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New Conservatism and the ascendency of the one-nation tradition 1945–1964

The scale of the electoral defeat that the Conservatives suffered in 1945 was deeply shocking (Ramsden 1999: 312). There was a swing of 12 per cent to Labour as the Conservatives won only 213 seats on a vote share of 39.8 per cent and a turnout of 9.5 million. Labour secured 47.8 per cent of the vote and 11.9 million votes, and critically secured a parliamentary majority of 146. To put the scale of defeat into even sharper context it is worth noting that at the previous general election in 1935 the Conservatives had polled 11.8 million, which represented 53.7 per cent of the overall vote and provided them with 432 MPs (Gamble 1988: 62).

In the aftermath of defeat the Conservatives were said to be facing a hostile intellectual climate in which Labour was in the ascendency. Alongside the vacuum that this left at the heart of Conservatism – that is, what was the core narrative and how could this be translated into policy – the difficulties that were facing the party were deemed to be compounded by their own organizational weaknesses. The size of the Labour majority, alongside the ambitious programme of reform that the Attlee administration would aim to implement, would mean that the political landscape would be considerably altered by the end of the Parliament. There was much Conservative depression in 1945 not just at the ‘violent turn of the electoral tide’ but the fear that while their ‘problems seemed acute, they would now get worse’ (Ramsden 1999: 315). ‘Chips’ Channon recalled the sense of despondency within the PCP at an August 1945 meeting of the 1922 Committee. He noted that Winston Churchill ‘seemed totally unprepared, indifferent and deaf, and failed to stir the crowded audience. . . . I came away fearing that the Tory party was dead’ (Rhodes James 1967: 412).

Lord Woolton, who became the Party Chair once in opposition, identified the scale of the problem:

We had our backs to the wall. We had been heavily defeated. We had very little money. The Party was depressed. The political press of the country was largely staffed, on its reporting sides, by members of the Labour Party, and everywhere there was a slant towards socialism and disbelief that in the new post war world this old Conservative Party could ever govern this country again. (Woolton 1959: 334)

Yet between 1945 and 1951 the Conservatives added an additional 3.2 million votes to their July 1945 vote share, which was sufficient to bring them back into office in the autumn of 1951. This constituted ‘an extraordinary political revival’ (Willetts 2005: 171). Not only did the Conservatives regain power from Labour within 6 years, but at the 1955 general election they increased their parliamentary majority from 17 to 59; and then at the 1959 general election they increased it again from 59 to 100. The 1959 general election victory was tied into the ‘never had it so good era’ associated with the high points of Conservatism – the era of Harold Macmillan and the age of affluence (Evans and Taylor 1996: 101). This chapter considers the period between the general election defeat of July 1945 through until their own removal from office in October 1964, thus embracing the process of renewal in opposition between 1945 and 1951, and their 13-year tenure in power between 1951 and 1964.

‘New’ Conservatism 1945–1951

The Conservatives lost the general election in 1945 due to a range of factors. It was a mistake to assume that the popularity of Churchill would be sufficient to propel them to victory (Lindsay and Harrington 1974: 142). As Mass Observation surveys from the time demonstrated, the electorate were ‘quite capable of feeling intense gratitude to Churchill and at the same time not wanting him as post-war Prime Minister’ (Ramsden 1999: 313). This misplaced emphasis on Churchill the individual was compounded by their failure to offer ‘the constructive *domestic* policies for which the country looked’ (Lindsay and Harrington 1974: 143).

However, these short-term tactical miscalculations associated with the campaigning period masked a deeper underlying problem. By 1945 Conservatism was ‘discredited’ by the associations from the 1930s with appeasement, unemployment and unpreparedness for war (Blake 1998: 254). Willetts observed the ‘move away’ from the Conservatives by noting three critical publications (Willetts 2005: 169). First, the Conservatives failed to grasp the extent to which they were condemned for the pre-war depression and high unemployment and appeasement. These negative associations were

constantly emphasized and propagated through the activities of the Left Book Club, which was captured best by the 1940 book *Guilty Men*, which was co-authored by Michael Foot and others (Cato 1940). Second, not only did such publications question the governing competence of the Conservatives, they also emphasized how the Conservatives 'only represented the narrow self-interest of the affluent' (Willetts 2005: 169). This view was pushed forward in the pre-war book, *Tory MP*, again published by the Left Book Club, (Haxby 1939), which claimed that 'the reluctance to confront Hitler was directly related to the conspicuous commercial interests and property holdings across the Empire of many Tories' (Willetts 2005: 170). Finally, Willetts identifies the significance of the 1942 Beveridge Report which laid out an ambitious domestic policy agenda, which was 'massively popular and had been wholeheartedly endorsed by Labour' (Willetts 2005: 170). Although the Conservatives had accepted the principles of the Report, their acceptance was 'hesitant' and 'qualified' (Lindsay and Harrington 1974: 145). The cumulative effect of these three influences was that the Conservatives were 'faced with a critique of their record, an attack on them for sleaze, and a shift in the political agenda to which they had no clear response'. Consequently the Conservatives 'had lost the battle of ideas' and were intellectually on the 'defensive' (Willetts 2005: 170).

Could the Conservatives recover? The process of reconstruction in the post-war period was seen to combine three aspects. First, organizational reform that was geared towards creating a mass party orientated towards electoral mobilization. Second, moves towards candidate selection reform to make the party appear more socially representative. Finally, there was policy innovation. Put together, these processes have become portrayed as part of the 'modernising' narrative of 'New Conservatism' (Evans and Taylor 1996: 76). It is also worth noting that this 'drastic overhaul' of the party and the 'sweeping changes' that were to be initiated had more to do with the influence of Woolton and R. A. Butler, than to Churchill himself (Davies 1996: 26). Norton also notes the influence of Ralph Assheton, (predecessor to Woolton as Party Chair), and suggests that between them they 'not only resuscitated the Party but effectively galvanised it' (Norton 1996: 44).

In the aftermath of defeat Conservatives tended to take comfort in the idea that their rejection was a by-product of their own organizational weaknesses (Lindsay and Harrington 1974: 145). In this aspect of Conservative recovery, the Party Chair Woolton played a critical role in their eventual return to office. While Woolton would later state that Churchill had been 'vague' with him in terms of what was required, he demanded and got a 'completely free hand' in the overhaul and running of the party organization (Hoffman 1964: 81). His strategy to win back power was based on members and money. This involved a major recruitment drive and increasing the prioritization of fund-raising at the constituency level (Evans and Taylor 1996: 77). This would relieve pressure on Central Office to underwrite the activities of the constituency parties, although the target

that Woolton set (an annual constituency target of £2,000–3,000) left ‘some constituency officers gasping’ (Hoffman 1964: 88). The recruitment drive was successful, especially in bringing in younger members from the middle classes and also women, and was tied into the establishment and growth of the Young Conservatives (Willetts 2005: 176). Membership had dipped below 1 million in the autumn of 1946, so party morale was clearly boosted as the membership target that Woolton set of 1 million members (made in April 1948) was hit by June of that year, and then increased to 2.5 million in 1950, and to over 3 million members by 1951, which was perhaps 10 times as many as in 1945 (Hoffman 1964: 83–90). The financial base of the party was improving as the membership was growing, which in turn enhanced the organizational efficiency and effectiveness of the party – for example, in 1928 there had been 180 people working for Conservative Central Office, but by 1947 that figure was 233 and increasing (Clark 1998: 328).

The issue of candidate selection was to be closely linked to the organizational reforms of the opposition era. Here the reforming mentality sought to address two concerns. First, there was the concern that constituencies were felt to be selecting their candidates on the basis ‘of their capacity to meet their election expenses’, which deterred constituencies from seeking subscriptions from the mass of electors (Willetts 2005: 177). As Woolton had noted, the ‘organisation of the party was weakest in those places where a wealthy candidate had made it unnecessary for the members to trouble to collect small subscriptions’ (Woolton 1959: 345). The second consequence of this was that this ‘restricted candidates to a narrow social strata’ and ‘made it difficult’ (not impossible) for less wealthy but ‘talented Conservatives to secure nomination’ (Evans and Taylor 1996: 77). Although the expected contribution seemed to be around £100 (and this was fixed as the maximum expected contribution in 1944), a young Quintin Hogg (later Lord Hailsham), after seeking nomination in 1943, found that the average tariff for a safe seat was around £500 per annum. He then condemned the ‘virtual sale of safe seats’ as ‘a festering sore in the party’ (Gilmour and Garnett 1998: 39).

