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ADAPTIVE CHANGE TO ELECTORAL DEFEAT: 
THE CONSERVATIVE PARTY IN 
POST-WAR BRITAIN 

DISSERTATION 

Presented in Partial Fulfillment of the Requirements for 
the Degree of Doctor of Philosophy in the Graduate 
School of the Ohio State University 

By 

Hak-Ryang Kim, B.A., M.A. 

* * * * * 

The Ohio State University 
1995 

Dissertation Committee: 
Anthony Mughan 
Bradley Richardson 
William Liddle 

Approved By 

Adviser 
Department of Political Science
To God and My Mother.
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VITA

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1. Research Problem

The primary goal of the major political parties in all representative
democracies is to take power of government. Thus, staying in opposition is
always frustrating to them and their members. That frustration is at the
zenith when the governing party which is used to being in government, has to
be out of the office due to the electoral defeat. The famous British
Conservative politician Winston Churchill once expressed such a feeling:
"[Losing executive office] is like a sea-beast fished up from depths, a diver
too suddenly hoisted, my veins threatened to burst from the fall in pressure."  

Once a political party has been out of office, it always seriously reviews
the previous election strategies which led to its electoral defeat. Based on
the review, it usually begins an adaptive process to the electoral defeat,
including revising its ideologies/policies and rebuilding its organization to win
the next election. In multi-party systems, where the coalition government is

---

1 It is true that the ultimate goal of all political parties is not to take in government. Some parties, called the "policy-seeking parties", pursue certain policies and ideologies rather than the office. However, it is also true that except for a few parties, nowadays almost all policy-seeking parties show the tendency to sacrifice their own program for stubborn pursuit of office. See Kaare Storm, "A Behavioral Theory of Competitive Political Parties," American The Journal of Political Science, Vol. 34, No. 2. May 1990, pp. 565-598; Joseph Schlesinger, Political Parties and the Winning of Office (Ann Arbor: the University of Michigan Press, 1991) pp. 201-203.

usual, the party's broad strategy is making itself more feasible to the coalition building, while attempting to maximize votes or seats in the following election. The strategy of the party in the two-party system is much simpler, that is, it just changes its ideology/policy and organization to gather more votes.

The British Conservative Party (hereafter, the Conservative Party) in the two-party-system\(^3\) has been in Conservative or Conservative-led governments for two-thirds of the period since the 1884 Reform Act.\(^4\) The party also has won almost two-thirds of the general elections in the same period. The party, thus, has been considered the natural party of government, which has been the best qualified and most suited to govern.\(^5\)

The Period from the end of World War II up to 1979, however, had been unusual for the Conservative Party. The party suffered from six defeats (the elections of 1945, 1950, 1964, 1966, February of 1974, and October of 1974) out of 11 general elections. Despite more defeats than victories during this period, the Conservative Party still had stayed in office for more than

---

3 The British Political system has been dominated by two main parties, though they always have not been the same two (Before 1910, the Conservative and the Liberal were the two; since the 1920s, the Conservative and the Labor Parties have been the main parties). For example, since 1945, the Labour and the Conservative have won at least 93% of seats in each post-war election, and more than 97% in most of them. See R.M. Punnett, *British Government & Politics*, 5th ed. (Chicago: The Dorsey Press, 1988) p. 77; David Butler, *British General Elections Since 1945* (New York: Basil Blackwell, 1989) p. 72.

4 The 1884 Reform Act increased the electorate by 67% and gave the vote to the great majority of adult men. It was a major step toward the democratic election with the universal franchise.

two-thirds of the time. This was because the fortunate economic boom of
the 1950s across the world helped the party stay in government for 13
years. Thus, the period of 1945-1979 had been a frustrating period in the
Conservative Party's history because it had experienced more defeats than
win.

Three defeats (1945, 1964, two defeats of 1974) out of 6 during 1945-79
were major defeats, since they forced the Conservative Party to wait about 5
years to return to government. After each major defeat, the Conservative
Party naturally made great efforts to return to office.

Its adaptive efforts to three major electoral defeats, however, have not
been the same in the direction of changes in socio-economic policies over
issues, such as inflation, economic development, pensions, housing, and
unemployment. After the defeat in 1945, compared with policies up to the
1945 election, some socio-economic policies of the Conservative Party shifted
from the direction of 'collectivism' or 'socialism' to the directions of
'individualism,' which allowed more state intervention in control over the socio-
economic lives of the people than the former: other socio-economic policies,
such as unemployment, shifted from the direction of 'individualism' to the
direction of 'collectivism.' After the Conservative Party returned to the
government as a result of the 1951 general election, it had implemented
socio-economic policies in the direction of 'collectivism' for the next 14 years in
government. After the electoral defeat in 1964, socio-economic policies of the
party turned from 'collectivism' the party had maintained since 1951 to
'individualism.' With socio-economic policies in the direction of 'collectivism',
the Conservative Party returned to government in 1970. Around 1972, two
years after the Conservative Party got in government by winning the 1970
general election, the party made a U-turn to 'collectivism' in its socio-economic
policies. It waged two 1974 elections with socio-economic policies in the
direction of 'collectivism.' However, after two electoral defeats in 1974, the
socio-economic policies of the Conservative Party were in between policies in
the direction of 'individualism' by 1972 and policies in the direction of

The main purpose of this study is to investigate what caused changes in
the direction of socio-economic policies after each of three major electoral
defeats of the Conservative Party.

2. Significance of Study

Only few studies, surprisingly, have been concerned with the policy changes
of the opposition party. These studies are divided into two kinds. The first
kind includes in-depth case studies, without being guided by any established
theory, based on only one opposition period of a party.\(^6\) Such studies
cannot not make an important contribution to the establishment of general
propositions and to the theory-building because they are usually descriptive
and move in a theoretical vacuum.\(^7\) Their findings are also static and their

---

\(^6\) For examples, see J.D. Hoffman, *The Conservative Party in Opposition 1945-1951*
Zig Layton-Henry, ed. *Conservative Party Politics*, pp. 9-25. The latter one treated three periods of oppositions. However, it is not different from
studies based on the one case because it is just filled with a brief description of each
concepts are abstract, since they are made without comparing multiple cases.

Furthermore, there were big discrepancies in findings among even the first kind of studies which examined the same opposition period of a party. For instance, investigating the causes of the policy changes of the Conservative Party during the opposition period 1945-51, Hoffman argued that policy changes were the result of the power struggle within the party; Patton asserted that policy changed according to demand from people and reaction to political events to gather more votes in an election; Gamble maintained that both power struggle within the party and environment, such as pressure from the electoral defeat, were required to change policies.

The second kinds are theory-oriented studies based on the cross-national studies. Cross-national comparisons naturally attempt to explain policy changes with specified concepts and hypotheses. However, the problem is that they have not been based on the hard facts. For instance, Angelo Panebianco's argument is based on almost his intuition. Thus, it is in the stage of a simple argument. Harmel and Janda's study is still in the process of collecting data.

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7 This kind of case studies are called "atheoretical case studies." See Arend Lijphart, "Comparative Politics and the Comparative Method," The American Political Science Review, Vol. LXV (September, 1971) pp. 682-693.


Thus, there have been no genuine comparative and systematic studies concerning adaptive policy changes to electoral defeats. This study attempts not only to resolve the controversies between the previous studies but also to contribute one more step to building the theory by systematically comparing three cases of the Conservative Party since 1945 with more specified concepts.

2.1. Does Policy-Making in Opposition Impact On the Election Results?

At this point, we should ask a crucial question, "Does policy-making of the opposition party, especially between elections, have significant positive effects on the next election result?" If the answer is negative, this study is not simply significant enough to proceed. More specifically, if policies of the opposition party have little effect on election results and thus, are not positively related to winning the next election, it is not worthwhile studying the opposition party's policies.

There have been two opposite views on the impact of policies of the opposition party on election results. The first view is that whatever the opposition party does is nothing critical to the election results. This view has been strongly proposed especially by scholars arguing the strong impact of the government's economic performance on election results. Its core argument is that the British general elections are like a referendum on the current government,¹¹ while the opposition government cannot help to shape

popular perceptions of government. If a government turnover happens, it is because the governing party loses the election rather than that the opposition wins the election with any effort.

However, there has been a second view arguing the impact of policy-making of the opposition party between elections on the election results. First, policy-making makes the party organization active. Anthony King holds that policy-making of the opposition party gives a sense of purpose and something to do; thus, without it, important parts of organization would simply atrophy through lack of work, party members would drift away, and morale would suffer. In turn, a party organization having active and organized members is particularly useful in preparing for the door-to-door canvassing during election. Therefore, policy-making of the opposition party should not be underestimated in this respect.

Second, there have been arguments that the electorate has increasingly voted on the basis of its evaluation of party policies in Britain. For instance, Franklin demonstrated that issue voting has increased in step with the decline of class voting. In the same vein, David Butler and Donald Stocks stated


1 3 For the importance of party organization in winning an election, see Ivor Crewe, "Why the Conservatives Won," Howard Penniman, ed., Britain at the Polls 1979, pp. 269-272; Leon Epstein, "Political Parties: Organization," in David Butler ed., Democracy at the Polls, ch. 4.

that election can be portrayed as plebiscites between alternative
governments, each with their own policies.\textsuperscript{15}

3. Method and Data

The method used in this study is a comparison of three segmented
opposition periods of the Conservative Party. The three separate periods
(1945-51, 1964-70, 1974-79) experienced different environments and had
different shadow cabinets in terms of membership composition, including
different party leaders, from one another. Such differences in environments
and Shadow Cabinets necessarily made differences in policy changes of the
opposition party. Thus, the method used here is so-called "Concomitant
variations" or "Most similar systems" design.\textsuperscript{16} More specifically, by
comparing three opposition periods of a political party in the same party
system, electoral laws, political system, and culture, which naturally controls a
maximum number of variables, this study attempts to find sufficiently small
numbers of explanatory factors to explain differences in policy changes
among the three periods.

