

Unit 3: The end of the post-war consensus, 1970-79

The prime minister's 1970-79 and the economic picture

Edward Heath-
1970-74



- Had been leader of the opposition for 5 years
- Educated at state schools - different from 'the established' old Conservatives. Not a people-person and was good at policies but not politics. One-nation Tory and believed in post-war consensus
- Key focus on industrial relations and economic modernisation
- Promised tax-reform, and end to 'lame-duck' industry subsidies, immigration controls and cuts to public spending.
- Barber boom began early on, but inflation did not come with economic growth - led to 'STAGFLATION' and unemployment rising.
- Forced to U-turn and nationalise Rolls Royce and give money to prevent Upper Clyde Shipbuilders going bankrupt in 1973
- Oil price crisis 1973 - three-day week and shortages - led to the miners strike in November 1973

Harold Wilson -
1974-76



- In 1974 economic situation terrible - £3billion deficit and 15% inflation - miners also striking.
- October 1974 Wilson called a new election - Wilson just won a majority of 3.
- Taxes were increased and public spending was cut. National Enterprise Board set up in 1974.
- Nationalised British Leyland in 1975 - still seen as rescuing 'lame-duck' industries.
- 1976 Wilson suddenly resigned as leader of the Labour Party

James Callaghan -
1976-79



- Seen as a 'safe pair of hands' - experienced and links with unions
- Many economic issues - poor balance of payments, low productivity, and industrial issues
- December 1976 - loan of £3 billion from IMF
- Economic recovery after 1976 - however Conservatives derided the loan. Leftist militancy growing in the Labour party against Callaghan too.
- Issue of devolution a problem - Callaghan promised devolution for Scotland and Wales - some in Labour and Conservatives against this but 1978 acts were passed paving the way for referendums on devolution (difficult to achieve however)
- Wales voted against it, Scotland voted for but rules of needing 40% majority meant it failed - lost Callaghan support from Scottish Nationalist MPs (propping him up in parliament) - government forced to resign March 1979 after losing a vote of no confidence in Parliament on issue of Scottish devolution

The Troubles in Northern Ireland 1970-79

REMEMBER: Loyalists/unionists - want to remain part of UK (e.g. UUP, DUP)

Republicans/nationalists - want to be part of Republic of Ireland/independent of UK (Sinn Fein, IRA)

Industrial relations and the miners' strike - Heath's government

- Many industrial disputes in Heath's time - dockers, dustment, postal workers
- Government created Industrial Relations Act: set up an Industrial Relations Court and strike ballots and a cooling off period before official strikes began. TUC and CBI opposed it. Strikes increased into 1972 - saw highest number of days lost to strikes since 1929.
- Industry Act 1972 aimed to manage wage increases/prices - criticised by right-wing of Conservative party
- November 1973 - oil crisis led to increased wage demands from miners who introduced an overtime ban. 3-day week reintroduced from 1974 and Willie Whitelaw brought in to negotiate with miners. Miners refused a pay offer - national strike began in January 1974.
- Heath called an election in February 1974 to decide 'who governs Britain?' - Labour won by a marginal 5 seats - led to a hung-parliament. Indirectly the miners brought the government down.

Industrial relations - Wilson and Callaghan's governments

WILSON

- Negotiated Social Contract with TUC in 1973 - sent clear message government not looking for confrontation
- Ended miners' strike and 3-day week
- Two left-wingers (Foot and Benn) put in charge of the departments of Industry and Employment.
- Overall - success and for 2 years limited issues

Northern Ireland under Heath

- Aimed for political solutions - backed UUP even 1971 policy of internment (no trial for suspects) - alienated nationalist communities
- British Army regarded as enemy and an occupying force - 30th January 1972 at Northern Ireland Civil Rights Association march the army opened fire on marchers - 26 unarmed civilians were killed - known as 'Bloody Sunday'
- Led to huge protests - British Embassy in Dublin burned down - 480 killed in terrorist incidences in 1972. Stormont suspended in March 1972 and direct rule brought in.
- Sunningdale Agreement 1973 was a plan for power-sharing government in NI - both nationalists and unionists with some input from the Republic of Ireland - all sides against it!

CALLAGHAN

- Autumn 1978 - TUC rejected proposed wage increase of 5% - after lorry drivers achieved a 15% increase after a 9-week strike, other unions followed suit (train drivers, rubbish collectors)
- Not a massive scale of unrest but as army drafted in to cover ambulance drivers and rubbish piled on streets it was visible and damaging - only ended March 1979 and average pay increase was 10% - psychologically damaging to public mood
- Failure to hold an earlier election meant the 'winter of discontent' dominated media and mood - Conservatives won with a majority of 43.

Northern Ireland under Wilson/Callaghan

- Strike by Ulster Worker's Council led to Wilson reimposing direct rule - Sunningdale collapsed.
- Wilson set up Northern Irish Constitution Convention - elected body to determine future government. Elections in 1975: majority for unionists who were opposed to any power sharing Convention dissolved 1976
- 1976 Special Category Status removed from terrorist prisoners (mainly republicans) - now not political prisoners. Led to 'blanket protests' and later 'dirty protests'.