To address these concerns, a committee was set up under the chairmanship of David Maxwell-Fyfe, with the objective of reviewing the financial arrangements of prospective parliamentary candidates. The Maxwell-Fyfe findings ensured that the candidates would no longer be asked about financial contributions as part of the selection committee. Rather once selected as the candidates they would be permitted to make a voluntary contribution to their constituency association, but that would be limited to £25 per annum for new candidates or £50 per annum for existing Conservative parliamentarians. Moreover, individual constituency associations would be made responsible for covering the election expenses of Conservative candidates, which would encourage constituencies towards broadening and deepening their fund-raising activities within the constituency (Evans and Taylor 1996: 77).

Candidate selection reform would be presented as a 'potent symbol' of 'New' Conservatism and was endorsed by the 1948 and 1949 Annual Conferences (Evans and Taylor 1996: 77). As Willetts notes, the party 'lost no opportunity' to promote the significance of having reformed their financial base and their means of candidate selection (Willetts 2005: 177). Opinions vary on its actual impact in addressing the second of the aforementioned concerns – the social composition of candidates selected. Iain Macleod would argue that the reforms had 'a profound effect on the *changed image* of the Tory party' (Ramsden 1995: 94). However, Hoffman notes that their actual impact on those candidates selected for 1950 was limited. Many of those who were nominated were selected before the new procedures came into place. Moreover, when analysing the class and occupation background of successful candidates over the next decade or so, there was little real evidence of changes to the type of candidate chosen for the safest of seats (Hoffman 1964: 96–7). However, although Clark acknowledges that the 'turnaround was dramatic', he states that

setting these results against the worst possible trough for a benchmark does not necessarily present a balanced picture. In the 1930s, and before, the party – certainly by comparison with its competitors – had been extremely well organised and efficient– and to some extent the post 1945 modernisers were merely regaining the ground which had been temporarily conceded. (Clark 1998: 327)

However, 'strengthening party organisation was a necessary but not sufficient condition for electoral success' and such changes came in tandem with policy renewal (Norton 1996: 45). The Conservatives were initially constrained by Churchill's attitude to opposition politics. His instincts told him that the role of the opposition was to critique the Attlee government and no more (Theakston 2012: 9–12). He explained his approach to the 1922 Committee in 1947 by stating that it is 'dangerous to prescribe until you are called in' (Goodhart 1973: 143). He had also informed the 1946 Annual Conference that 'I do not believe in looking about for some panacea or cure-all on which we should stake our credit and our fortunes' and 'which we should try to sell in a hurry like a patent medicine to all and sundry' (Ramsden 1995: 142).

Addison argued that Churchill was more interested in 'politics than policy' (Addison 1992: 397). As a consequence the leading influence in terms of policy-making, and thereby intellectual renewal, was Butler. When the 1946 Annual Conference demanded that statements of policy intent were required, a reluctant Churchill delegated the responsibility to Butler, who was to spearhead the agenda as chair of the Industrial Policy Committee (Norton 1996: 45). Butler combined this role with being chairman of the Conservative Research Department (involving Macleod, Reginald Maudling but also Enoch Powell), and thus this combined role gave him 'considerable authority' and it was he who 'really put drive and coherence into the policy

exercise' (Mayer 1992: 162–3). The composition of the Industrial Policy Committee was also significant – including Macmillan, Maxwell-Fyfe and also Oliver Stanley, Oliver Lyttelton and David Eccles. Most of these figures were associated with the one-nation wing of the party, who could assist Butler in 'ensuring that things moved in a progressive direction' (Ramsden 1980: 109).

That Butler needed to show this form of leadership was necessary given the attitude of Churchill. They feared that the party was 'still damagingly identified with the thirties', and as such their desire was for 'some new and different policies to convince the voters that the party had changed' (Gilmour and Garnett 1998: 32). Although Churchill instructed Butler to avoid 'detailed policy', and to ensure that the findings showcased underlying principles rather than specific promises (Ball 2001: 326), Butler viewed the exercise as one in which his remit was to ensure that the 'party was facing in the right direction before it made firm commitments' (Gilmour and Garnett 1998: 33). The output of the Committee, affirmed at the 1947 Annual Conference, was the famous *Industrial Charter*.

The document was designed to showcase how New Conservatism could offer an alternative to a laissez-faire approach associated with the liberalism of the nineteenth century, and the supposedly dominant state socialism as advanced by Labour. It was a carefully crafted document. Norton notes that it was a

... blend of Tory and neo-liberal strands within the Conservative Party, maintaining continuity with past policies whilst introducing innovative proposals clearly influenced by wartime experience. The neo-liberal strand was reflected in the assertion of the need for free industry from "unnecessary controls and restrictions," to abolish restrictive practices such as the closed shop, to return road haulage to private ownership and to finance tax reductions through cuts in public expenditure, thus encouraging investment and, consequently, output.

Norton argues that the traditional Tory element was 'to the fore' in the

... advocacy of a degree of voluntary co-operation between government and industry, the two working together to agree a "national budget"; in the acceptance of full employment and the status as bodies of the public sector of the Bank of England, the railways and the coal industry and in the proposal for a Workers' Charter establishing in essence good practice guidelines on issues such as job security and status. (Norton 1996: 45–6)

By recognizing the need for a greater role for the state in managing and regulating the economy it was interpreted as endorsing Keynesian solutions. The 'strong role in coordinating economic policy with the trade unions

and industrialists' caused some disquiet on the right (Clark 1998: 326). They would describe the document as being 'pink' and 'semi-socialist', but nonetheless despite the reservations of Churchill himself it was accepted at the 1947 Annual Conference (Willetts 2005: 179). With the 1922 Committee and the front bench endorsing the proposals, the right wing was marginalized and 'consigned to a long uphill struggle' (Clark 1998: 326). The *Industrial Charter* was then followed up with a subsequent policy statement entitled *The Right Road for Britain* in 1949 which accepted the welfare state, full employment, and broadly reaffirmed the language of the *Industrial Charter* and the role of the state therein. However, the increased emphasis on advancing property ownership ensured that it was more acceptable to the whole of the party than the *Industrial Charter* (Evans and Taylor 1996: 90).

It was the *Industrial Charter*, however, which would generate a considerable amount of retrospective appraisal. Lindsay and Harrington described it as 'the most important post war policy document produced by the Conservative Party' (Lindsay and Harrington 1974: 151). Taylor regarded it as 'an early milestone' in the adaptation of the Conservatives to post-1945 politics, while Howard felt that not only did it mark that the party was 'coming to terms with the mixed-economy welfare state' but also that it had 'sealed it off from its pre-war past'. Howard later commented that in broader historical terms it constituted 'the most memorable concession a free market party ever made to the spirit of Keynesian economics' (Taylor 1994: 513; Howard 1987: 135, 156). As an exercise in policy renewal and political adaptation it appeared to recognize that by 1947 'the centralised war economy, the spread of Keynesian ideas and the paramount need to preserve full employment had altered the circumstances' – as such Conservative elites were seeking to be sensitive to the new terrain upon which party competition would evolve (Gilmour and Garnett 1998: 35).