This dissertation focuses on only socio-economic policies among all kinds
of policies.\textsuperscript{17} The reason is that socio-economic policies have been the most

\textsuperscript{15} David Butler and Donald Stokes, Political Change in Britain (New York: St. Martin

\textsuperscript{16} See Adam Przeworski and Henry Teune, the Logic of Comparative Social Inquiry

\textsuperscript{17} Grouping issues types is according to criteria of Nuffield election studies. For
example, see David Butler and Dennis Kavanagh, The British General Election of 1979
important to people's lives; thus, socio-economic policies have been supposed to be more closely related with people's voting behavior than the other kind of policies. As evidence, in four elections between 1945-79 (Table 1.2.), socio-economic issues (social issues: 6, economic issues: 11) occupied 85 percent of issues types particularly important to the electorate, while other issues were mentioned only 3 times (15%).

Table 1.1: Types of top five issues which were particularly important to voters in four elections since 1945

<table>
<thead>
<tr>
<th>Election Types</th>
<th>1945</th>
<th>1964</th>
<th>February 1974</th>
<th>1979</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic</td>
<td>2</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>11</td>
</tr>
<tr>
<td>Social</td>
<td>2</td>
<td>3</td>
<td>1</td>
<td>0</td>
<td>6</td>
</tr>
<tr>
<td>Foreign</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>Others</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>1</td>
</tr>
</tbody>
</table>


The importance of economic issues to the electorate in Britain has been argued by many scholars. Examples are seen in Butler and Stokes, Political Changes in Britain, ch. 13. For excellent literature reviews for the impact of economic issues on voting, see also Ian Budged and Dennis Farlie, Explaining and Predicting Elections: Issue Effects and Party Strategies in Twenty-Three Democracies (London: George Allen & Unwin) Chapter 1. However, the importance of social issues to voters has been rarely argued by scholars, but Table 1.2 shows that social issues have been important to voters as much as economic issues.

Data for the other elections (1950, 1951, 1966, October 1974) are not available.
Candidates' addresses are another different measure of what issues are particularly important to voters in an election, because candidates are expected to focus on issues important to voters. For three opposition periods of the Conservative Party since 1945 (Table 1.2), socio-economic policies had been included 38 times (social issues: 22 times, economic issues: 16 time, 85 percent) out of 45 in the top five issues most frequently mentioned by the Conservative candidates in elections, whereas other issues were mentioned only 7 times (15 percent). Thus, Table 1.1 confirms that socio-economic policies have been dominantly important issues to voters during the three opposition periods of the Conservative Party.


<table>
<thead>
<tr>
<th>Types</th>
<th>1945-51</th>
<th>1964-70</th>
<th>1974-79</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic</td>
<td>6</td>
<td>7</td>
<td>9</td>
<td>22</td>
</tr>
<tr>
<td>Social</td>
<td>6</td>
<td>6</td>
<td>4</td>
<td>16</td>
</tr>
<tr>
<td>Foreign</td>
<td>2</td>
<td>2</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>Others</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>2</td>
</tr>
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(Source: Nuffield British General Elections Studies, 1945-1979)


21 It is generally agreed that election addresses have not been paid much attention much by the electorate. Nevertheless, since each candidate wrote down something he regards the most important to attract votes in his/her constituency in the election addresses, an analysis of election addresses showed what were critical issues at each election.
This dissertation also confines its analysis to only 3 or 4 most urgent socio-economic policies people thought in each of the three opposition periods of the Conservative Party since 1945 for the following reason. First, reducing the number of policies studied allows deeper analysis of each policy. Second, the most urgent socio-economic issues are likely to affect to an electoral outcome than less-urgent ones. More specifically, David Butler and Donald Stokes suggested that there are at least two conditions which should be fulfilled before an issue can be expected to influence an electoral outcome.\textsuperscript{22} The first condition is that the issue should be salient to a substantial body of voters. Since socio-economic issues dealt with in this study are at the highest rank in people's responses to a question, "Which would you say is the most urgent problem the government must solve in the next few months" in the Gallup Poll's nationwide surveys, they must be salient to a great portion of voters. Less urgent issues may be harder to be salient to the voters than the most urgent issues. The second condition is that, while on the issue a party should be perceived as opposing the other party, the voters correctly perceive the issue positions taken by each party. Positions on socio-economic issues have been a way that voters have identified a political party in Britain. The British voters have thought that two major British parties, the Conservatives and the Labour, differ most in socio-economic policies. Examples are seen in section 2 (Table 4.2) of chapter 4 and section 2 (Table 5.2) of chapter 5. They also have understood well that, in socio-economic

policies, the Labour Party traditionally has been for 'collectivism' or 'socialism' and the Conservative Party has been closer to 'individualism.'

Data to describe facts and to demonstrate theoretical arguments made in subsequent chapters come from various sources. Data for election results and their analyses are obtained from various British election studies. Data to describe objective socio-economic conditions, which are certainly crucial in evaluating the government's performance, are from government statistics.

Data about people's opinion of the party policies and government's performance for important socio-economic issues are from various Gallup Opinion Polls. The Gallup Poll among several polls is selected for two reasons. In the first place, only the Gallup poll covers all periods this dissertation tackles, including consistent and relevant questions about public opinion this dissertation needs in it. In the second place, since the Gallup Poll has done its survey almost every month, especially after 1960 with usually more than 1,000 respondents, it has been very accurate. As evidence, the Gallup Poll's predictions for 11 election results between 1945-79 in Britain have deviated by only an average of 1.7 percent from actual results.


25 For 1945-51, Data in the Gallup International Public Opinion Polls: Great Britain 1937-75 are used; for the other periods (1964-70, 1974-79), data in the Gallup Political Index are used.

26 It is known that for the most of the period, the Gallup Poll uses a quota sample, but uses random samples during election campaigns. See R.M. Punnett, Front-Bench Opposition (London: Heinemann, 1973), pp. 483-484.
Data to demonstrate the dynamics within the shadow cabinet related to the party's policy changes comes from memos, letters, and biography, and autobiography of core Conservative politicians directly or indirectly related to the policy-making process in each period. Newspapers and historical material which, described the policy change processes of the Conservative Party are also utilized. Finally, data for policy changes are provided mainly by party documents, such as party publications by the Conservative Political Center, election manifestos, and party conference reports.

4. Organization of Study

This study consists of six chapters. In chapter 2, I examine literature related to policy changes in opposition and also propose alternative theoretical arguments. In the literature review section of the chapter, all literature are classified into three competing models (environmental, power-control, and mixed models) and are critically reviewed. In the section of theoretical arguments, three working hypotheses are presented to be tested.

Each of Chapters 3, 4, and 5 will describe and explain the processes of policy changes of each period of 1945-51, 1964-70 and 1974-79, attempting to test hypotheses suggested in Chapter 2. Each of Chapters 3, 4, and 5 begins with an analysis of manifestos of a defeated election, which pushed the party out of government, and ends up with completion of policy changes for the next election.

In Chapter 6, all explanations made by then are summarized in a systematic way, some important findings are described, and implications for further developed studies are presented.
CHAPTER II

Literature Review and Theoretical Arguments

1. Literature Review and Critics

Very limited amount of studies have been concerned with political parties' adaptive changes to the electoral defeat; only few of them have deeply investigated them. Thus, literature review extends its scope to general theories of individual party changes, which certainly give insight to a study of adaptive changes of the opposition party. Studies related to the party changes can be divided into three competing models: environmental, power control, and a mixture of the former two. What follows are three models.

1.1. Environmental Model

The environmental model holds that a party's adaptation is predominantly influenced by changing environments the party encounters. It assumes that every political party seeks its survival through achieving its prime goal, an winning election, and getting into government. To do so, the

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party is forced to change its outdated functions and mechanisms within its control to effectively work under changing environments.

Two particular points, then, are worthy of note in the environmental model. First, political parties in competitive systems are highly open to environments related to their prime goal, winning an election and taking power in government. Second, a party's adaptation is to adjust to those significant environmental changes.

There have been disagreements on what environment is causally related to a party's adaptation. Four contending views are specially noticeable. The first view is that political parties should adapt to changes of 'socio-economic' cleavages. Abundant election studies demonstrated that in the competitive political system, socio-economic cleavages have been a decisive factor in voting behavior, especially in Western European countries. Therefore, changes in those cleavages were assumed to influence a political party's 'means' to win votes. For instance, the bourgeoisie/proletariat cleavage has been a pre-eminent basis for voting in European countries, such as in Britain and West Germany, for a long time. However, class

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differences have been declining due to the emergence of a new middle class, embourgeoisement and social/occupational mobility. This change has pushed socialist parties to vie for votes of the middle class with a more moderate socialist program, and has forced the conservative party to seek working-class votes by accepting social programs proposed by the left.

Doubt about this view has been overriding. For instance, Frank Wilson argued that socio-economic factors, such as social class, created a climate for change but they did not dictate party transformations. There are two arguments for doubt about the first view. First, aggregate behavior of the electorate has remained extremely stable in the face of the great socioeconomic transformation. For instance, Maria Maguire empirically showed that, although there have been considerable socio-economic changes since 1945, the electorate has been relatively stable in 80 parties in 15 Western European countries. If so, the party did not need a significant party's adaptation for gathering votes in spite of significant socioeconomic changes. The second argument is that socio-economic changes are not necessarily transferred to a party's adaptation. As Lipset and Rokan

4 Russell Dalton, Citizen Politics in Western Democracies, p. 159.

5 Ibid.

6 Frank Wilson, "The Sources of Party Change: Change in Social Democratic Parties in Britain, France, Germany, and Spain" A Paper delivered at the Workshop on Elections and Parties, Committee on Political Sociology, ISPA/ISA, Paris p. 5.


8 Maguire,"Is there Still Persistence?: Electoral Changes In Western Europe, 1948-1979" p. 73.
implied, changes in the characteristics of conflicts due to socio-economic structural changes could be dealt with by forming a new party or channeled through interest groups without changes of established parties. It has been also argued that a party can fail or avoid to adapt to the socio-economic changes for fear of losing the usual supporters.

The second view is that a party's adaptation heavily depends on changes in the electoral system. This view has been widely accepted in the field of political science because of several well-proven arguments to support it. Two specific arguments deserve to be mentioned. The first is related to an election reform, that is, extension of suffrage. Before the middle of the nineteenth century in Europe, suffrage was confined to small groups of notables. However, after that period the suffrage had been gradually permitted to even women. This extension of popular suffrage was directly linked to the emergence of local electoral committees to bring new electors into the party and was also linked to an extended scope of issues the party took care of.

The next argument of the second view begins with Maurice Duverger's well known 'laws': the simple-majority single-ballot system favors the two-party system, and a proportional representation system favors multi-

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9 Lipset and Rokan, Party system and Voter Alignments, p. 21.


