roots by the Wider Share Ownership Campaign. A Birmingham grass-roots magazine reports that twenty to thirty young Conservatives had formed The Forward Investment Club, which 'highlights one of the objectives of the Wider Share Ownership Council.'⁵²

Choice

Strongly related to individualism was the emergence of 'choice', which remains central to policy debate today. Choice was often attached to any mention of individual freedom. For example, Tim Sainsbury, the M.P for Brighton and Hove, stressed the 'threat to our individual freedom and the desperate efforts that must be made by all who hope to conserve the quality of life in this country and to ensure that we retain

⁴⁹ Ibid. Autumn 1968.

⁵⁰ Hove Divisional Annual General Meeting, 26 Mar. 1976, CPA/Box 7/Constituency Correspondence, S/E Area, 1972-1983.

⁵¹ Green, *Thatcher*, p.101.

⁵² *Looking Right*, April 1967.

the freedom of choice.⁵³ The emergence of choice doctrines is obvious in the debate around comprehensive education. This generated considerable anger. It was bad enough that middle-class financial differentials were under threat. Now their children were to be involved in a grand social experiment. It was, next to inflation and trade unionism, probably the most debated issue in Conservative politics.

On a general level members criticised what they perceived as the influence of socialism in education. East Grinstead Conservatives called for 'socialist influence in school' to be countered. A member complained about 'too much Socialist influence in schools.'⁵⁴ Part of this was provoked by comprehensivisation which they regarded as social engineering. The M.P Reginald Eyre argued that Conservatives strive for 'leveling up and not leveling down'. He wrote that the King Edward Grammar schools in Birmingham were 'pacemakers throughout the country and we shall fight to preserve them.'⁵⁵ A councillor in Birmingham complained that 'whilst youngster's pens, pencils and books are in short supply', council workers were sent out 'on special duty to paint out the word 'grammar' from the boards outside the schools.' He adds angrily, 'What an attitude of sheer hypocrisy', 'how typical of these arrogant people'.⁵⁶ Although comprehensivisation was rolled out across the country, there was a high volume of grass-roots resistance.

⁵³ Hove Conservative Association Annual General Meeting, 26 Mar. 1976, CPA/Box 7/Constituency Correspondence, S/E Area, 1972-1983.

⁵⁴ East Grinstead minutes, 30 April 1974.

⁵⁵ *Looking Right*, Feb.1976.

⁵⁶ *Ibid.* 26.

The Conservative response was ‘choice’. While reluctantly accepting the existence of comprehensive schools, the grass-roots were keen to secure the survival of a range of schooling options and to encourage parental ‘choice’. In fact they argued that the parents right to choose was a fundamental human right. In her maiden Conference speech Thatcher argued:

‘Freedom to choose is something we take for granted—until it is in danger of being taken away. Socialist governments set out perpetually to restrict the area of choice, Conservative governments to increase it. We believe that you become a responsible citizen by making decisions yourself, not by having them made for you. But they are made for you under Labour... *Take education...*’⁵⁷

The debate on Education at the 1975 Conference did not condemn comprehensive schools but called for ‘wider parental choice’. Rhodes Boyson, the M.P for Brent North, argued for ‘wider parental choice.’ ‘I don’t mind’, he added, ‘there being neo-Trotskyist teachers so long as they teach only the children of neo-Trotskyists.’⁵⁸ When in December 1975 a Bill was tabled that compelled dissenting local authorities to go comprehensive, the Conservative M.P for Beaconsfield, Ronald Bell, observed that ‘There is not a word in this Bill about parents or their freedom to choose’, pledging his resistance to ‘mean-minded and self-righteous dogmatism.’⁵⁹ Within the grass-roots, Gravesend Conservatives argued that parents should have choice over the type of school and which school their children should attend’ and called for ‘a variety of different school types’, ‘i.e Church schools, special schools, comprehensive schools, direct grant schools and grammar schools’. Brighton and Hove

⁵⁷ Thatcher, Speech to Conservative Party Conference, 10 Oct. 1975, Thatcher online archive.

⁵⁸ *The Times*, 8 Oct. 1975.

⁵⁹ *The Times*, 19 Dec. 1975.