Butler would later suggest that the significance of the *Industrial Charter* was its contribution to the Conservative attempt to 'wrest from the left much of the middle ground in the battle of ideas' (Butler 1971: 135). In this context, much of its value came from what Butler called 'impressionism' (Ramsden 1977: 422). Of the two and half million who bought a copy of the charter, Beer would comment: 'whether many of [them] read much of the Charter's lucid, but earnest prose is not vitally important ... [but] ... its *symbolism* was clear to party members and the public' (Beer 1969: 316). On the importance of its symbolic value, Butler would later acknowledge:

Our first purpose is to counter the charge that we were the party of industrial go-as-you-please and devil-take-the hindmost, [and] that full employment and the Welfare State were not safe in our hands. (Butler 1971: 146)

This suggests that the Conservatives utilized the publication of the *Industrial Charter* as a means of addressing negative assumptions that they were

associated with, and that would be central to Labour electioneering. At the same time Hogg would publish *The Case for Conservatism* within which he stated that the party opposed the ‘ungodly and rapacious scramble for ill-gotten gains’ that one associates with laissez-faire capitalism ‘in which the rich appeared to get richer and the poor poorer’ (Hogg 1947: 51–3). Such sentiments informed the justification that Butler advanced in his own memoirs:

Our need was to convince a broad spectrum of the electorate, whose minds were scarred by inter-war memories and myths, that we had an alternative policy to socialism which was viable, efficient and humane, which would realise and reward enterprise and initiative but without abandoning social justice or reverting to mass unemployment. Until the progressive features of our thought had been fully exposed to public view, no one was going to kill Attlee in order to make Churchill king. (Butler 1971: 132)

Thus, the *Industrial Charter* symbolized the Conservatives attempt to articulate a ‘middle way’ alternative located in between laissez-faire capitalism and state socialism, which Macmillan had been arguing for in his 1938 book (Macmillan 1938). At the time of the endorsing of the *Industrial Charter*, Macmillan himself wrote that ‘between the two ways there has always been a progressive element in the party; but it never dominated the party. Now it has seized control, not by force or palace revolution, but by the vigour of its intellectual argument’ (Dorey 2011: 81). Although criticism from a minority on the right was evident, we can conclude that the value of the *Industrial Charter* lies in making the accusation that the Conservatives were laissez-faire an ‘unconvincing’ one (Gilmour and Garnett 1998: 34). Debates would rage about its actual long-term value in terms of translating policy ideas into practice once in power, but on this Macmillan deserves the final word. Macmillan concludes that the importance of the *Industrial Charter* was ‘not so much in the detailed proposals as in their general tone and temper’ (Macmillan 1969: 303).

‘Never had it so good?’ Dominance and the politics of prosperity 1951–1960

Despite these processes of organizational change and policy renewal the Conservatives failed to win back power at the first opportunity. The Conservatives increased their vote share from 39.8 per cent in 1945 to 43.5 and their 12,502,567 votes represented a significant improvement on the 9,577,667 secured 5 years earlier. The erosion of the massive parliamentary majority that Labour had held (from 146 to 5) was not simply a reflection

of improving Conservative strategy. It also reflected the difficulties that Labour had experienced when governing in hugely constraining economic circumstances. Their objective of achieving a 'politically and economically viable combination of full employment, low inflation, modest wage settlements and welfare benefits' was undermined (Pugh 2010: 287). Their credibility was damaged by the devaluation of the pound in 1949, which fuelled inflation and had the dual effect of making it harder to secure wage restraint from trade unions and further eroded the popularity of the Attlee administration. Within 18 months Labour were forced to face the electorate again with not just their economic credibility under question. A heated internal debate within Labour was gathering pace regarding future policy development. From the socialist left came the call for further nationalization as a symbol of their continuing commitment to socialism. From the social democratic right came the argument that they should consolidate the accomplishments of the Attlee government, that is, the objective of a future Labour government was the effective administration of the new welfare state. The resignation of Nye Bevan, provoked by the imposition of health service charges levied on false teeth and spectacles, was a prelude to left-right feuding in opposition between Bevan and Hugh Gaitskell, of which the real victor was to be the Conservatives (Crowcroft 2008).

Eighteen months after narrowly failing to remove Labour from power, the Conservatives had another opportunity to propel Churchill back into Downing Street. They added a further 1.2 million voters (up to 13.7 million and 48 per cent of the vote) which increased their parliamentary representation to 321 and a majority of 17. However, with the Liberal vote collapsing from 2.6 million to 730,556, the Labour vote actually increased from 46.1 per cent and 13,266,592 in February 1950 to 48.8 per cent and 13,948,605. So the Conservatives may have secured a parliamentary majority but they were constrained by the fact that Labour had actually secured more votes.

Indeed, the incoming Churchill administration was strongly influenced by its inheritance. In the domestic sphere, policy post 1945 had embraced an extensive programme of nationalization which had placed one-fifth of the economy under public ownership, and the establishment of the National Health Service was the jewel in the crown of the new welfare state. Foreign policy had involved independence for India and Pakistan, which had acted as a prelude to the transition from Empire to Commonwealth, while the establishment of the North Atlantic Treaty Organisation secured the alliance with the Americans within the defence of Western Europe. Political historians would come to argue that the Attlee era would shape the contours of policy for a generation. They would embed what became defined as the post-war consensus, and its associated policy pillars – full employment thus justifying Keynesian demand techniques; a mixed economy thus legitimating public ownership of core industries; active government; trade union conciliation

within industrial relations; a welfare state underpinned by the notion of universal national insurance; and foreign and defence policy guided by maintaining Britain as a nuclear power and membership of the Atlantic Alliance (Addison 1975; Kavanagh 1987a).

Before considering the evidence of policy 'continuity' between the Labour and Conservative administrations of 1945–51 and 1951–64 respectively, it is worth reflecting on the 'achievements' of the Conservatives. The legacy from the Attlee administration was constraining, with 'public spending running out of control' (Evans and Taylor 1996: 94). However, within 2 years it was becoming apparent that the economic circumstances were improving, and the Conservatives reaped the electoral dividend from the shift from the age of austerity to the age of affluence (although the Conservatives also benefitted from an upturn in the world economy in the 1950s) (Davies 1996: 288). Rationing was abolished and significant governmental focus was placed on housing. As Housing Minister, Macmillan pushed through a commitment to build 300,000 new homes. Significantly by 1964 the proportion of families owning their own homes stood at 47 per cent as opposed to 30 per cent in 1951 (Norton 1996: 47). In the same time period there was a 53 per cent increase in the average weekly wage for an adult male manual worker (from £8.30 to £17.51). The age of affluence was evident from the growth of consumer goods: increases were seen in terms of the production of vacuum cleaners (up by 33 per cent), washing machines (up by 40 per cent), television sets (up by 67 per cent) and passenger cars (up by 140 per cent). Unemployment averaged 1.8 per cent and never increased above 2.6 per cent, while economic growth was steady at a 'respectable' 2.8 per cent over the time period, sometimes hitting 4 per cent, while inflation was never more than 2–3 per cent (Evans and Taylor 1996: 108). It was an environment in which most of the economic indicators 'were favourable' until the latter stages of their time in office, and the cumulative effect was that 'the government was able to boast an increase in the standard of living during its time in office' (Norton 1996: 47). In this environment of supposed prosperity – or what became known as the age of affluence – the Government felt able to pursue measures that would aid electioneering. They sustained the commitment to full employment, while maintaining their commitments on spending on the National Health Service at the same time as finding scope to reduce taxation (Norton 1996: 47).

What has been most noted, however, by political historians is the policy continuity between the Attlee administrations and the successor Conservative administrations, which largely accepted their predecessors' commitments in terms of health, social security and education, and avoided attempts to reduce the size of the public sector (Seldon 1981: 80–8). The term 'Butskellism' encapsulated the assumed convergence between the policy objectives of the Attlee and Churchill administrations and their adherence to Keynesian demand management techniques and their commitment to full employment. However, it was an insinuation that did little to endorse either Butler or

Gaitskell to their respective parties, as 'Butler had long been regarded by the Conservative right, as being little better than a socialist, while the Bevanites tended to regard Gaitskell as rather worse than a Conservative' (Gilmour and Garnett 1998: 75). Butler would later admit that while he and Gaitskell 'spoke the language of Keynesianism we spoke it with different accents and a differing emphasis' (Butler 1971: 160).