This law has been challenged because of some exceptions to the law. For instance, Douglas Rae argued that plurality formulae did not create a two-party system, where strong local minority parties exist. Ignoring exceptions mentioned by Rae, Duverger's law strongly implied that the shift to a single-member district system from a proportional representation system reduces the number of parties up to two parties; the reverse shift will multiply the number of parties.

Such a transformation of the party system as a consequence of changes in the electoral system necessarily demands the party's adaptation. In the multi-party system, in terms of party policy lines, voters are far less likely to change their preferences to such an extent as to keep over a party than they are to shift to adjacent (i.e., similar) parties. Therefore, a party's electoral strategy is usually confined to keeping its old supporters, attracting supporters of its adjacent parties, and mobilizing non-voters. Then, the party should make very specific policies to differentiate them from policies of its adjacent party in order to attract old supporters and attract voters turning their back on the adjacent party. However, the situation of the two-party system is quite different from that of the multi-party system. Since only two parties compete in the two-party system, a party should get votes from more than half of voters. It requires that parties in the two-

12 Ibid., pp. 217 and 239.


party system should attract are more widespread and heterogeneous voters than in those in the multi-party system. Consequently, political parties in the two-party system need broader issue lines and have more abstract policies than those in the multi-party system. If the electoral system shifts from the single-member district system to the proportional representation, the party system gradually alters from a two-party system to a multi-party system. A party should make its issue lines narrower. In the reverse change of the electoral system, the party must have broader issue lines.

However, the view of influences of changes in the electoral system on a political party's adaptation may not avoid a major criticism. The criticism comes from the fact that a large portion of political parties in competitive political systems have rarely experienced significant changes in the electoral system for the last several decades. As a result, it is somewhat doubtful how much actual explanatory power the view has on the party's adaptation.

The third view is that a party's adaptation is the result of competitive pressures. The gist of this view is that a political party tends to resemble its major enemy's superior 'means' to achieve its prime goal, winning the election. Of the arguments related to this view, opposite arguments by two prominent political scientists, both of which are concerned with party organizations, have been well-known. Maurice Duverger argued the phenomenon of contagion from the left.\footnote{Maurice Duverger, Political Parties, p. xxvii.} With the extension of popular suffrage from limited to universal, political parties in Europe needed local
electoral committees to absorb the expanded local electorate.\textsuperscript{16} Because fundamentally the creation of electoral committees was advantageous to the Left, it tended to be a left-wing effort and the Right is obliged to follow the example in order to retain its influence.\textsuperscript{17} In contrast, Leon Epstein asserts the contagion from the right. He observed that, with the advent of the period of a new style of campaigning via the mass media, professional skills, and large financial contributions, political parties on the left in Europe were shifted from mass-membership organizations to business-oriented middle-class parties.\textsuperscript{18} In detail, the shift was from campaign organization based on internal communication network between mass party members to extra-organizational campaigning by using mass media.\textsuperscript{19}

The view of the impact of competitive pressure on a party's adaptation may be acceptable only partially. The positive point of this view is that in a competitive setting in which a party must vie with other parties, the party should follow superior 'means' of other parties to win votes. However, the problem is that the superior 'means' of other parties are rarely created by those parties themselves but actually are a necessary product of environments of a certain period. This argument is based on an assumption that finding and utilizing all visibly profitable 'means' for achieving the main

\textsuperscript{16} Ibid., p. xxvii.
\textsuperscript{17} Ibid., p. xxvi.
\textsuperscript{19} Ibid., pp. 259-259.
goal in given environments is a characteristic of all kinds of organizations, including political parties. Harmel and Janda, thus, argued that parties within the same country come to resemble one another by adapting to the same environment.\(^2\) Duverger's argument of contagion from the Left was impossible without extension of franchise; Epstein's argument of contagion from the Right was impossible without development of mass media. In sum, it is reasonable to argue that the environmental changes are the independent variable in party changes and the other party's superior 'means' is an intervening variable.

The final view is that a party's adaptation is motivated most strongly by decline of level of support in the electoral arena, especially the electoral defeat.\(^2\) This view assumes that political parties are very conservative,\(^2\) so they tend to refuse major adaptation to environments between elections. However, once the party experiences electoral defeats or decreased support of the electorate, the party's adaptation occurs as far as the party members interpret its electoral defeat as the rejection of its policies and representatives.\(^2\) The view of impact of electoral defeat on a party's


adaptation has been agreed on by scholars and has not been challenged by advocates of other views.

However, the final view has two problems. The first is lack of sufficient explanatory power. Unlike three previous views, it does not indicate in which way a party's adaptation is made. For instance, the view of competitive pressure indicates that a party is changed to resemble superior 'means' of competing parties; therefore, it implies the scope and direction of a party's adaptation. The electoral defeat itself is not such a variable. The view of electoral defeat, thus, can have enough explanatory power only with the support of other variables.

The second problem is that the final view argues as if all kind of defeats have a similar level of pressure on a political party and its adaptation process. However, it is more reasonable to argue that different types of electoral defeats are likely to bring a different level of pressure on political parties, especially on the party leaders, who are usually responsible for their party's adaptation process to the electoral defeat.

It is naturally expected that higher pressure comes from the expected defeat than the unexpected, the single defeat than the repeated, the landslide defeat than the close, the electoral defeat of a long-term governing party than that of a long-time opposition party. More specific explanations follow.

An unexpected defeat creates a higher level of pressure on the party leadership than the expected, because disappointment of party members and supporters is necessarily very high. As a result, their recrimination on
the party leadership is also enormous, and it pushes the leadership to adapt thoroughly to the environment, such as the demand from the electorate, to win the next election.

The landslide defeat also creates more pressure on the party leadership than the close defeat for the following reason. In Britain in the parliamentary system and the two-party system, the very close defeat of the opposition party means that the second election certainly comes in the near future because the governing party wants to escape as soon as possible from the discomfort of a small majority. Therefore, the opposition party should prepare for the next election, which does not allow the party members and supporters to put pressure on the party leadership. In contrast, the landslide defeat usually creates very high pressure on party leadership, because it makes party leaders and members feel that their party would never return to the government without tremendous efforts to adapt to the environment.

A defeat of a long-time governing party is usually very demoralizing. Members of a long-time governing party usually regarded their party as the natural party of government. Therefore, they are very frustrated and embarrassed by the defeat which they have not experienced for a long time.

24 The Times (17 March 1979) p. 16.


27 See Butler and Kavanagh, The British General Election of 1979, p. 60.
Their frustration transforms to pressure on the party leadership; thus, they ask the leaders to adapt to environmental demands to prepare exhaustively for the next election. Furthermore, party members as well as party leaders feel more devastated especially when their party, which usually had been in the government, suffered repeated defeats. Under this condition, the party Naturally makes a tremendous effort to adapt to environment.

1.2. Power-Control Model

The power-control model squarely reacts to the environmental model. This model asserts that a party's adaptations at a given time are not caused by environmental changes, but are actually caused by struggle for power between coalitions (called factions or tendencies) within a party. Pretending that adaptation processes achieve the party's prime goal, the dominant coalition, defined as organizational actors who control the most vital zones of uncertainty, actually manages the adaptation processes to realize its preferred values. Thus, the power-control model asserts that a

28 Coalitions within political parties appear in different forms in various political systems. It could be composed of powerful leaders, or a group of tendencies or factions. Then, what dominant coalition means depends on which particular party we study. For differences between factions, tendencies, and coalition, see Richard Rose, "Parties, Factions, and Tendencies in Britain", Political Studies, Vol. XII, 1964, pp.33-46. Rose defined factions as a self-consciously organized group of individuals, with a measure of discipline and cohesion, and tendencies as a body of attitudes expressed about a broad range of problems, such as a more or less coherent political ideology, which may come and go in accordance with circumstances and issues.

29 These zones of uncertainty include professional knowledge, environmental relations, communications, rules, financing and recruitment. See Panebianco, p.38 and Harmel and Janda, p.14.
political parties adaptation has essentially endogenous origin, while it is rarely influenced by environmental changes.

Several studies emphasized the power-control model. All of them argued that the leader of the winning coalition managed a party's adaptation process to realize his/her value or aim. For instance, Kay Lawson, mentioning 'self-generated reform', argued that the 1976 reform of the Unions of Democrats of France was motivated by the party leader's need for a strong party to back his own quest for the power of government.30 Frank Wilson also supported the importance of party leaders in a party's adaptation by stating, "Despite pressures from socio-economic changes, institutional reforms, and altered terms of party competition, political parties do not respond with changes unless their leaders will them."31 Richard Rose argued more radically for the power-control hypothesis with the statement, "The drafting of a manifesto is first of all a search for consensus within each of the parties. The resulting document is not so much a statement of what the voter wants as it is a proclamation of what a party's leadership agrees to want."32

The power-control model has been criticized mainly by advocates of the environmental model. Following are their criticisms. Party leaders certainly


32 Rose, Do Parties Make a Difference, p. 56.
participate in defining goals and formulating the strategy for achieving them. However, the undeniable fact is that political parties in the competitive system are basically open to environments, especially elections which are definitely controlled by the electorate. Therefore, what actually leads to changes is not party leaders but some environmental changes which affect the competition between parties; the party leaders change the party upon demands by new environments, not upon their intention or values. For example, Frank Sorauf agreed that strong and skillful leadership could generate changes in party structure or activity.\textsuperscript{33} However, he argued that these internally fueled influences are generally short-run, and they must operate within the grosser limits set by the external environment.\textsuperscript{34} In the same vein, Harmel and Janda stated, "New leaders may advocate and succeed in bringing about some changes, even absent external stimuli, but they are not likely to have the clear, broad mandate that an external shock creates."\textsuperscript{35}

Although we assume that the argument of the power-control model is acceptable, one problem still remains with this model. It is that the arguments of the power-control model failed to differentiate types of the dominant coalition. Following are more specific explanations. One undeniable fact is that dominant coalitions of political parties are not the same. Some

\begin{itemize}
\item \textsuperscript{33} Frank Sorauf, \textit{Party Politics in America}(Boston: Little, Brown and Company) 1968, p. 413.
\item \textsuperscript{34} Ibid. p. 413.
\item \textsuperscript{35} Harmel and Janda, "An Integrated Theory of Party Goals and Party Changes," p 6.
\end{itemize}
dominant coalitions of political parties are cohesive, since their members have very similar values and opinions about specific issues, such as changing policies. Others are very divided because their members have different opinions. Some dominant coalitions are strong because they include all influential leaders who are supported widely and strongly by party members. Other dominant coalitions are weak because their leaders are supported by only part of the party members, while powerful leaders outside the dominant coalition are challenging them.