Conservatives called for 'no extension of comprehensive schools', and that comprehensive, grammar and direct grant schools should be maintained 'so that after a reasonable interval an objective appraisal of their relative merits will be available.'⁶⁰

One battle that was lost but nonetheless demonstrates the enthusiasm for 'choice', was the phasing out of direct grant schools in the autumn of 1976. At the 1975 party Conference, Norman St. John-Stevas, the Conservative spokesman for Education and Science, pledged to restore direct grant schools 'to loud applause' from the conference floor. He argued that the maintained schools were 'not the preserve of the rich but of those of modest means, the thrifty and those prepared to make sacrifices for the education of their children.' 'That ladder of opportunity', he added, 'was to be knocked away by those who have not scrupled to make use of this system for themselves and their own children.'⁶¹ The underlying socio-economic interest of the Conservative party is evident here again. A motion put forward by North Bettersea, condemned 'the doctrinaire attack by Labour on direct grant schools'. West Lewisham called for the conference to 'deplore the loss of direct grant schools', and Sutton Coldfield called on the next Conservative government to affirm the status of direct grant schools. At association level, Hove Conservatives expressed their support for the 'continued existence of Direct Grant Schools.'⁶² However, with defeat likely on the maintained front, Conservatives started to look

⁶⁰ Hove Conservative Association Annual General Meeting, 26 Mar. 1976, CPA/Box 7/Constituency Correspondence, S/E Area, 1972-1983.

⁶¹ *The Times*, 8 Oct. 1975.

⁶² Hove Conservative Association Annual General Meeting, 26 Mar. 1976, CPA/Box 7/Constituency Correspondence, S/E Area, 1972-1983.

outside the State sector for options. East Grinstead Constituency council called for the encouragement of the private sector in education. One official called for the party to 'encourage parents to educate children privately'. There was some support for Education Vouchers, and a committee was set-up under Rhodes Boyson to assess their practicalities.

The aim of Thatcherism was to create an economic environment where the individual could re-instate his (and increasingly her) differentials. The collective bargaining of the unskilled was dismantled, and those with skill, qualifications, or relevant experience would receive higher rewards not just in absolute but in relative terms.

IV.

CONCLUSION

Sir Ian Gilmour was correct to rail against the Thatcherite repudiation of post-war Conservatives. It implied, Gilmour argued, that Churchill, Eden, Macmillan, Butler, Douglas-Home, Heath and Macleod 'were all either grossly misguided or were not true Tories.'⁶³ He concludes that neither implications are very plausible. However, Gilmour commits the same error in reverse by repudiating Thatcherism. The high political manoeuvre of Thatcher's election as party leader has allowed the idea that Thatcherism was more of a coup d'état than a genuine movement within Conservative politics.

Gilmour argued that the ideological origins of Thatcherism lay in neo-Liberalism. However, this assumption is problematic. While the Thatcherites may have defended neo-Liberal positions, they were only a means to an end. Evans and Taylor argue that neo-Liberal ideology was a tool, 'sometimes picked up to assist the policy-making process', but 'used in a fashion conditioned by the traditions of British Conservatism.'⁶⁴ The aim was to effect a shift in the balance from the collective to the individual. Published in 1978, *The Right Approach to the Economy* states, 'We have laid particular stress on the individual and his freedom in recent years because Socialism has tipped the balance so far the other way.'⁶⁵ Expressed in these terms

⁶³ I. Gilmour, *Inside Right: A Study of Conservatism* (1977) p.12.

⁶⁴ B. Evans and A. Taylor, *From Salisbury to Major: Continuity and Change in Conservative politics* (1996) p.239.

⁶⁵ *The Right Approach to the Economy*, 4 Oct. 1976, Thatcher online archive.

Thatcherism can be placed comfortably within the Tory tradition. R.J Bennett wrote that Conservatism 'is a philosophy based upon a series of tensions: a dialectic of authority and freedom; collectivism and individualism; permanence and progress; past and present; continuity and change. It is synthetic in nature; a philosophy of eclecticism, a theory of balance.'⁶⁶

Moderation - the leitmotif of post-war Conservatism - was no longer sufficient. As Richard Law warned in 1950, the concern was that the party might be swept so far down the road of change that it would lose the ability to make a distinctive contribution to politics. Law argued that in the twentieth century all the Conservative party had to offer was 'a reformulation of the fashions of the day.'⁶⁷ Twenty-five years later Keith Joseph essentially made the same point. The 'middle-ground', where post-war Conservatives had positioned themselves, was illusory, determined by points of reference that they had surrendered to the Left.