The term reflected three key areas of perceived continuity: denationalization, full employment and the role of the trade unions. The new Conservative administration denationalized only two of the industries that Labour had moved into public ownership – iron and steel (1953) and road haulage (1954) (Turner 1996: 320). While Churchill continued to state his opposition to nationalization in principle, his administration broadly accepted their inheritance and then argued that they were trying to make a success of public ownership (Seldon 1981: 187). Such a perspective reflected the one-nation viewpoint that while they

had not advocated public ownership per se, the existence of a mixed economy, albeit one in which 80 per cent of the economy remained in private hands, was one they could broadly accept, not least because it seemed commensurate with Macmillan's "middle way" vision of the state providing general or strategic coordination of the activities of a predominantly private sector economy. (Dorey 2011: 85)

In this scenario the one-nation solution was to 'establish the broad parameters' of 'national needs', while 'leaving the majority of firms relatively free' unless it was an industry 'deemed to be too strategically important to be left in private hands' (Dorey 2011: 85). Of the justification for pragmatically accepting a policy – nationalization – that they accepted was 'inefficient' (Kilmuir 1964: 163), Dorey concludes that this reflected how the Conservatives

professed a non-ideological and flexible character, a philosophy which readily governs according to immediate circumstances rather than on the basis of theory or dogma, and which also seeks a consensual approach as far as possible, which in turn would buttress social stability and cohesion and ultimately foster national unity. These values meant that while one nation Conservatives were committed to private ownership of companies and industries in principle, and thus wholly in accordance with Conservative philosophy, they could, in particular contexts or on certain occasions, accede to nationalisation of a particular industry, albeit with little enthusiasm. (Dorey 2011: 85)

Such pragmatism clearly motivated their commitment to full employment. Here it is clear that Conservative elites, such as Macmillan and Butler, were moved by the social deprivation of the 1930s, which had for them 'made the provision of jobs paramount' (Davies 1996: 289). This concern was clearly

evident in the 1953 Annual Conference speech by Butler, who responded to free market criticism of his approach by saying 'those who talked about creating pools of unemployment should be thrown into them and made to swim' (Davies 1996: 289). In addition to the moral objections to high unemployment, the Conservative administrations of the 1950s were also driven by economic and political (or electoral) calculations. Committing to full employment was deemed to be a political (electoral) necessity. The popularity of the commitment to full employment reflected the prevailing orthodoxies of the time-specific climate of expectations. It was the central quandary of the time. The commitment to the welfare state was dependent upon high employment levels to provide the necessary tax yields and National Insurance revenues that could finance cradle-to-grave social security, free education and the National Health Service. An administration that permitted unemployment to increase would be reducing such revenues while increasing pressure on social security payments. Such assumptions would be more openly challenged by the 1980s, but at this juncture such positioning was a 'rational calculation of electoral advantage' (Turner 1996: 321).

However, the commitment to full employment was closely aligned to the greatest difficulty for the Conservatives: the trade unions (Davies 1996: 285). Churchill was particularly sensitive to the danger that they represented through their class approach to politics and their leaders' commitment to socialism. More broadly, Conservative elites while deeply sceptical of trade unions felt that they could not antagonize them and simply write off millions of trade union votes by alienating them unnecessarily. On the transition to power, conciliation with the trade unions was the priority. As such, rather than appoint Maxwell-Fyfe to the Ministry of Labour, who had been 'frightening the unions' with speeches on reform, Churchill appointed the more emollient Walter Monckton with a clear brief to avoid antagonizing them (Seldon 1981: 68–70). Monckton later revealed that he understood his objective was to disprove the Labour prediction of 'grave industrial troubles' under a Conservative government (Birkenhead 1969: 256). This assumption was critical to Conservative thinking when placed within the context of Labour electoral strategy of evoking 'fear' about the compatibility of the trade unions and a Conservative government. Macmillan noted: 'if none of those fears have proved reasonable, we may be able to force the opposition to fight on socialism . . . then we can win' (Macmillan 1969: 361).

The price for peace with the trade unions would be inflationary wage settlements as when aspiring to full employment, 'the balance of power lies with a heavily unionised workforce' (Gilmour and Garnett 1998: 82–3). The approach adopted became viewed by critics on the right as industrial appeasement. The emphasis on, and trust in, securing voluntary agreement, rather than the use of legislative intervention meant that policy seemed to be guided by communication and encouragement. It would come to incur the wrath of the right in future decades. This was evident from the comment by

Powell: '[we] came to power without any specific policy on trade union law and practice, and faithfully carried that non-commitment out for thirteen years' (Powell 1968: 5). However, avoiding industrial warfare made political sense as 'nothing would have been more damaging to the Conservatives than the public's realisation that the party could not get on with the unions and the Conservative government spelled industrial trouble' (Gilmour and Garnett 1998: 82).

The evolving conundrum was how to deal with the inflationary pressures flowing from the impact of annual wage increases (Taylor 2005a: 138). The option of addressing this by abandoning the commitment to full employment was rejected, even though this would have placed the emphasis on trade union leaders to demonstrate restraint in order to protect the jobs of their members. They had also refused to consider the option of statutory restrictions being imposed upon the trade unions to compel greater responsibility. They contemplated the use of incomes policies as a means of stipulating the level at which wages could be increased, but this was problematic for two reasons. First, it contravened the Conservative belief in wages being determined by the market rather than the state; and, second, such an imposition could undermine trust with the trade union movement, and what would be the consequence if their compliance could not be achieved? (Dorey 1995a: 49).

By 1957 the credibility of reiterating the importance of moderation and responsibility in wage bargaining was being questioned. Recognizing the dangers of the consequences of inflation, Macmillan sought to defend the record of the Conservatives over the preceding 6 years. In doing so, he delivered his most famous political line:

Let's be frank about it; most of our people have never had it so good. Go around the country, go to the industrial towns, go to the farms, and you will see a state of prosperity such as we have never had in my lifetime. (Lindsay and Harrington 1974: 202)

The speech could be seen as arrogant, and appealing to the materialistic instincts of the electorate, but it also served as a warning, that is, that inflation was a concern that had to be addressed to avoid the good times coming to an end (Ramsden 1999: 364). On how to address this, Macmillan was to come into open conflict with his chancellor, Peter Thorneycroft, who feared that inflationary pressures within the economy were 'infecting the middle classes as their economic security was [being] undermined' (Evans and Taylor 1996: 112). Thorneycroft, along with fellow Treasury ministers advocated 'bringing public spending under control' so as to create the 'foundations for inflation free growth' (Evans and Taylor 1996: 113). The Thorneycroft strategy implied allowing unemployment to rise as part of an anti-inflationary strategy (Green 2000: 409–30). He argued that by failing to tackle inflation Macmillan was creating both electoral and governing difficulties for the Conservatives. In doing so, he implied that the Macmillan

strategy was being dictated by short-term thinking and a desire to avoid losing the next general election (Barnes 1987: 100, 122).

Making the case for a slight increase in unemployment to discipline (and constrain) bargainers would place Thorneycroft (and fellow Treasury ministers Powell and Nigel Birch) on a collision course with Macmillan (Lowe 1989: 505–26). Thorneycroft, Birch and Powell argued that significant cuts to welfare needed to be adopted and proposed that £153 million be removed from the 1958–59 estimates. A specific measure to save £65 million by withdrawing family allowance for the second child was rejected at Cabinet after the Minister for Pensions, John Boyd-Carpenter, threatened to resign (Gilmour and Garnett 1998: 140). The eventual compromise within Cabinet resulted in around £100 million worth of savings being identified, which was unacceptable to Thorneycroft, Birch and Powell, who all resigned in January 1958 (Shepherd 1996: 178–9). Although embarrassing to Macmillan, he recognized that Thorneycroft was in a minority within the Cabinet (Shepherd 1996: 179). Macmillan proceeded to brush aside their collective resignations as ‘little local difficulties’ that should not detract from the ‘wider vision’ of what his Government could achieve (Blake 1998: 281). Indeed in resignation they ‘raised no banner of revolt’ within the party (Butler and Rose 1960: 40). In the battle between alternative priorities in terms of public expenditure, inflation and full employment, Macmillan had won, as evident with the appointment of the more ‘compliant’ Derick Heathcoat Amory as his new chancellor (Ramsden 1999: 365). Heathcoat Amory delivered an expansionist budget, which provided the stimulus that Macmillan sought to ensure as the date of the next general election drew nearer (Evans and Taylor 1996: 114). However, the conflict showcased how despite their desire to promote domestic economic tranquillity and rising living standards – to demonstrate governing competence – there were underlying weaknesses within the economy (Evans and Taylor 1996: 108).

Regardless, the perception was that by the late 1950s ‘the social democratic framework and its constituent institutions’ that the Conservatives had inherited ‘appeared to be working very well’ (Dorey 1995a: 44). The Conservative leadership were therefore perfectly happy to continue pursuing what seemed to be successful policies as they provided them first, with a viable governing approach, and second, provoked a strategic dilemma for Labour (Gamble 1974: 63). The self-confidence of one-nation Conservatism was evident as Macmillan proclaimed after victory in 1959 that ‘the class war is over, and we have won’ (Macmillan 1972: 15).