Differences in strength and cohesiveness of the dominant coalition certainly make a distinction in the adaptation process. It is highly possible that the strong and cohesive coalition changes the party according to its members' opinion, and a divided and weak dominant coalition changes the party according to compromise between different views among its members or between the dominant coalition and outsiders.

1.3. Mixed Model

The most recent model, argued in two studies--Angelo Panebianco's, and Harmel and Janda's, is the mixture of environmental and power-control models. The main idea of this model is basically that both environmental changes and internal struggles within a party are required for the party's adaptation.

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Panebianco's and Harmel and Janda's study share three common points. First, the electoral defeat among all kinds of environmental changes is the most influential on a political party's adaptation. However, it works as only a catalyst, accelerating the power structure transformation where the internal preconditions of this transformation (such as decreasing organizational performance and organizational rigidity) already existed, rather than directly affecting a party's adaptation. Second, a party's adaptation processes are actually manipulated by transformed dominant coalitions formed as a result of internal struggle. Therefore, the dominant coalition has sufficient freedom in changing a party. Third, an actual party's adaptation is in order to (1) extend interest of the new dominant coalition or (2) efficiently achieve the party's goal by adapting to changing environments. The former is argued by both studies; the latter is only asserted by Harmel and Janda. Without at least one of the above two motives, the dominant coalition will not change the party. It strongly implies that the dominant coalition never alters its party against its value or intention.

The mixed model looks like the most persuasive of three models described so far because of the following two reasons. Political parties in competitive systems are certainly open systems, which cannot be immune from the electorate's, the mass media's, interest groups' and their supporters' influence. Therefore, a party's adaptation should be to a degree influenced by environmental changes to survive. Political parties are also a constellation of power-oriented people who seek not only public offices, but also powerful positions in the party. Occupiers of such positions
can control to a degree the party according to they preferred way.\textsuperscript{37} Then, internal struggle between factions or tendencies for scarce principal party positions is a natural phenomenon.\textsuperscript{38} A party's adaptation also should be affected by internal struggles.

A question to the 'mixed model' argued by Panebianco and Harmel and Janda is whether it can always work without pressure from the environment, once the dominant coalition is newly formed with help of environmental pressure. Political parties are an open system and then, it could not get out of the environment. Whatever the newly-formed dominant coalition does could be possible because the environment allows it to do that. Therefore, the 'mixed model' may not be acceptable.

One more point to note here about the 'mixed' model, as the case of the power-control model, is that it does not specify the dominant coalition. Dominant coalitions, as mentioned before in the section of the 'power-control' model, certainly differ from one another in their strength against outside factions or tendencies and in their cohesiveness. Despite these

\textsuperscript{37} It does not mean that all people who belong to a political party are power-oriented. No doubt that some portion of them, such as party administrators, do not work for power, but for salary. However, since all important decisions are made between politicians who are power-seekers, the party can be generally regarded as a group of people who extend their power.

\textsuperscript{38} For example, in the British major parties, most parliamentary members aspire to at least ministerial rank and even to become the party leader. However, most members spend the whole of their parliamentary career on the backbenches because the number of post of ministerial rank is only a fifth of the Government supporters, if the government has a bare plurality in the House. Therefore, the ratio should be diminished as the size of the majority increases and as the party is in opposition, which loses ministerial post of government. For more details, see Peter G. Richards, Honourable Members/A Study of the British Backbenchers (London: Faber and Faber, 1959) pp. 205-206.
difference which must lead to differences in the adaptation process to the electoral defeats, they are disregarded in the 'mixed model' proposed by Panebianco, Harmel, and Janda.

1.4. **Contending Models of the Conservative Party Literature**

Literature review of section 3 is a collection of arguments drawn from various political parties in the competitive system. Some of them were based on observation of a single party; the others on a comparison of political parties across nations; few of them on the Conservative Party.

This kind of literature review tends to bring about a question: "Are models in the literature review really relevant to explain the policy-making of the Conservative Party in opposition?" The basis of the question is that since political parties are always the product of a specific historical experience which is not replicated elsewhere,\(^3\text{9}\) models drawn from parties in a political system are hard to explain properly what happens in a party in other systems. Therefore, a genuinely comparative study of parties in different regimes is impossible.

Another question is whether the three models in literature review of section 3 relevant for evaluating policy-making of the Conservative Party in opposition?\(^4\text{0}\) They are relevant at least because three competing models

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\(^3\text{9}\) Alan Ware ed., *Political Parties: Electoral Change and Structural Response* (New York: Basil Blackwell Ltd.), 1987, p.2.

also were seen in the studies of the policy changes of the Conservative Party in opposition. Chris Patten, Andrew Gamble, J.D. Hoffman, and John Ramsden explained the policy changes of the Conservative Party after the defeat of the 1945 election with each of the above three models. Patten confirmed the environmental model by arguing that most policy works by the opposition [the Conservative Party] emerged very largely from reaction to events and from taking the problems of governing the country in order to pick up support for the following election.41 In contrast, Hoffman and Ramsden explained exactly the same phenomenon with the power-control model. Hoffman contended that the policy-making process in 1945-1950 is almost entirely with the 'microcosmic'—with the interrelationships of power and interest within the political party itself, and not so much with the wider political environment.42 In the same vein, Ramsden argued that policies of the Conservative Party basically have been made by the leaders, while environmental pressure from opinion polls and reports from agents in the constituencies on the leaders' policy-making have been marginal.43 In the meantime, Gamble supported the mixed model by asserting that overwhelming electoral defeat of 1945 impelled the Conservative Party not only to rethink its philosophy, which has been in fact already been rethought before the 1945 election by the Tory Reform Committee, but also to


consolidate the Reform Committee and its allies in the leadership.\textsuperscript{44} The main party's adaptations made by this group were more important for extending the control of the Right Progressives than for increasing directly the electoral effectiveness of the party.\textsuperscript{45}

2. Theoretical Arguments

Unlike the previous three models in the literature review of this chapter, contending that one model is always dominantly correct over the others, the theoretical model of this paper basically asserts that all three models presented in the literature review can appear under different conditions. In other words, it argues that a political party's adaptive changes in policies to the electoral defeat in one period are explained by one model and adaptive policy changes at other periods are explained by the other model. The argument of this study is made by refining and specifying the existing concepts, such as the dominant coalition and environment. Explanatory variables for the argument are selected on the basis of the critical review of the existing literature, done earlier.

Two factors, as introduced by the established literature, are assumed to be important in deciding adaptive policy changes of the opposition party to the electoral defeat. The first factor is the party's dominant coalition, defined as an organizational actor, who control the most vital zones of

\textsuperscript{44} Gamble, \textit{The Conservative Nation}, p. 40.

\textsuperscript{45} Ibid., p.41.
uncertainty, such as strategy and ideology/policies.\textsuperscript{46} Since the dominant coalition is the highest decision-making organ of the political party in opposition,\textsuperscript{47} its values and preferences are naturally crucial factors in policy-making after the defeat. One example of such a dominant coalition is the Shadow Cabinet of the Conservative Party in opposition. The second factor is environment (consisting of voters’ opinion and the opinion of party members and supporters) that sometimes critically intervene in the process of the dominant coalition’s changing policies. In order to win an election, a political party sometimes responds to the mass electorate by changing policies according to what the electorate wants. The party also needs support from party members. Maximum support from party members is obtained when the party maintains unity. Disunity has been recognized as a significant reason that causes a defeated election, which, in turn, leads to a breakdown of the dominant coalition. The party unity will be maintained when the political party reflects party members' opinions in its policy-making process. The relationships between variables so far described are illustrated in Figure 2.1.

\textsuperscript{46} Panebianco, Political Parties, p. 33-40.

\textsuperscript{47} See Duverger, Political Parties, p. 152.
Figure 2.1: Basic model of policy changes of the opposition party

The starting point of detailed descriptions is that both the dominant coalition and the environment are not always the same over time, as noted in the literature review. The dominant coalition could be very strong at one time and weak at another. Environment is also very strong at one time; thus, it puts high pressure on the dominant coalition, while it could be very weak at another time.

The main argument of this study is that different combinations of different kinds of environments and different types of dominant coalitions of the opposition party make differences in changing policies. Following are more specific descriptions of types of dominant coalition and kinds of environment.
2.1. Types of a Political Party's Dominant Coalition

A dominant coalition of a party is composed of a group of party leaders. Each of the party leaders has its preferred value and policies. By the same token, party leaders outside the dominant coalition have their own values. The strength of a dominant coalition is decided by the degree of discrepancy among values of the dominant coalition members and the power of the leaders outside the dominant coalition (relative to that of the dominant coalition).

2.1.1. Strong Dominant Coalition

A strong dominant coalition means that the leaders in the dominant coalition both have similar values and are influential leaders compared to leaders in minority factions or tendencies outside the dominant coalition. A typical type of a strong dominant coalition is composed of all important party influencials and members with similar values and who pursue non-conflict policies. Then, it can effectively resist any challenge from minority factions and tendencies. A feature of such a dominant coalition is that it knows that it can be sometimes attacked and criticized by minority factions and party members, but that it is not easily broken. Thus, a strong dominant coalition is capable of reflecting its values in the party's policies despite considerable resistance from minority factions.
2.1.2. Weak Dominant Coalition

In contrast to the strong dominant coalition, the weak coalition is characterized by at least one of the followings: it is not very cohesive or it does not include influential leaders as compared with minority factions or tendencies outside the dominant coalition. One type of a weak dominant coalition is composed of representatives of factions or tendencies which reflect various competing values. In this case, even if the coalition includes a sufficient number of influential leaders, it could not be cohesive because it is usually very difficult to find policy lines to satisfy all conflicting coalition members. Another type is seen when, although the dominant coalition is very cohesive, it cannot be very powerful, because minority factions or tendencies have great power and support from party members to challenge successfully. In this case, since the dominant coalition does not want to break, it pays attention to, or reflects the opinion of minority factions or tendencies in policy-making process not to break itself. When this is the case, it cannot maneuver just for its own values. One particular feature of a weak dominant coalition is that it knows it may be broken at any time with an attack from minority factions and tendencies.