Consequently there were calls for a re-statement of Conservative principles. One officer urged the party to 'stick to basic principles and not to be ashamed of being a Conservative party.'⁶⁸ One association observed a re-emphasis on 'solid Conservative virtues' within its membership.⁶⁹ By Conservative principles the grass-roots usually meant the rights of the individual, self-sufficiency, and rewards for

⁶⁶ R.J.Bennett, 'The Conservative tradition of thought: a right wing phenomenon?', in *The British Right: Conservative and right wing politics in Britain*, Ed. by N. Nugent and R. King (1977) p.23.

⁶⁷ *The Political Thought of the Conservative Party since 1945*, Ed. by Kevin Hickson, pp.11-12.

⁶⁸ East Grinstead Constituency Council minutes, 30 April 1974, CPA/Box 7/Constituency Correspondence, S/E Area, 1972-83 (Hereafter, East Grinstead minutes)

⁶⁹ Gillingham Conservative Association Annual General Meeting, 1976 (date unknown), CPA/Box 116, Constituency Correspondence S/E Area, 1972-83.

success. As chapter two demonstrates, narrowing income differentials were a threat to these beliefs, intensified by the socio-economic base of the party. The clamour for a restatement of differentials was expressed in terms of 'freedom', especially economic freedom.

Libertarian works such as *The Road to Serfdom* by Fredrick Von Hayek, had been a steady influence on Conservatives since the end of the second world war. Maurice Cowling wrote that 'Thatcher and her generation of Conservatives were sympathetic with the 'anti-totalitarianism invented at that time by writers like Hayek, Popper, Talmon and Berlin.'⁷⁰ Classical economists, particularly Adam Smith, were selectively evoked, and the concept of the 'invisible hand' resonated with Conservatives. One member argued that 'The individual making his own decision *en masse* produces the best results.'⁷¹ Research by Mike Wilson underscores the point. On a range of issues, including public expenditure, taxation, nationalisation, trade unionism, property ownership, and the free market, the party rank-and-file spoke with a consistent Libertarian voice to the party leadership, although more consistent on some issues than on others.⁷² The reception of the 1970 manifesto and the disappointment that followed the Heath U-turns, indicates the strength of support for Libertarian positions.

This underlay a wide-ranging assault on the collectivist practices and institutions of the post-war period. The corporatist state was dismantled. By 1990

⁷⁰ J. Fair, J. Hutchinson, 'British Conservatism in the Twentieth Century', in *Albion*, Vol.19, No.4 (Winter 1987) p.569.

⁷¹ East Grinstead minutes, 30 April 1974.

⁷² M. Wilson, 'Grass-roots Conservatism', in *The British Right*, p.69.

forty state-owned concerns had been privatised. The National Economic Development Council lost influence and was finally wound up in 1992. Attempts to reach a settlement with the trade unions and industry to hold prices and incomes were abandoned. The trade unions, which relied on collective bargaining, had their legal immunities steadily eroded. The use of demand management to create conditions conducive to full employment was also abandoned and the recession of 1980-1981 resulted in a sharp rise in unemployment. There was, instead, an emphasis on self-reliance and private gain. Those with useful skills or qualifications were strengthened, while those more dependent on collective systems were weakened.

The dynamic was the expanding middle class, or 'Middle England'. In the private economy they included the salaried professions; business men, managers, and some of the skilled working class like engineers and technicians. There were also a good portion of public sector employees such as teachers, doctors, nurses, and senior administrators. These groups shared traits such as higher levels of education, particular skills and qualifications, and a readiness to postpone material satisfaction for economic independence. After 1960 their ranks swelled as the portion of those employed as manual workers or low-paid clerical ones went into rapid decline (from three quarters in 1960 to about one quarter by the close of the century). Although various and fragmented, the new middle class shared the same hostility to post-war equality. In 1969 the Tory M.P Eldon Griffiths described the rise of the 'salaried class' or 'competitive man'. Their motives were more self-interested than social-democratic. 'They expect', Griffiths wrote, 'to reap full, not a partial reward for

their efforts', 'bitterly resent' high taxes, and 'scornful of its identification with old-fashioned trade unionism.'⁷³ Avner Offer terms this process 'The Great Transition', where 'attitudes began a slow shift away from common welfare ... towards private benefits.'⁷⁴