From a Labour perspective, losing office in 1951 was a ‘critical’ defeat. Recovering power is always contingent upon two factors. First, there has to be an electoral perception that the incumbent government is incompetent and thus vulnerable, which did become the case for the Attlee administration. This constitutes the *necessary* precondition for a potential change of government. Second, the necessary aspect may not be *sufficient* – that is, just because a government is vulnerable to the charge of incompetence does not mean that

the opposition is going to be automatically swept into power. The party of opposition has to demonstrate that it is credible and worthy of replacing the incumbent administration (Ball 2005: 1–28). The difficulty for Labour in opposition post 1951 was the general policy trajectory of the Conservative governments and their performance. The Conservatives inherited power in an era that was moving towards prosperity and consumerism, and thus were able to present themselves as a party of governing competence and a government that was improving living standards (Turner 1996: 317, 321). In this context Conservative tactics intensified the policy dilemmas facing Labour, as Pugh observes:

It was in this period that Labour became the *victim* of the political consensus that had sustained it in 1945 . . . [the Conservatives] . . . had calculated that electoral survival required them to uphold the domestic consensus because they were vulnerable to Labour warnings that their return to office would see a higher cost of living, mass unemployment and attacks on the welfare state. Significantly, however, that nightmare vision failed to materialise . . . the new government upheld the fundamentals of the consensus. (Pugh 2010: 305–6)

By choosing to operate within a mixed economy, sustaining the welfare state and by adopting a conciliatory approach to the trade unions, the Churchill administration had minimized the scope of Labour's opposition strategy. That combination of competence and moderation meant that the necessary condition for a change of government referred to earlier was not in place by 1955 or in 1959. For example, in 1955 when Labour sought a return to government in the May 1955 general election, against the newly appointed prime minister, Anthony Eden, they had been critically undermined by the fact that it was

hard for Labour to argue with any credibility that its achievements had been threatened, and as a result Labour candidates found it difficult to know what line to take at the election; even an internal party report of 1955 identified "the absence of clearly defined differences between the parties" as a cause of Labour's defeat. (Pugh 2010: 307)

The second term in office had, however, provided the Labour opposition with clear evidence of governing incompetence that could be attached to the Conservatives: Suez. This was an opportunity for Labour to score political points and critique the competency, credibility and unity of the Conservatives, albeit with the associated risk of being accused of being unpatriotic. The details of the Suez crisis have been well documented elsewhere (most recently Kyle 2011). From our perspective the critical issue is its impact upon the Conservatives, and how it culminated in Macmillan replacing Eden in January 1957.

For Eden it was a tragedy. He had waited over a decade for Churchill to resign so that he could assume the leadership. As early as 1946 supporters of Eden had manoeuvred and plotted but Churchill clung on (Ball 2004: 279–83). However, when Churchill finally did resign in the face of internal party pressures in early 1955, Eden finally became prime minister (Gilbert 1988: 989–91). His credibility was enhanced by calling a swift general election and increasing his parliamentary majority from 17 to 59, although even during the campaign there was criticism within Conservative ranks about his tendency to make ‘speeches and policies on the hoof’ (Rhodes-James 1986: 408).

Eden had entered Downing Street from the Foreign Office where he was widely admired for his expertise in foreign policy, yet this was to be his downfall. Relations between Britain and Egypt had deteriorated under the new Egyptian leader, Colonel Nasser, and his subsequent decision to nationalize the Suez Canal (which was partly owned by Britain and France), provoked Eden into action, using the World War II as his point of reference (Ramsden 1999: 333). Eden felt that Nasser was a dictator whom the West needed to stop; an assertion that he held despite the fact that pursuing a military solution would be against the wishes of the United States, and would divide the Commonwealth. To his critics his strategy evolved through his inability to ‘adjust his thoughts to the altered world status of Great Britain’ (Nutting 1967: 47).

The policy intervention that Eden utilized was constructed on a pretext. Their supposed immediate policy goal was to bring the Canal under international control, but their ultimate purpose was the removal of the Egyptian Government and Nasser (Gilmour and Garnett 1998: 111). To facilitate this objective Israel would invade Egypt, which occurred on 28 October, whereupon France and Britain would intervene (beginning on 31 October) to separate them, while securing their objective of regaining control of the Canal (Davies 1996: 357). The escapade had massive implications for the government not just in economic terms, but with regard to the special relationship. Opinion within the party was divided on the validity of military intervention, and two ministers, Edward Boyle and Anthony Nutting, resigned (Kyle 2011: 566). Eden also faced considerable pressure from the United States to withdraw and accept a ceasefire. What made the position of President Eisenhower so significant was the economic fall-out of their non-support. Sterling had come under massive pressure and the United States refused to provide any support for the pound, and furthermore chose to block funds at the International Monetary Fund (Evans and Taylor 1996: 105). The eventual withdrawal of the British, with the Canal left under the control of the United Nations, left the prestige of the British on the world stage seriously undermined (Thomas 1967: 18). Eden was also seriously undermined by the accusation that he had lied to Parliament when he later implied that he had no forward knowledge that Israel would attack Egypt. However, by this stage his conduct and

decision-making was largely being seen in the context of his ill health (Dutton 1997: 424; Owen 2008: 109–40).

With Eden's reputation in tatters and his health a cause for concern, there were clearly doubts about his ability to continue as prime minister. Of even greater consideration was the fact that 'good relations with the United States were crucial for Britain's defence, foreign and economic policies' and moreover 'the restoration of good relations' demanded that Eden be replaced (Evans and Taylor 1996: 105). Eden's ill health between late November and mid-December meant Butler was acting as prime minister, while Eden was convalescing in Jamaica, but further complications with his health (and the knowledge that he was losing the support of his Cabinet) led to his resignation on 9 January 1957.

The choice for the Conservatives as to the next prime minister was between two of the leading advocates of New Conservatism and the one-nation approach – Butler and Macmillan. Butler was assumed to be the favourite to win according to the national press (Fisher 1977: 85). However, their performances in front of the 1922 Committee in November would aid Macmillan and undermine Butler. As acting prime minister, Butler gave a defensive and uninspiring speech, whereas Macmillan offered a campaigning and optimistic (and opportunistic) speech. The subsequent informal processes of consultation that the Conservative Party utilized to find out who was best positioned to succeed Eden suggested the following. Macmillan was felt to be a more unifying presence than Butler, who was regarded with considerably more hostility on the right of the PCP than Macmillan (Bogdanor 1994: 75).

The damage done to the credibility of the Conservatives was largely addressed by the replacement of Eden with Macmillan, who was to be widely praised for the 'inspirational' leadership that he displayed in challenging circumstances (Ramsden 1999: 362). The change of prime ministerial leadership neutralized the Suez issue, leaving Gaitskell and Labour with limited political options and remarkably, despite the evident failure that it was, it had 'little effect on domestic politics' (Evans and Taylor 1996: 107). The dominance that Macmillan was to demonstrate over Gaitskell was at its most evident during the 1959 general election campaign. When Gaitskell implied that significant increases in expenditure on social services could be implemented, but without increases in taxation, Macmillan seized his moment (Butler and Rose 1960: 59). It provided Macmillan with the political ammunition that he needed to confirm the central message of the Conservative campaign – that is, that Labour were financially irresponsible and that Gaitskell was engaging in electoral bribes (Fielding 2007: 311). Exploiting Gaitskell's tortuous relationship with Bevan, Macmillan noted that 'it was his [Gaitskell's] addiction to figures on which he built what seems now a false reputation, that led Mr Bevan to describe him as a desiccated calculating machine. . . . That is now only a half-truth. . . . I think he is still rather desiccated, but his reputation as a calculator has gone' (Butler and Rose 1960: 62).

The 1959 general election was a watershed election as the impact of television changed the dynamics of party projection and increased the emphasis on the image of party leaders. Here, Rowland noted the dominance of Macmillan over Gaitskell. He felt there was irony that it was the aristocratic and older Macmillan who was adapting to this new technique of political communication, as an 'image of Macmillan pruning his rose garden is worth half a dozen solid speeches by Gaitskell' (Rowland 1960: 358).