2.1.3. The Dominant Coalition of the Conservative Party

Since this study examines policy making processes in opposition periods of the Conservative Party, it is necessary to define what the dominant coalition of the Conservative Party in opposition is: it is the Shadow Cabinet, the highest decision-making organ of the party. The Shadow Cabinet is composed of the party leaders and usually leading politicians of the party.
The party leader has substantial power of policy-making not bound by resolutions of various organs, including the annual conference. However, the party leader retains power only with the consent of his followers, particularly his/her colleagues in the Shadow Cabinet.\footnote{R.T. Mckenzie, \textit{British Political Parties} (London: Praeger, 1963) p. 22.} Therefore, the party leader usually reflects his colleagues' opinion in the Shadow Cabinet in policy-making to avoid their criticisms. Thus, the Shadow Cabinet members, especially senior members, have some power in the party's policy-making process.

With regard to policy-making power within the Shadow Cabinet, one factor sometimes plays an important role. It is whether the party leader has sufficient knowledge about a certain policy. More specifically, complexity and technical difficulties of issues sometimes make it impractical for the party leader to understand them. Thus, many policies cannot be initiated from the party leader, but from policy organs, such as the party's research department, which has professional advisers.\footnote{See Ramsden, \textit{The Makings of Conservative Party Policy}, p. 3. This argument should be confined to the opposition party, In government, the party leader as the prime minister can utilize plenty of human resources to attain technical advice and to get special information from professionals in government of policy-making.} In this case, a Shadow Cabinet member, who is in charge of the policy apparatus,\footnote{Since 1945, the leader of Conservative Party has appointed his senior colleague to take charge of policy research. For this, see Michael Wolff, "Policy-Making Within The Conservative Party," in John Mackintosh ed., \textit{People and Parliament} (Westmead, England; Saxson House, 1978) p. 112.} could be very powerful in making certain policies, especially policies which the party leader has little knowledge of, and has little interest in.
However, when the party leader directly controls policy-making organs, we can see the most powerful leader, because the leader has the initiative from the beginning to the end of the policy-making process. In this case, other Shadow Cabinet members' policy-making power is comparatively weakened. When the party leader is the former chief of policy-making organs, he/she is also likely to be very powerful in policy-making, since he/she has great knowledge of many issues, and knows how to control policy organs to fit his/her need.

2.2. Types of Environment

A political party in the democratic system is an open system. It is born, grown, and maintained only by support from people and party members. Any party and its dominant coalition, which ignores people's and party members' opinions (called "environment" in this study), could not survive.

Any party disregarding people's views could not win the election, since people simply will not vote for it. This fact has been recognized by the Conservative Party politicians. For instance, Ian Macleod, one of the leading Conservative politicians in the 1960s, said at the 1962 Conservative Conference, "it is our first task to try to find out what they are saying and interpret it correctly." In the same vein, William Whitelaw, another prominent Conservative politician, also said, "If you are in politics, 'your trust in the will of the people is as wise as it is significant.'

51 The Times (3 March 1974) p. 16.
52 Ibid.
A dominant coalition that ignores party members' opinions rarely survives because it cannot maintain the party unity, defined as the state of attitudes and opinions of all levels of party members being united for the party's end, seizing power by winning an election. First, it is very difficult for a disunited party to win an election, since party members, dissatisfied with their views being ignored, may not assist the party during the election period. Second, the policies proposed by a disunited party, which usually reveals severe discord to the public, could not persuade the electorate to vote for it. Third, the disunited party sometimes cannot set clear and consistent policy lines to accommodate various people's opinions because of discrepancy in opinions within the party. Thus, Ian Gilmour, a shadow cabinet member and chairman of the Conservative Research Department during 1974-75, said that the Tory party (the Conservative Party) prepares to compromise in order to represent. Fourth, the disunity of a party could also be a direct cause of losing an election. The defeat in election leads to a broken dominant coalition. As evidence, Margaret Thatcher, as an opposition leader in 1978, expressed her fear of losing the election with her statement, "If we lose the election, I may be sacked." For


all of the above reasons, the dominant coalition of a party has to reflect and be intervened by party members' opinions as it adjust its policies to win an election.

In this paper "environment" refers to some conditions outside the dominant coalition. It is also a condition associated with the dominant coalition's policy-changing activity to win more votes in the next election.

The two variables I discussed above are the party members' opinion and the voters' opinion, which comprise the "environment." I selected these based on suggestion from the literature review. More specifically, the first is party members' opinion after the electoral defeats. Since, as described in the literature review, party members' opinion after the defeat put the most serious pressure on the dominant coalition, their opinions often are likely to be reflected in adaptive changing policies. The second variable is people's evaluation of government's performance. In a sense, it is consistent with the concept of competitive pressure in the literature review. With regard to organization, the party resembles the other party's superior organization to win the election. With regard to policies, however, the opposition party's policies competes with performance of the government party. Therefore, how the people evaluate the government's performance contributes to the environment for the opposition policies.

Other variables, such as the party system and the electoral system (seen in the literature review) are disregarded in this theoretical argument. The reason is that this study examined three opposition periods of the

Conservative Party since 1945. During this period, there were no significant changes in the party system and the electoral system.

2.2.1. **Strong Environment**

Strong environment refers to a condition that demands or pushes the dominant coalition to make policies in a certain direction, despite the fact that the dominant coalition does not prefer policies in that direction. If the dominant coalition resists the environment's demand, it makes the party disunited or does not make people favor the party in the election, because people and party members want policies in that direction. It thus tends to let the dominant coalition have little freedom in changing policies. What follows describes conditions for a strong environment in each of the party members' reaction to the electoral defeat and people's evaluation of the government's performance.

**Party Members' Reaction to Electoral Defeat**

Party members are always disappointed with the electoral defeat, because winning an election is the highest and exclusive purpose of most political parties in the democratic system. The disappointment brings pressure on the dominant coalition to let it change according to demands of the electorate. However, all kinds of defeat brings the same level of pressure on the dominant coalition. It is highly possible that different kinds of defeats will create a different level of pressure on the dominant coalition. The strong environment takes place only when the level of disappointment felt by party members is very high.
Since this study is confined in scope to the Conservative Party in the British two-party system (that used to be the governing party), the following kinds of defeats are likely to create higher disappointment to the Conservative Party members and thus, put greater pressure on the dominant coalition: these defeats are landslide defeat, unexpected defeat, repeated defeat, and a defeat after staying in government for long time as opposed to close, expected, single defeat, and a defeat after a short period of time in government.58

People's Evaluation of Government's Performance

People's evaluation of government requires at least two factors to create a strong environment. The first is that the substantial portion of people are very interested in certain issues and want them to be solved by the political parties. This is consistent with a concept, 'saliency' of an issue, proposed by Butler and Stokes.59 In other words, issues should be urgent to a multitude of people because they have created or are expected to create severe disadvantage in various ways. Some issues, which have meaning only for tiny fractions of the electorates, cannot create a strong environment on the dominant coalition, because they do not evoke strong reactions from voters. As a result, they are not likely to affect the electorate's voting behavior for the next election.

58 For details, see section of literature review

59 Butler ad Stokes, Political Change in Britain, 1971, p. 175.
The second factor that creates a strong environment is that a substantial body of voters having a deep interest in certain issues have similar views in its solution. In other words, the electorate's opinion should be on one side. This is consistent with a concept, 'skewness' attitudes, proposed by Butler and Stokes. If people's opinions about the solution for those issues is dispersed, unclear, and quite different from one another, it cannot force the dominant coalition to make policies in a certain direction to win votes. The reason is that under this condition, the parties would be unlikely to gain or lose much support of the electorate, regardless of which policies they favor. As a result, the dominant coalition has the freedom to choose from various optional solutions.

A strong environment is frequently seen when the government's performance in issues in which the people show major concern was very good and very poor. When the government's performance in urgent issues is very poor, the electorate naturally thinks that policies of the governing party fail and they prefer quite a different solution from it. The opposition party, then, is forced to change policies preferred by the people to get more votes, regardless of whether those policies are favored by the dominant coalition of the opposition party, or not. When the government's performance is very good, the people believe that policies of the governing party are good enough. In this case, the opposition party would have a problem with its quite different policies from the government party, because people do not have the confidence that newly suggested policies by the

60 Ibid. pp. 175-76.
opposition are more successful than policies of the current government. Then, the only way the opposition party can go is to make similar policies with the government party's, and to share voters who support the governing party, by admitting that the party has good policies.

One important criterion evaluating whether the government's performance was good or bad, especially in the two-party system, is a comparison of the government's performance of the current opposition party when it was in power with the current government's performance. For example, the performance of the previous government, when the opposition party was in power, is much better than the performance of the current government, no doubt that people strongly believe that policies of the opposition party work. However, if there was little differences between the previous and current government, people believe that if the current opposition party were to be in government, there would not be much difference.

2.2.2. Weak Environment

Weak environment purports that pressure from environment is not so strong to push the dominant coalition to change policies in a certain direction, against the dominant coalition's value. Thus, it means that, although the dominant coalition changes policies against demands from the environment, it could not lose a significant amount of votes in the election. This weak environment is likely to allow plenty of freedom in changing policies. What follows describes conditions for a weak environment.
**Party Member's Reaction to Electoral Defeat**

Weak environment tends to be created under at least one of following conditions. In contrast to electoral defeats creating a strong environment mentioned above, to create a weak environment, electoral defeats should not be so disappointing to the party members. Weak environment is a condition where party members weakly ask the dominant coalition to change policies in a certain direction. Those kinds of electoral defeats are likely to be seen very close defeats, closer defeat than expected, not a repeated defeat, and a defeat of a short-term governing party.