The new middle class had a profound impact on Conservative politics. First of all they were potential, if not natural Conservative voters, and registered their disaffection at by-elections over three decades. Consequently the party constructed an electoral appeal around them. Griffiths was not the only one to foresee an electoral opportunity in 'Competitive Man' who were 'out of line with Socialism' but had 'by no means put down their roots in the Conservative party.'⁷⁵

Secondly, the Conservative party itself was overwhelmingly drawn from the ranks of those 'in the middle', especially towards the lower end of the party organisation. They brought their own prejudices and interests into Conservative politics. Margaret Thatcher claimed to be one of them, hence an emphasis on her biographical details after 1975.⁷⁶

The socio-economic base of Thatcherism is clear in the consequences of the Thatcher government's policies. They effected a large re-distribution of wealth away from manual workers towards the middle class, especially those possessing

⁷³ *Looking Right*, Winter 1969, BCL (Birmingham Central Library)/B76.21.

⁷⁴ A. Offer, *The Challenge of Affluence* (Oxford, 2006) pp.7-8.

⁷⁵ *Looking Right*, Winter 1969.

⁷⁶ A. Beckett, *When the Lights Went Out: Britain in the Seventies* (2009) p.266.

managerial or professional qualifications. The Poll Tax proved one step too far, but the Thatcher governments had already effected a sharp rise in inequality. The UK Gini coefficient rose from .25 to .35 in the 1980s where it has stayed ever since. According to Offer, no other advanced economy experienced such a sharp rise in inequality.⁷⁷ However, given the level of concern for middle-class differentials in the 1970s, this outcome is not surprising. The Thatcherites defended inequality as fundamental to freedom, and were assured by the general increase in national income.

There was resistance. The 'Wets', as they were dubbed, were appalled by the Thatcher government's indifference to inequality. To fully grasp their principled opposition it has to be understood that they were of a different political generation. The Conservative party's defeat at the 1945 general election was widely considered a delayed verdict on the 'hungry thirties'. Reginald Maudling is a prime example. Maudling was elected to Parliament for Barnet in 1950, part of the 'class of 1950' which Green argues 'had come into politics with the memory of the 1945 defeat still strong'.⁷⁸ Having stood for and lost Heston and Isleworth in 1945, There was, Maudling observed, 'a desire for change, a determination not to go back to the pre-war days', concluding that the Conservative party 'must operate within a framework where change is possible.'⁷⁹ It was on this premise that post-war Conservatives accepted many of the underlying assumptions of the post-war settlement. They may

⁷⁷ Offer, A., 'British Manual Workers: From Producer to Consumers, c.1950-2000', in *Contemporary British History*, vol. 22, 4 (2008), pp. 538-571.

⁷⁸ E.H.H Green, *Ideologies of Conservatism* (2001) p.237.

⁷⁹ R. Maudling, *Memoirs* (1978) pp. 260-263.

have been 'emasculated' by the 1945 result, but to risk paraphrasing an eminent historian, they lived through these times and we did not.

Consequently, they read the socio-economic change of the post-war period and its implications for the Conservative party differently to the Thatcherites. Maudling's response to the Orpington by-election is revealing. He wrote that Orpington indicated 'the close of one political era and the opening of another.' However the explanation he put forward was the lack of purpose in 'affluent society'. 'The boredom of modern life in comfortable suburbia' required leadership. The time for 'breaking away from austerity and the meshes of Socialism' had come and gone.⁸⁰ Later Conservatives, from the 'class of 1959' onwards, had a very different view. Life in suburbia was not as comfortable as Maudling seemed to think or as the middle-class revolt indicated.

Steadily the class of 1950 declined in numbers. By 1966 only eleven Conservative M.Ps had been in place since before 1945. By 1974 only half had been elected before 1964, and most of these were of the 1959 class. To reinforce the shift in power, economic and demographic change increased the representation of southern, 'white-collar' workers on the Tory benches. And so the commitment to the post-war settlement was being progressively weakened. Consequently, those who remained committed were a declining number. It is important to stop short of deducing from these forces that Thatcherism was inevitable, however, it was the likely outcome.