Degeneration and the exhaustion of the one-nation tradition 1960–1964

During their third term, however, the Conservatives would degenerate in a manner that was indicative of the exhaustion of the one-nation governing approach (Evans and Taylor 1996: 121). Long-serving governments show the following symptoms of degeneration, and these were present in the Conservative administration that fell in October 1964:

- 1 the appropriateness of their policy objectives and their reputation for governing competence being questioned, especially in the sphere of economic management;
- 2 increasingly negative perceptions of leadership credibility and thereby electoral appeal within the governing party;
- 3 increasing evidence of ideological division and mutual suspicion within the governing party;
- 4 accusations of abuse of power as allegations of sleaze and corruption engulf the governing party;
- 5 the inability of the governing party to avoid culpability for past mistakes and withstand the time for a change argument;
- 6 the evolution of an increasingly unified, electorally appealing, politically renewed and credible main opposition party (Heppell 2008a: 580).

By the early 1960s the underlying fragility of the economy was exposed (Turner 1996: 333). There was a 'distinct change in mood' by the early 1960s as the impact of lower growth rates and increasingly industrial unrest became evident (Thorpe 2011: 500). European countries were securing higher levels of growth, whereas Britain seemed to be engaging in stop-go economic cycles. Whereas Britain had a growth rate of 2.5 per cent between 1955 and 1960, these compared unfavourably with France (4.8 per cent), Italy (5.4 per cent) and West Germany (6.4 per cent) (Findley 2001: 336).

To respond to the perception of economic decline, the Macmillan government had advocated a three-pronged renewal strategy, which became defined as a Keynesian plus package (Pemberton 2001: 354). First, the

National Economic Development Council (NEDC) was established and brought together ministers, government officials, employers and trade unionists to identify the obstacles to faster growth (Pemberton 2001: 355). It was thereby established to promote economic growth, and advocated a commitment to 4 per cent growth by 1966, without a clear explanation of how this could be achieved (Turner 1996: 336). However, the NEDC, designed to facilitate economic growth possessed no planning powers, and excluded from its remit were wages and prices (Taylor 2005a: 139). Second, the National Incomes Commission was created to address the concern of keeping wages in line with the growth in production and thus prevent the inflationary spiral (Findley 2001: 333). Finally, entry into the European Economic Community (EEC) was advocated thus recognizing that, relative to the six member states of the EEC, the British economy was in decline (Evans and Taylor 1996: 121).

Within the context of the future direction of Conservative politics the rejection of the application for membership of the EEC requires further consideration. By the beginning of the 1960s it was becoming increasingly evident that the EEC was delivering substantive economic benefits for its member states, and the alternative free trade zone (EFTA) had failed. This was running parallel to the two other dimensions of British foreign policy: first, the need to re-solidify the Anglo-American relationship in the aftermath of Suez; and second, the continuing process of disengagement from Empire. Thus Macmillan had seen EEC entry as a means to secure economic benefits (a governing strategy) and demonstrate party renewal (a political strategy) (Stennis 1998: 61–90). The process of seeking entry was to be a long drawn out and tortuous process, that Macmillan endured from the point of announcement in July 1961 to the eventual rejection in January 1963. During the course of the application it had become evident that seeking entry had the potential to divide the party. When the House divided on the idea of launching a bid for membership nearly 30 Conservative backbenchers rebelled (Crowson 2007: 29). As Evans and Taylor noted, ‘the announcement introduced the European virus into the Conservative bloodstream’ and produced a furious outcry from the nationalist-imperialist right who saw it as a betrayal of Empire/Commonwealth (Evans and Taylor 1996: 121–2).

The subsequent rejection of their EEC application for membership destroyed the main pillars of the strategy for economic recovery and the future dynamics of foreign policy. Michael Fraser, the director of the Conservative Research Department, acknowledged that it undermined the intended electoral strategy of the Conservatives in seeking a fourth successive term, as Macmillan had hoped to narrate his re-election campaign around the opportunities that could be afforded through membership of EEC. Fraser noted that Europe was meant

to create a new contemporary political argument with insular Socialism, dish the Liberals by stealing their clothes, give us something new after twelve to thirteen years; act as the catalyst for modernisation, give us a

new place in the international sun. It was Macmillan's ace, and de Gaulle trumped it. The Conservative Party never really recovered. (Butler and King 1965: 79)

The reputation of the Conservatives for governing economic competence had been questioned by economic decline. This competence-based degenerative symptom became tied into the second- and third degenerating symptoms, that is, negative perceptions of leadership competency, and ideological division within the parliamentary party. These degenerating symptoms were clearly evident in the botched Cabinet reshuffle that Macmillan made (July 1962) and by the disputed succession contest through which Lord Home (Alec Douglas-Home) acquired the party leadership and premiership (October 1963).

In an attempt to demonstrate the renewal of his administration Macmillan engaged in a complete reconstruction of his government in July 1962, the so-called 'Night of the Long Knives'. For Macmillan the objective of the reshuffle was fourfold. First, with the Conservatives now trailing in the opinion polls (and suffering at by elections) there was a demand for a 'refurbishing' of the image of the party. A major reshuffle could be used to renew their image in preparation for a general election in 2 years' time (Alderman 1992: 244). Second, many backbenchers (perhaps frustrated at their own lack of advancement) felt that a number of ministers were underperforming, and their limitations were a contributing factor to the increasing difficulties that the Government was experiencing. Macmillan acknowledged that some ministers were 'not up to it' (Horne 1989: 345–6). Third, Macmillan was anxious about the criticism that the 'electorate was getting bored with the old familiar faces' (Rawlinson 1989: 84). Specifically, Macmillan feared that boredom may relate to him as party leader and prime minister (Thorpe 1989: 342–53). Creating a new Cabinet and ministerial team would create the image of a younger and more dynamic administration. Finally, there was a policy dimension. The greatest casualty was to be the chancellor, Selwyn Lloyd, who had replaced Heathcoat Amory in July 1960. Macmillan felt that political popularity was tied to economic performance, and that Lloyd's caution was an obstacle to the expansionist approach that he wanted. Removing Lloyd, whom Macmillan felt had 'lost his grip', and replacing him with Maudling ensured that Macmillan had a more acceptable Chancellor (Macmillan 1973: 93).

With these considerations in his mind Macmillan dismissed seven members of his Cabinet. However, the reaction was not what Macmillan had expected. Maudling later acknowledged that the resentments created by the scale of the reshuffle and its reverberations created more difficulties for Macmillan than it solved (Maudling 1978: 124). For Macmillan himself it would damage his reputation: the butchery of his Cabinet created an indelible image of weakness and mobilized further criticism of his leadership style and party management methods. It failed in one of its objectives as the advancement of

younger ministers served paradoxically to highlight the anachronistic image of Macmillan himself (Ramsden 1996: 167). However, in his own memoirs Macmillan justified the whole exercise in terms of replacing Lloyd with Maudling, by concluding: 'we were now definitely set upon an expansionist course, and the whole purpose of the changes at the Treasury was to ensure that this would take place without delay' (Macmillan 1973: 108).

The cumulative effect of these governing difficulties was a decline in public confidence in Macmillan. Speculation about his continuance as prime minister intensified as the Labour opinion polling lead was often in double digits (Butler and King 1965: 205). Eventually ill health forced Macmillan to resign in October 1963. The war of the succession resulted in Lord Home acquiring the party leadership and the premiership in controversial circumstances (Bogdanor 1994: 76).

Macmillan wanted to prevent Butler from succeeding him. He felt that Butler lacked electoral appeal; that he could not unify the party and that he lacked the strength of character to be prime minister (Horne 1989: 471). He also felt that the rising stars within the Conservative ranks – Macleod and Edward Heath – were too young to be considered and that they were candidates for the next succession contest (Thorpe 1996: 283). In his search for a credible non-Butler candidate, Macmillan was initially attracted to Hailsham (Horne 1989: 531). Hailsham was now available due to the recent parliamentary passage of a bill permitting hereditary peers to renounce their peerages and stand for election to the House of Commons (Blake 1998: 291). Hailsham indicated his interest in being considered for the leadership and his willingness to renounce his peerage to this end. The succession process would coincide with the Annual Conference and thus the speeches of the assumed three candidates – Butler, Maudling and Hailsham – acquired a huge significance. Butler was criticized for delivering a pedestrian and mundane speech, while Maudling delivered a content-laden speech on treasury matters without any of the 'rhetorical devices' traditionally associated with great orators and leaders (Baston 2004: 206). However, Hailsham also alienated many Conservatives by attempting to transform the conference into a nomination convention for his candidature. Macmillan quietly abandoned Hailsham as the prospect of Lord Home as an alternative anti-Butler candidate gathered momentum (Fisher 1977: 104).