**People's Evaluation of Government's Performance**

People's evaluation of the government's performance about certain issues produces a weak environmental pressure on the dominant coalition under two conditions. The first is when those issues do not interest a substantial portion of people. If a large portion of people does not believe that some issues are not urgent or significant to them, they are not concerned much with what policies for those issues are made by political parties. It allows the dominant coalition plenty of freedom in changing its policies. The second is when, although issues are so urgent that large portion of people pay attention to government policies, people's opinion of government's performance about those policies are disperse or unclear to political parties. Disperse and unclear opinions could not force the dominant coalition to make policies in a certain direction; thus they create a weak environment. In this case, the dominant coalition has substantial freedom in changing policies without pressure from environments.
The people's opinion on a government's performance is likely to create a weak environment when the government's performance is only somewhat successful or unsuccessful compared to the performance of the current opposition party when it was in government, especially in the two-party-system. For a certain issue, a very similar level of performance of the current government with that of the previous government is not so disappointing or satisfactory to the people, so it is hard to push the party to make certain policies. The reason is that some portion of people might think the current government's performance is better, another portion of people may think that the last government's performance is better, still another portion of people may think that there is no difference in performance between different governments. Under this condition, a majority of the people are likely to have little confidence in alternative policies suggested by the opposition party. Therefore, the dominant coalition could choose policies it prefers without pressure from the environment.

2.2.3. Does the Dominant Coalition Understand Key Environments?

At this point, we should ask the question, "Does the dominant coalition exactly understand key environments?" If they do not have even opportunities to know the environment in which their party works, there is no way for the environment to influence a party's policy-making. Systematic research as to this question has been neglected. Only very few simple arguments without evidence are available. For instance, Layton-Henry argued that party leaders do not have accurate information about what
issues bring gain or loss to the party in terms of votes and about what are the most effective ways of presenting and publicizing their policies.61

In contrast to Layon-Henry's argument, there are evidences that party leaders of major parties in Western Democracies have had instruments to know environments clearly since the 1960s. The instruments are public and private opinion polls. The public opinion polls appeared in the late 1930s in Great Britain and France. Since the 1960s, polls are widely used by the mass media and by parties running for election in the representative democratic countries.62 For example, in the United States the Opinion Research Center was associated with the Republican Party between 1960 and 1972; Market & Opinion Research International (MORI) has worked with the British Labor Party since 1969; the Opinion Research Center, established with encouragement of the Conservatives, has conducted surveys for the party in every election since 1966.63

Even before the 1960s, party leaders knew environments through at least resolutions carried by party conferences which usually reflect the public opinion. For example, for the period of 1945-51, resolutions carried in party conferences of both the Conservative Party and the Labor Party exactly reflected the most urgent problems that appeared in the Gallup Opinion Polls. In detail, the housing problem, which had been within the top three urgent


63 Ibid., pp.197-198.
problems for 1945-51 in Britain and which was regarded as urgent by more than 15 percent of the Gallup Poll's respondents during the same period, was the subject of the resolution by the Conservative Party Conference and the Labor Party conferences for 1945-51.64

Another specific example of how exactly party conference reflects people's opinions is the problem of unemployment. It was regarded as the urgent one to be solved by the government by 15 percent of respondents of the Gallup Poll in 1945, 4 percent of respondents in 1947 and 1950 each, and not considered as urgent in 1946, 1948, 1949, and 1951 in Britain.65 Resolutions about employment were carried by both the Labor and the Conservative Parties in 1945, by the Conservative Party in 1950, and by the Labor Party in 1947 while no resolution was found in the other years.66 Resolutions in 1945 were about how to improve current high levels of unemployment; resolutions in 1947 and 1950, when conditions of unemployment were far less serious than in 1945, were about making remedies to avoid mass unemployment.67

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64 See the Gallup International Public Opinion Polls: Great Britain 1937-75, pp. 103-259; F.W.S. Craig, Conservative & Labour Party Conference Decisions 1945-1981 (Chichester, Britain: Parliamentary Research Services)