⁸⁰ Ibid.

Thatcherism could not have happened within a democratic organisation like the Conservative party without consent. According to Green, 'In the mid-1970s the Conservative party, at both the parliamentary and grass-roots level, was looking for and found a leader in tune with their long-held aspirations.'⁸¹ Some of the research put forward here lends support to this view. For example, shortly after her election as party leader, Worthing members 'detected a more positive approach and one which was in keeping with their own desires'.⁸²

Thatcher certainly tried to appeal to the party faithful in a way that previous leaders had not. Wilson argues that 'she set out to identify positively herself with the constituency rank-and-file.' In 1975 Thatcher argued that 'Politicians must work at every problem from the grass-roots.'⁸³ Nigel Lawson recalls the rapport between Thatcher and the party rank-and-file:

'Harold Macmillan had a contempt for the party. Alec Home tolerated it, Ted Heath loathed it. Margaret Thatcher genuinely liked it. She felt a communion with it, one which later expanded to embrace the silent majority of the British people as a whole.'⁸⁴

However, in their 1992 survey of the party membership, Whitely, Seyd and Richardson, conclude that 'in many respects the grass-roots Conservative party is rather anti-Thatcherite.' They found 'a lot of support for 'One Nation' Tory policies like

⁸¹ Green. *Ideologies*, p.238.

⁸² Worthing Annual Report, 1975, CPA/Box 7/Constituency Correspondence, S/E Area, 1972-1983.

⁸³ M. Wilson, 'Grass-roots Conservatism', in *The British Right* p.65.

⁸⁴ N. Lawson, *The View from No. 11: Memoirs of a Tory Radical* (1992) p.14.

incomes policy, regulation of markets, and social welfare spending.⁸⁵ On these and other issues the rank-and-file appear to diverge with the Thatcherites, though only if one accepts the author's definition of Thatcherism. In fact, on many issues that we know to be central to Thatcherism, such as privatisation, industrial relations reform, income tax cuts, private education, and internal markets, there is considerable grass-roots support.

However, if we assume that the grass-roots *were* anti-Thatcherite in the early 1990s, it is, as the authors concede, difficult to assess grass-roots opinion prior to 1979 without historical data. The research put forward in this thesis, would suggest that there was significant support for the policies of the Thatcher government. For example, support for incomes policies were only tolerated in so far as they held out the possibility of reducing inflation. When they failed, and pay policies began to work against the economic interests of the party's core constituency, they were largely rejected.

Contemporaries often view Thatcherism as a radical departure from post-war Conservatism, and there was significant flux in the 1970s over a range of policy issues. However, looked at from a historical perspective, it was the culmination of an evolution. As Lord Blake argued, 'leaders do not operate in a vacuum.'⁸⁶ Economic and social forces were at work. The positions that we now know as 'Thatcherite' were already being defended by Conservatives. By the 1970s, events worked in

⁸⁵ P. Whiteley, P. Seyd, J. Richardson, *True Blues* (1994) pp. 157-160.

⁸⁶ R. Blake, *The Conservative Party from Peel to Major* (1998) p.413.

their direction and the election of a leader from the Conservative Right tipped the balance dramatically in their favour. Underlining the evolutionary rather than the revolutionary nature of Thatcherism, the Conservative party remained, to borrow Ewen Green's terminology, 'recognisably' Conservative. In his sweeping history of the conservative party from Peel to Major Lord Blake concluded:

'A Conservative Rip Van Winkle of 1955 looking at the party forty years later would see many basic continuities: the same sceptical attitudes towards 'equality', the efficacy of government, the wisdom of Whitehall, long-term planning, Utopian Panaceas, international idealism, the goodness of human nature. On the other side of the coin he or she would find the same belief in the continuity of institutions and traditions, in freedom of the individual, in national unity, in 'Britain first'.⁸⁷

Blake was right. Perhaps like Orwell's England, the Conservative party will always stay the Conservative party, 'having the power to change out of recognition and yet remain the same.'⁸⁸

⁸⁷ Ibid. p.414.

⁸⁸ S. Schama, *A History of Britain: Vol.3, The Fate of the Empire 1776-2000* (2002) p.7.

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