In order to determine the succession the Cabinet agreed to a series of consultations to assess opinion. Of the consultations it was those within the parliamentary party (by the Chief Whip Martin Redmayne) and within Cabinet (by the Lord Chancellor, Lord Dilhorne) which would be crucial and widely contested (Denham and O'Hara 2008: 17). It was worth noting that Lord Home had indicated at the Cabinet meeting to discuss the succession process that he was willing to canvass opinion in Cabinet. This led to the assumption that he did not consider himself a candidate for the succession.

Both Redmayne and Dilhorne would report back to Macmillan that their soundings suggested that Lord Home was the most acceptable option,

and that there was significant concern (opposition) about Butler. However, the concept of one parliamentarian, one vote did not appeal to Redmayne. When identifying the strength of feeling within the parliamentary party, he did not give equal weighting to the opinions of individual Conservative parliamentarians. His calculations were based on the fact that greater consideration was given to 'people on whose opinion one would more strongly rely on than others' and he found experienced parliamentarians tendered towards Home (Redmayne 1963: 101–3). After all, Macmillan told Redmayne at the beginning of their consultations, that: 'I want Home. Somehow or another you have got to devise a way so that I can say the party wants Home' (Stark 1996: 18). Redmayne was able to do so on findings which revealed first preferences (Home leading Butler 87–86 then Hailsham 65 and Maudling 48 plus Macleod 12 and Heath on 10) and then when considering second preferences and factoring in definite aversions (which eliminated Hailsham, Macleod and Heath), his final figures presented to Macmillan showed 113 for Home, 104 for Butler and 66 for Maudling (Baston 2004: 208).

When assessing opinion in Cabinet, Dilhorne claimed that his soundings led him to believe that ten Cabinet ministers endorsed Home, three endorsed Butler, four opted for Maudling and two preferred Hailsham. Macleod, who would later publish a devastating critique of how Home had annexed the leadership by dubious methods, was scathing in his condemnation of the accuracy of the figures produced by Dilhorne. The most notable flaw was that Dilhorne was claiming that Macleod was a Home supporter. If so, why would Macleod subsequently refuse to serve in Home's Government? (Gilmour and Garnett 1998: 199).

On the basis of the aforementioned (and distorted) processes of consultation, Macmillan drafted a memorandum arguing the case for Home and presented it to the Queen. However, at the same time leading Conservative elites – Hailsham, Maudling, Powell and Macleod – had met and agreed that they all wanted to serve in an administration led by Butler not by Home (Punnett 1992: 43). As Macmillan attempted to bounce the Queen into a speedy succession, it was still possible for Butler to stop Home. He could refuse to serve under Home and fight for the process to be reopened. To do this Butler needed all of his fellow Cabinet dissenters to agree not to serve under Home. If they did then Home would have to inform the Queen that he was unable to form an administration. This Butler felt unable to do. He decided to be pragmatic and serve under Home. Maudling and Hailsham agreed to serve as well, but Powell and Macleod refused. Lord Home renounced his peerage and reverted to Alec Douglas-Home to become prime minister. Having obtained a parliamentary seat at a hastily arranged by-election 3 weeks later he became the official leader of the Conservative Party.

However, the war of the Macmillan succession was not just a failure of process; it was also a failure of outcome (Punnett 1992: 46). The selection of Douglas-Home was detrimental in two clear ways. First, an image of a party

at war with itself was created which worked to the electoral advantage of the Labour Party. That sense of disunity was all encompassing as Powell, the figurehead of the Conservative right, and Macleod, the figurehead of the Tory left, were united in their opposition to him. That Douglas-Home could only unite the extremities of left and right in opposition to him, demonstrated the implausibility of him as a unifier. Second, Douglas-Home was not an electoral asset. The primary responsibility of any leader of the Conservative Party is voter mobilization – the politics of support or the art of winning elections. Douglas-Home failed to retain power for the Conservatives. He singularly failed to present himself to the electorate as a credible politician worthy of re-election. In an increasingly telegenic and meritocratic era, the media savvy intellectual modernizer, Harold Wilson, was able to outmanoeuvre the anachronistic Douglas-Home. Douglas-Home was widely criticized for his ineffectiveness on television and this was a significant impediment to their election campaign in the autumn of 1964. Integrating policy expertise (substance) with communication and presentation (style) Shepherd offered a damning critique of Douglas-Home:

He was plainly out of his depth on the economy; an earlier self-deprecating confession that he had to do all of his economic calculations with the help of a box of matches seemed all too evidently true. It made a pitiable contrast to Wilson's command of statistics and talk of the white heat of the technological revolution. (Shepherd 1991: 160)

Macmillan would later come to accept that Douglas-Home was not voter-friendly, and admitted to his miscalculation with breathtaking arrogance: 'that illness was a sad blow for me. Without being conceited, it was a catastrophe for the party' (Clark 1998: 399). Difficulties continued in the 1963–64 period, the most notable of which was the 'sensitive issue' of abolishing resale price maintenance (RPM) (Campbell 1993: 150). While some Conservatives viewed RPM as an anachronism and an obstacle to the free market, which 'featherbedded manufacturers by keeping prices high at the expense of the consumer', others saw it as an 'essential safeguard to protect the small shopkeeper from being undercut and put out of business by the new supermarkets' (Campbell 1993: 151). As the president of the Board of Trade, Heath was keen to proceed with this as a symbol of Conservative modernization even though Douglas-Home had misgivings (Ziegler 2010: 146). Critics, such as Hailsham, argued about how this would be viewed by many small businesses who were a natural part of the Conservative constituency; moreover, why proceed in the final months before facing the electorate, when it could be addressed immediately after re-election (Hailsham 1990: 358)? Once Douglas-Home allowed Heath to proceed it caused considerable divisions within the PCP, and indeed within the Cabinet (Findley 2001: 327–8, 344). Moreover, key sections of the Conservative press ran 'fervent' anti-abolition campaigns, such as the

Daily Express, who at the time had a readership of over 11 million or around a quarter of the electorate (Butler and King 1965: 185, 197). The rebellions that its parliamentary passage provoked had an impact on perceptions of the respective parties. By early 1964, 48 per cent of the electorate thought Labour was more united than the Conservatives, and only 22 per cent thought the Conservatives were more united than Labour (Butler and King 1965: 83). Douglas-Home later concluded that 'it certainly cost us quite a lot of votes' and 'it probably cost us seats' (Hennessy 1986: 66). It also demonstrated the limited political antennae of the new prime minister, who later admitted that his limited grasp of domestic politics put him at a disadvantage when entering Downing Street (Home 1976: 184–216).

Therefore, in the final year of their third term the capacity for Conservative renewal was constrained by negative perceptions of leadership legitimacy/competency and internal division. They were also constrained by the existence of the fourth degenerating tendency, that is, the growth of sleaze. An image of decadence became associated with the Macmillan government in 1963, as a result of numerous scandals. Electoral concerns reached a zenith when John Profumo, the Minister for War, admitted to lying to the House of Commons with regard to his relationship with Christine Keeler, who was also conducting a relationship with a Soviet Naval attache. Labour insinuated that Macmillan had been negligent over national security and that he was gullible for having accepting the original denial of Profumo (Knightly and Kennedy 1987). That Macmillan was so bemused by the unfolding of events, reinforced an image of him as being old, tired and out of touch.

While Macmillan, and his successor Douglas-Home, appeared to be socially unrepresentative of New Britain, Labour had a new party leader in the shape of Wilson. Wilson was able to outshine the anachronistic Douglas-Home in terms of electoral appeal. This observation leads us into the final two aspects of the degenerating tendencies of long-serving governments – that is, the presence of an increasingly unified, electorally appealing, politically renewed and credible main opposition party, which is able to exploit the time for a change argument. Wilson skilfully crafted a narrative based around Labour as the party of modernization, change and the white heat of technological revolution. He cleverly sought to portray himself as a symbol of inclusive modernization. He argued that the harnessing of science and technology for national purposes could remake Britain and transform its economic performance. The visionary rhetoric of new frontiers in New Britain, under a meritocratic leader, was designed as a contrast to the elitist establishment figure of Douglas-Home, and the Conservatives as the custodians of decline. The rhetoric over modernization, and the immediacy of the election, helped to bridge the divides between the socialist left, to whom Wilson was softly associated, and the social democratic revisionist right. While tensions still existed, Labour looked considerably more unified than 5 years earlier; the Conservatives looked

considerably more disunited than when Macmillan secured them their third term (Shore 1993: 87–8).