67 Ibid.
3. Hypotheses

So far made are classifications of the dominant coalition and environment. Four working hypotheses guiding analysis in this party are proposed, as illustrated in Figure 2.2, based on different combinations of types of the dominant coalition and environment.

```
Environment

<table>
<thead>
<tr>
<th></th>
<th>Strong</th>
<th>Weak</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strong</td>
<td>Environmental</td>
<td>Power-Control</td>
</tr>
<tr>
<td>Weak</td>
<td>Environmental</td>
<td>Compromise</td>
</tr>
</tbody>
</table>
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**Figure 2.2: 2 by 2 table for hypotheses**

**Hypothesis 1:** When the environmental pressure is very strong, the dominant coalition, regardless of whether it is strong or weak, and regardless of its value or intention in changing policies, will change policies according to the environment's demand. If the dominant coalition resists the environmental
pressure, it would be likely to lose the next election and, in turn, to be broken. Hypothesis 1 is consistent with the environmental model in the literature review.

Hypothesis 2: When the environmental pressure is weak and the dominant coalition is strong and cohesive, the dominant coalition has substantial freedom in changing policies, and thus changes policies dependent on its intention or value. Hypothesis 2 is consistent with the power-control model in the literature review.

Hypothesis 3: When the environmental pressure is weak, and the dominant coalition is fragmented and weak against outside tendencies, the weak environment allows the dominant coalition substantial freedom in changing its policies. However, since the dominant coalition is fragmented and not strong, the dominant coalition changes its party policies by compromise among confronting factions or tendencies within the party to maintain unity. This process is called a 'Compromise Model' in this paper.

3.1 Control Variables

Hypotheses made above are based on observations of three opposition periods of a political party (the Conservative Party) since 1945. Therefore, they are based on an assumption that some important variables, which may be critical in explaining changes in other parties in this world, are controlled. Following are those control variables.
3.1.1 **Electoral and Party System**

As mentioned in section of the literature review, the electoral system and the party system have an effect on a party's policy-making. Therefore, electoral and party system changes, if any, have to be an important variable in explaining policy changes. However, in the period of 1945-51, 1964-70, and 1974-79, which the paper tackles, there had been no major changes in electoral and party systems in Britain, except two minor ones. For this period, the method of election has continued to be the simple-majority system, which is sometimes called a 'first past the post' system. It means that a candidate who receives more votes than his/her competitors in a district is elected.

Little changes in the electoral system help to sustain the two party-system dominated by two major parties for the same period. Therefore,

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68 During this period, two changes in electoral laws were seen. The first was that the second votes offered to university graduate and business proprietors was abolished in 1948. The second was that the qualifying age for the vote was lowered from 21 to 18. However, these two changes brought little difference in the party system.


70 It is true that even though the Conservative and the Labour in turn had been in government and thus, the two party system had been sustained during this period, two party system had been declined in term of two major parties' share of total votes. For more detail, see, S.E. Finer, *The Changing British Party System, 1945-1979* (Washington D.C.: American Enterprise Institute for Public Policy Research, 1980), p. 60.
for this period, the electoral and party systems cannot contribute to policy-making of the Conservative Party.

3.1.2. Party Ideology and Main Opponent

Party ideology is a body of general ideas on which a party is based. It has been argued that party ideology offers background in policy-making for elections in political parties\(^7\) and that fluctuations in policy stance will take place only in a limited area of ideological spectrum.\(^7\) Since loyalty from a considerable number of activists and supporters is due to party ideology, a party's digression from its own ideology could cost a severe loss of votes in an election.

The Conservative Party has a complex ideology, which includes many elements, such as human nature, a view of society, the problem of inequality, a view as to changes in institutions and policies, and the proper role of government.\(^7\) However, all of these elements are not used as reference points in making important policy lines for election. Of rich ideology, the

\(^7\) Leonard Tivey, "Economic and Industrial Policy," in Tivey and Anthony, *Party Ideology in Britain* (New York: Routledge, 1989) p. 148; Philip Norton and Arthus Aughey, *Conservatives and Conservatism* (London, Temple Smith, 1981) pp. 16-17. However, it is not true that all parties have their own ideologies and all conflict between political parties are due to mainly ideological differences. For example, in party competition in the U.S.A., party ideology has not been major factors in deciding election; rather, personal career, nature, policies of the candidates has been regarded as important.


dominant coalition usually chooses and emphasizes only parts in policy-making to fit the pressure for winning an election.74

One of these factors, which critically affects the dominant coalition's decision about what parts of its party's ideology are chosen, is its major opponent party's ideology and policies. The reason is that differentiating its party's policies from the opponent's policies is the required way to get aid from the party's activists and votes from supporters. Making such policies comes with emphasizing only appropriate parts of a complex ideology that the party espouses. It means that when a party's major opponent changes, the party's emphasized parts of ideology are also likely to change.

The Conservative Party had invariably had a confrontation with the Labour Party for the period of 1945-1979 which this study tackles. For this period the Conservative Party mad no changes in its ideology, because there were no major changes in its major opponent. As a result, policy changes of the Conservative Party in opposition from 1945 to 1979 have not been owing to changes in emphasized parts of ideology.

Another reason to mitigate the importance of ideology in explaining the Conservative policy changes for 1949-1979 is that the Labour Party has been a party of doctrine, which has a narrow scope of ideological spectrum.75 The Labour Party almost invariably has argued for more nationalization of industry and more social service programs with more


state intervention. Such relatively fixed economic ideology argued by the Labour Party continuously has forced the Conservative Party to emphasize its socio-economic ideology than the other parts of its own ideology, such as laws and authority, for 1945-1979. If the Labour Party has a wide ideological spectrum which rapidly varies, the Conservative Party's emphasized ideology also would be very changeable and at the same time, its policies also would change.

3.1.3. Opposition Party

The dominant coalition of the governing party has several factors which make it far stronger against the minority leaders within its party than that of the opposition party. First, it can use government resources which make the leaders more knowledgeable in struggling with minority party leaders within the party. Second, the dominant coalition of the governing party can distribute the offices of government to decapitate potential opponents within the party. Third, since abundant financial support is given to the governing party by interest groups, it is used by the dominant coalition to control the minority leaders or factions. Fourth, the governing party can create the environment by making policies. Because of the three reasons mentioned above, it is very hard to compare the power of the dominant


77 Panebianco, Political Parties, p. 69
coalition of the opposition party with that of the dominant coalition of the governing party, if everything else is same.

However, the dominant coalition of the government party certainly is under far more pressure than that of the opposition party in policy-making, because of the following reasons. Voters, interest groups, and mass media pay more attention to the governing party than the opposition party, because their life is affected immediately by the policy-making of the governing party. In fact, the governing party's policies will turn out to be bad or good policies. If they are evaluated as bad, they should have mischievous influence against the party on the next election. In contrast, the opposition party normally receives far less pressure from minority groups than the governing party, because it does not make policies to be implemented. Thus, the policies proposed by the opposition party cannot turn out to be good or bad. This factor releases the dominant coalition of the opposition party from considerable pressure that the dominant coalition of the governing party normally receives.

Because of complicated interactions of factors mentioned so far, whether the party is in government or not is an influential factor on making policy-making processes. Stated otherwise, it certainly makes no small difference in policy-making in opposition from those in government. However, the factor is controlled in this study by tackling only opposition periods of the Conservative Party.
3.1.4. The Same Party

Political parties have different organizational structures and traditions from one another, because they are always the product of specific historical experience, which is not replicated elsewhere. Thus, even parties in the same countries are different in many respects, such as the degree of centralization of organization and ideology. For instance, the Conservative Party has more centralized organization and more flexible ideology than the Labour Party in Britain.

Such differences in organization and tradition usually work as critical factors to explain differences in policies between even parties which are working in very similar key environments. Thus, those differences should be considered an important variable if the purpose of this paper is to explain changes in policies made by more than two parties. However, since this paper is to compare and explain policy changes of the same party among three separate periods, a large part of a party's organization and a party's tradition are effectively controlled.
CHAPTER III
Causes of Policy Changes For 1945-1951

1. Introduction: Environmental Model

For 1940-45, a coalition government had been in office to execute World
War II with support of all major parties, including the Conservative, the
Labour, and the Liberal parties in Britain.\(^1\) However, just after the war in
Europe was won, the coalition government dissolved when the prime minister,
Winston Churchill, tendered his resignation to the King and asked for the
dissolution of Parliament in May 1945. The general election was held in July
1945. The result was the spectacular victory of the British Labour Party over
the Conservative Party.\(^2\)

After this unexpected electoral defeat, the Conservative Party changed its
policies in an effort to win the next election. The 1951 election brought the
Conservative Party back to power. In the process of changing policies after
the 1945 defeat, the dominant coalition of the Conservative Party was not
very cohesive. Some shadow cabinet members, including the director of the
research department, preferred fairly specific and progressive policies, while
their ideas were not accepted by the party leader. As a result, any one part

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\(^1\) However, all parties did not participate in the coalition government: the Independent
Labour Party, the Communists, and the Common Wealth Party were excluded.

\(^2\) The victory of 1945 general election brought the Labour Party to power with clear
majority for the first time since its birth around 1900.
of the dominant coalition of the Conservative Party in opposition was not wholly in control of policy changes for 1945-51. Then the policy-making of the party was at the mercy of environmental forces, such as what people want government to do, rather than what the dominant coalition of the party prefers. In other words, policy changes for 1945-1951 confirm the environmental model described in the literature review of Chapter II.

Following is a demonstration that policy changes of the Conservative Party for 1945-51 is most appropriately explained by an environmental model. In section 2, four most urgent socio-economic issues people thought during this period were selected. Section 3 described policy changes of the Conservative Party in opposition to four urgent issues selected in section 2. Section 4 demonstrates that the dominant coalition during this period was fragmented in its preferences for policies about the above four issues. It also attempts to demonstrate that the fragmented dominant coalition facilitated the impact of environment on policy changes of the Conservative Party in opposition. Section 5 demonstrates that environmental pressure on the dominant coalition was strong and, thus, policy changes during 1945-51 had depended on changes in environments.

2. Four Most Urgent Socio-Economic Problems for 1945-51

It is certain that people raise a lot of issues or problems which are needed to be solved by a political party when it is in government. Political parties also believe that they exist to solve people's problems. For example, Margaret Thatcher said, "we [the Conservative Party] try to the best of our
ability to understand Britain's problems and do what is good for Britain."3 In
the same vein, Ian Gilmour, another prominent Conservative Politician, also
mentioned, "We [the Conservative Party] understand and sympathize with the
wishes and needs of every strata of our population."4 However, only some of
these problems are chiefly concerned with political parties because a great
majority of the electorate want those issues to be solved urgently for
themselves.5 In fact, how well a political party shows the electorate its
ability to solve those several urgent problems through policies has been
believed as one of the crucial bases for its gathering the electorate's votes in
the general election.6 Therefore, the most urgent issues have been focused
by political parties in their policy changing.

Table 3.1 shows that nine socio-economic problems were considered as
the most urgent by the people for 1945-51. However, all nine problems had
not been constantly recognized as urgent through those 6 years.

Although five issues--social security, labour disputes, clothing rationing,
coal/fuel situation and production--were included among the most urgent
problems, they had been acknowledged as urgent by people at only one point
of time or the other for 1945-51, not being recognized urgent for the most

3 The Times (5 July 1977) p.2.
5 Ibid.
6 For example, George Gardiner, a member of parliament, believed that the party
program is a series of promises in return for votes: Margaret Thatcher: From
Childhood to Leadership (London: William Kimber, 1975). The political Party should
pay greater attention the most urgent issues in order to get votes.
of 1945-51. Furthermore, none of the six issues appeared as urgent after 1948. Therefore, they might be hardly considered a big factor by both voters and political parties preparing for the 1950 and 1951 general elections. Then, those five issues are excluded in descriptions and explanations of policy-making and changes.

Table 3.1: The most urgent problem the government must solve in the next few months, 1945-1951

<table>
<thead>
<tr>
<th>Date</th>
<th>Most Urgent Problems</th>
</tr>
</thead>
<tbody>
<tr>
<td>*July 1945</td>
<td>1. Housing (63%) 2. Employment (8%) 3. Food Shortages (3%) 4. Social Security (3%)</td>
</tr>
<tr>
<td>*Jan 1946</td>
<td>1. Housing (61%) 2. Food Shortage (10%) 3. Employment (7%) 4. Cost of living (2%)</td>
</tr>
<tr>
<td>#Jan 1947</td>
<td>1. Housing (33%) 2. Coal: Fuel Situation (19%) 3. Food: Food Rationing (17%) 4. Strikes: Labour Disputes (9%) 5. Cost of Living (5%)</td>
</tr>
<tr>
<td>#May 1948</td>
<td>1. Cost of Living (38%) 2. Housing (31%) 3. Food: Food Rationing (21%) 4. Clothes Rationing (14%)</td>
</tr>
<tr>
<td>#May 1949</td>
<td>1. Cost of Living: inflation, taxes (29%) 2. Food/Rationing (21%) 3. Housing (15%)</td>
</tr>
<tr>
<td>*Jan. 1950</td>
<td>1. Cost of Living (37%) 2. Housing (17%) 3. Employment Problem (4%) 4. Food Shortage (3%)</td>
</tr>
<tr>
<td>#Sept. 1951</td>
<td>1. Cost of Living: High Prices (38%) 2. Housing 3. Food/Fuel Shortages (5%)</td>
</tr>
</tbody>
</table>

* The most urgent problem government must solve during the next few months
# The most urgent home-front problem that the government must solve during the next few months.

Percentages in * are obtained from different questions from those in #, but no doubt that rankings of urgency in policies are exactly same in both. (Source: Gallup International Public Opinion Polls: Great Britain 1937-75, (New York: Random House, 1976) pp. 103-259)
While there were changes in the ranks of urgency from one year to another, as seen in Table 3.1, four socio-economic problems—housing, food shortage, employment, cost of living—constantly stood out as the most urgent issues to be solved by the government throughout 1945-1951.

3. Changes in Policies for four Most Urgent Problems