Therefore, the crisis-ridden, third-term Conservative administration demonstrated all of the symptoms of a degenerating long-serving government. Their economic competence was questioned and they suffered from negative perceptions of leadership competence. They also displayed signs of internal division and suffered from accusations of sleaze. Thus when facing an increasingly unified, electorally appealing, politically renewed and credible main opposition party, they found it difficult to undermine the time for a change argument. The consequence was electoral rejection. Their vote fell from 13,749,830 in 1959 to 12,001,396 and their vote share was down from 49.4 per cent to 43.4 as their parliamentary representation was reduced from 365 to 304 (Kavanagh and Cowley 2010: 350).

One-nation statecraft

The one-nation statecraft strategy provided the basis for recovery after 1945 and access to office for a three-term administration. In statecraft terms the Conservatives were not an absolute success, but relative to a Labour movement that turned upon itself after 1951, it was enough to establish that they were the more unified and less factional party. For example, any internal tensions that the Conservatives experienced over Suez in late 1956 or the Thorneycroft resignation in 1958 were dwarfed by Labour's self-inflicted wounds during the late Attlee and Gaitskell eras. Conservative electioneering was aided by the factional feuding between the Bevan inspired left and the Gaitskell aligned social democratic right. The Bevanites felt that defeat in 1951 was a consequence of being insufficiently socialist, whereas the Gaitskellite social democratic right felt that the emphasis on public ownership should be downscaled. The intensity of that factional infighting would see Bevan having the whip withdrawn, and only just avoided expulsion from the party. Between 1951 and 1955 an impotent Attlee struggled to manage his party effectively and was left accused of 'following rather than leading his party' (Theakston 2010: 150). Throughout the early part of the 1950s the divisions were so deep that Attlee was consumed with simply trying to hold his party together, and with this being his 'overriding consideration' it meant that 'returning Labour to power at the next general election became secondary' (Thomas-Symonds 2010: 252). The Conservatives electoral successes in 1955 and 1959 propelled the Labour Party into another bout of ideological soul-searching, notably in the 1959–61 period, where disputes over public ownership and unilateralism, contributed to two challenges to Gaitskell's leadership in 1960 and 1961 (Heppell 2010: 19–38). The Conservatives were somewhat fortunate to have Gaitskell opposing them due to his limitations as a party manager and party leader (Pugh 2010: 299). Between 1955 and 1963 the Conservatives benefitted from the fact that

Gaitskell was as 'well known for the struggles managing a fractious Labour movement as he was for critiquing Government policy and presenting himself as the leader of an alternative administration' (Heppell 2012: 46). He seemed to devote more time to opposing the left of the Labour movement, as he did opposing the Conservatives (Williams 1978: 404). His death and replacement in early 1963 by Wilson was less helpful to the Conservatives. Although a controversial figure, (who had previously been aligned to the Bevanite left), Wilson chose a different and less confrontational party management route than Gaitskell. A gifted communicator Wilson used his speeches in the 1963–64 period to 'tell the left what it wanted to hear' but in reality 'party policy served to reassure the right' (Thompson 2006: 63). With a general election imminent Wilson wanted to blur the differences between the factions and transcend the old ideological factional debates of the 1950s. The next two decades would show this to be a mirage, but for a brief but important period it looked as though Wilson had 'set aside' the 'dismal background of Labour's years of fratricide' (Morgan 1992: 252). As the third-term Conservative government degenerated, the highly effective Wilson presided over an apparently more unified Labour movement was just enough to propel Labour back into office.

The Conservatives could take some comfort in their achievements in office, and their time had become viewed by some as a golden age of economic development (Black and Pemberton 2004: 1). It was a period of unprecedented economic growth which had involved considerable advances in terms of living standards, and in addition there were rising real incomes, and increases in the consumption of goods and services (Pemberton 2004: 108). Even in their final term, so consumed by perceptions of economic decline, unemployment averaged only 1.8 per cent and inflation 3 per cent, while the wages of manual workers were 20 per cent higher (Pinto-Dushinsky 1987: 154–5). The politics of affluence was central to Conservative strategy and was 'conceived politically', that is, promoting suburbia which was a Conservative environment, or advancing property ownership which was a Conservative attribute (Black 2004: 91). Tying their electoral strategy to the concept of affluence was hugely beneficial to the Conservatives in the 1950s, especially as Labour took a 'dim view' of affluence and 'struggled to acknowledge that consumerism mattered' (Black 2004: 92). The Conservatives thus sought to frame party competition as a choice between the redistributive objectives of socialism or becoming better off by individual consumerism (Black 2004: 91).

Affluence was rhetorically tied into the notion of competence. Conservative strategy had been defined by emphasizing how they were better equipped to manage the economy than the socialists (Turner 1996: 320). As Turner notes, it was a strategy designed with an 'overtly political purpose' of managing economic policy to fulfill social objectives while at the same time 'buttressing' the position of the Conservative Party (Turner 1996: 328). Competence thus became critical to their appeal. As Barnes notes of the 1955–59 period, they had made a 'better fist' of 'delivering a

combination of economic growth, cuts in taxation, full employment and low inflation' than many other administrations (Barnes 1987: 137). However, as the notion of relative economic decline became prevalent by the early 1960s the Conservatives found that their credibility on the competence label became questioned (Turner 1996: 333). The perception of decline was given further momentum by the focus on international comparisons, and therein is the paradox of how to interpret the age of one-nation Conservative dominance – an age of affluence domestically (although huge regional and class variations existed) but a perception of wider decline economically within the world. Perceptions of decline were not solely economic as their 13 years in office was characterized by a journey from great power status towards greater consideration of co-operation within Europe (Turner 1996: 317). There was a psychological shock of becoming less significant on the world stage and within the world economy and the realization of the loss of influence was a challenge (Pemberton 2004: 112).

While the Conservatives could also take comfort in the fact that Labour had secured a single-figure parliamentary majority, there was a recognition that the climate of opinion had moved to their disadvantage (Gilmour and Garnett 1998: 215). As a multi-term administration a degree of boredom had set in and the time for a change argument was harder to withstand. The increasing emphasis on a meritocratic age chimed with the language and agenda that Wilson offered, and while the underlying tensions existed within Labour, Wilson was far more adept at binding left and right than Gaitskell had been. Indeed the deaths of Gaitskell (1963) and Bevan (1960) seemed to symbolize a reduction in the factional infighting of the mid-1950s. Wilson avoided drawing attention to internal divisions and sought to close down the feuding over nationalization, unilateralism and the EEC, where Gaitskell seemed determined to 'win' the argument at the expense of party unity. Between 1963 and 1964 Wilson was a highly effective leader of the opposition, and certainly more effective than Gaitskell (1955–63), or Attlee (1951–55) had been (Shore 1993: 87–8). The mantra of modernization captured the mood of the early 1960s, and while the Wilson rhetoric of white heat and the national plan would later be exposed, his agenda was chiming in with a view of the Conservatives as the establishment in a decade in which deference would be challenged and the lampooning of authority would become established through such mediums as *That Was the Week That Was* (Turner 1996: 349). The age of Conservative dominance was prolonged and involved considerable stages of change which may have been overstated for political purposes by many protagonists, both at the time and retrospectively. It was the era that moved on from austerity and rationing, through to consumption, prosperity and affluence, and then the notion of relative decline. In this age of change, Turner concludes thus:

The party existed in a political environment which was constantly changing, and in order to survive it had to change itself. This process

of adaptation was the mark of its political success. Often it was able to change the external environment in order to protect its own interests, and the [early] Macmillan government was particularly successful in this endeavour. But sometimes external change was too fast, and the party's response slightly too slow or indecisive to bring complete success. The year 1964 was one of those occasions, but it was not be any means the end of the party's dominance of post war British politics. (Turner 1996: 352)