Policy changes may be described from various standpoints. However, descriptions of policy changes for 1945-51 focus on just one standpoint, that is, whether the Conservative Party's preferred policies during this period were in the direction of 'individualism', which believed in free enterprise, the value of the market-place, and individuals' capacity in socio-economic development, or 'collectivism' (also called 'socialism'), which favored state intervention and guidelines through welfare state policies and managed economy in improving every aspect of the socio-economic lives of the people. The reason to focus on this standpoint is that this issue has been the most important theme that ran through debates among competing tendencies within the Conservative Party since the 1945 election. The issue has also been a major point of contention between two major British parties, the Conservative Party, which tends to like to stand on the side of individualism, and the Labor Party, whose ideology is socialism.8

7 Concepts of 'individualism' and 'collectivism' or 'socialism' in party policies and attitudes have been used as substitutes for concepts of 'right' or 'left' better known in the field of political science. Former concepts have been used more frequently in explaining political phenomena than the latter by British political scientists.
In the following, changes in four socio-economic policies of the Conservative Party related to four most urgent problems noted in section 2.1 are described separately. Causes of changes of each policy will be explained. The reason for separate descriptions and explanations of changes of each policy is that changes for 1945-1951 in four policies were in different directions. For instance, employment policy turned from 'individualism' to 'collectivism', while in general other policies changed in different ways as described below. Then it is very hard to describe such different policy changes with an aggregate pattern, as the existing literature usually did.

For 1945-51 the Conservative Party had revealed its policy statements related to four issues noted in section 4.1 in its five publications: 1945 election manifesto (1945), The Industrial Chapter (1947), The Agricultural Charter (1948), The Right Road for Britain (1949), 1950 election manifesto,

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8 Throughout 1945-1951, almost all addresses by leading Conservative Politicians and party publications started and ended with an attack on socialism with Conservative Politics and ideologies. For collections of addresses of leading Conservative politicians and publications by the Conservative Party, see Conservative Political Center, Conservatism 1945-1950.

9 In fact, existing literature described the policy changes of the Conservative Party for 1945-51 with a simple and aggregate pattern. They did not agree with one another in their analysis of policy changes. For example, David Robertson argued that for 1945-51 the position of the Conservative party had turned from 'collectivism' to 'individualism' in A Theory of Party Competition p. 98. In the meantime, Samuel Beer contended that during the same period, the Conservative policies changed from 'individualism' to 'collectivism' in Modern British Politics, Ch. XI. These differences in interpretation between two scholars is because they are trying to interpret several policy changes with one pattern, even though their attempt is not appropriate. In fact, it seems to me that both Robertson and Beer are not correct because, as later shown below, a certain policy changed from 'collectivism' to 'individualism'; the other policy changed from 'individualism' to 'collectivism'; in still other policies, direction of changes is not clear. Therefore, the most proper way is to attempt to interpret policies separately.
and 1951 election manifesto. A review of those five party publications bases the following descriptions of changes in the Conservative Party's policies for 1945-51.

3.1. Housing

The Conservative Party's position moved slightly from 'collectivism' to 'individualism' for 1945-51, because its housing policy was changed to more house building by free enterprise rather than local authority. The conservative government had favored house building by free enterprises before the 1945 general elections. For example, under the Conservative government for 1934-39, 80 percent of houses were built by private builders. Only 20 percent were built by local authorities. In the 1945 election manifesto, the Conservative Party did not prefer one to the other by saying, "Local authorities and private enterprise must both be given the fullest encouragement to get on with the job....and subsides will be necessarily for local authorities and for private enterprise alike." Thus, the Conservative Party at this period was closer to 'collectivism' than before the war.

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10 During this period, the Conservative Party published the other materials, such as The Conservative Policy for Wales and Monmouthshire, Imperial Policy and Scottish Control of Scottish Affairs (all published in 1949). However, these materials were not related to five most urgent socio-economic issues.


However, in 'The Right Road For Britain' (1949) and the 'General Election Manifesto of 1950', the party certainly leaned toward private enterprise, although it did not mention the role of local authorities by saying, "We shall revive the confidence of the Building industry and greatly widen the scope for the independent builder. The restrictive licensing system as it applies to house building should be removed..." Thus, the Conservative Party clearly turned to 'individualism' up to the period of 1950.

3. 2. Employment

For 1945-1951, the Conservative Party clearly shifted its policies of employment into the direction of 'collectivism' or 'socialism.' In the 1945 election manifesto, the Conservative Party stated, "the government accepts as one of its primary aims and responsibilities the maintenance of a high and stable level of employment...free enterprise must be given the chance and the encouragement to plan ahead...rather than control by the state". It meant that the Conservative Party preferred to improve employment conditions with 'individualism.' Between elections, this party's attitude for this problem of employment did not seem to change very much in the 'Industrial Chapter' (1947) which stated "future government should be held responsible for maintaining a high and stable level of employment."


However, at least up to 1949, the Conservative Party turned to 'full employment' from maintenance of a 'high and stable level of employment.' In the "Right Road For Britain" (1949) and in the 1950 election manifesto, the party repeatedly stated, "we regard the maintenance of full employment as the first aim of a Conservative Government". Full employment meant, in effect, holding unemployment down to 1 or 2 percent. In fact, this pledge of employment could not be made without considering full intervention by the state.

Furthermore, the meaning of full employment was not limited to the issue of employment. Since in the line of Keynesian ideas the government accepted the duty of managing demand as a means of producing full employment, the pledge of full employment by the Conservative Party meant that the party would allow the state control of demand side of economics if it was in government. In other words, through changes in employment polices the


17 The Right Road for Britain in Conservative Political Center, *Conservatism 1945-50*, p. 232; *Conservative Election Manifesto of 1950: This Is The Road* in Craig ed., *British General Election Manifestos, 1900-1974*, p.142

18 Ibid. p. 305.

Conservative Party showed its intention to control a large part of the socio-economic lives of people.

3.3. Cost of Living

The issue of the cost of living did not appear either in the 1945 Conservative election manifesto or in the Labour manifesto. The main reason seemed to be that, as seen in Table 3.2, the issue was not included in urgent problems that people wanted the government to solve in 1945. However, this issue began to be the third or fourth urgent problem in 1946 and 1947 and to emerge as the top urgent in three consecutive years, 1948-1951.

The issue of the cost of living also did not appear until the Conservative Party publication, 'The Right Road for Britain' (1949), which treated the issue of the cost of living as one of the main topics. The main reason is, while there were some Conservative Party publications between 1945 and 1948, those party publications were not only unrelated to issues of the cost of living, but also until 1948, the problem of the cost of living was considered urgent by only 2-5 percent of people, as seen in Table 3.2. For example, the 'Industrial chapter' (1947), regarded as the most crucial publication for this period, mainly focused on the Conservative Party's position in relation to industry, not to general economic issues.

Since the Conservative Party policies of the cost of living in 1945 did not exist, it was not possible to compare with those of later than 1945. Therefore, it was evidently very hard to note changes of the Conservative Party policies to solve the problem of the cost of living for 1945-1951.
The Conservative Party policy for the problem of the cost of living after 1949, when it began to show its interest in the issue, was consistently on the side of 'individualism' rather than 'collectivism'. In the 'The Right Road for Britain' (1949) and the '1950 election manifesto', the Conservative Party proposed a chain of solutions to lower the high cost of living.\textsuperscript{20} The main concern of the method is how to decrease the price of commodity. First of all, cutting down government spending was proposed to reduce tax. Reducing taxation would encourage free enterprise and more production at a lower cost, which necessarily resulted in lower price. To lower prices, it was also suggested that bulk buying of food, which had been done by the Labour government, be handled by experienced traders, who could do better in buying, administering, and distributing foods than government.

3.4 Food Shortage

During and just after World War II, the British suffered a very serious food shortage. Therefore, how to solve this problem had been a major problem. Throughout this period, voters agreed that the issue of food shortage had been within the four most urgent problems the government must solve, even though it had never been the top urgent (Table 3.1.).

Two different methods to solve the food shortage probably were considered by political parties. One was to increase the domestic production of food; the other was how to buy and distribute imported food chiefly and

efficiently to supply enough food and to maintain a reasonable price. Then, the following descriptions of food policies of the Conservative Party are in terms of the above two methods.

The 1945 Conservative election manifesto included a very abstract and unclear food policy to decide whether those policies were in the direction of 'collectivism' or 'individualism'. To solve the problem of the food shortage, the manifesto stressed the importance of increasing food production. However, there was no detailed suggestion about how to produce more food, except very conventional ones, such as maintaining the fertility of the soil. The manifesto also argued for maintaining a stable market and prices, but the question of 'how' was also not answered. Its unclearness was revealed by comparing it with the more detailed proposal by the Labour manifesto, which suggested that food shortage should be solved by bulk purchases of food from abroad by the government and a well organized system of distribution by the Ministry of Food. Only one thing more clear in the Conservative manifesto was the use of the County Agricultural Executive Committees that had organized food production during the war. The Conservative Party in the 1945 manifesto expressed its plan to reduce the committee's function of help and advice as the food situation improved.

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However, it also was not clear enough to anticipate when the function of the committee would be reduced. 

Up to around 1948 and 1949, the Conservative Party evidently was in the direction of 'individualism' in the issue of food. To induce productivity of farmers, the Conservative Party disagreed with land nationalization, which was assumed to decrease a farmer's incentive to produce more food, while arguing for preserving the right of property owning in 'The Agriculture Charter' (1948).\textsuperscript{23} To reduce the cost of imported food and to improve food supplies, the Conservative Party preferred buying and distributing imported food by private hands to the state favored by the Labour Party in the 'The Right Road for Britain'(1949).\textsuperscript{24} In other words, by 1949 the Conservative Party argued for the least government intervention in solving the food problem. 

In the 1950 and 1951 manifestos, however, the Conservative Party seemed to turn in the direction of 'collectivism' by implying that the government should participate more actively in solving the food problem. It was true that as in 'Agricultural Charter'(1948) and 'The Right Road for Britain'(1949), the party still opposed the nationalization of the land and farming by the State, arguing against bulk buying of food by the state in the later manifestos.\textsuperscript{25} However, 


\textsuperscript{24} \textit{The Right Road For Britain}, in Conservative Political Center, \textit{Conservatism, 1945-1950} p. 186.

\textsuperscript{25} \textit{The Conservative Election Manifesto of 1950: This Is The Road} in Craig ed., \textit{British General Election Manifestos, 1900-1974}, p. 145-146.
Unlike publications before 1950 for farm produce, the Conservative Party suggested a continuation of an annual price review system, which had been introduced during the war to guarantee price, and necessarily required more government control or guide.\textsuperscript{26} In the 1950 and 1951 manifestos, the Conservative Party described the active roles of public offices, such as the Ministries of Agriculture and Food, the County Agricultural Executive Committees, and the revived Market Supply Committee, which was to review constantly supply of food from home and overseas. In doing so, it seemed to admit the importance of active participation of governments in solving food problems unlike its position around 1948.\textsuperscript{27}

4. \textbf{Weak Dominant Coalition}

Interpretations of the electoral defeat are always significant bases on which the party revises its electoral strategies to prepare for the next election. Therefore, they are major causes of changes of the opposition party after the electoral defeat, especially in the early stages of the opposition period.

The problem is that there are often discrepancies in interpretations of causes of the defeat between core members of the dominant coalition. Discrepancies in interpretations are usually not easy to reconcile because they


\textsuperscript{27} \textit{The Conservative Election Manifesto of 1950: This Is The Road} in Craig ed., \textit{British General Election Manifestos, 1900-1974}, p. 146.
are usually made between tendencies. Those irreconcilable discrepancies caused conflict between the coalition members as to how to change the party for the next election throughout the opposition period. These became a main cause of fragmented dominant coalition.

When differences in interpretations among the dominant coalition members are hard to be resolved, each group of coalition members usually attempts to change parties with their causes. The attempt by one group can be successful only with strong support from environmental factors, which play a role in persuading other groups of members having different interpretations of causes of the electoral defeats. As a result, environmental factors become real causal factors of a party's adaptation process to the electoral defeat, while the dominant coalition works just as a channel for environmental factors.

The process described so far was seen in the Conservative Party in opposition for 1945-51. Discrepancies of interpretations of causes of the electoral defeat were seen between leading members of the dominant coalition, particularly between Winston Churchill and R.A. Butler, and some other progressive members like Harold Macmillan. At that time, Churchill was

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28 Most political parties consist of factions or tendencies. Richard Rose defines a faction as a group of individuals based on representatives in Parliament who seek to further a broad range of policies through consciously organized political activity and defines a tendency, a stable set of attitudes rather than stable group of politicians in his article, "Parties, Factions and Tendencies in Britain," Political Studies, Vol. XII(1964) p. 33-46. He also argued that the Conservative Party is preeminently a party of tendencies. I agree with Rose's argument; then I use the term, "tendencies", to express competing groups which divide the party.
a party leader and Butler was a shadow cabinet member and the director of
the Research Department in charge of changing policies.\textsuperscript{29}

Churchill argued that the electoral defeat of his party was mainly due to
poor Conservative constituency organization as compared to that of the
Labour Party, the Conservative Party's main opponent. Churchill thought that
the campaign period was decisive in gathering votes.\textsuperscript{30} For effective
campaigning, constituency party organizations should be sound and active.
However, they had been weakened during the war because more Conservative
M.P.s, candidates, agents, and active workers had been on full-time war-
service than their labourite opponents.\textsuperscript{31} In fact, this fact was reflected in
the casualties of Parliamentary Members (hereafter, M.P.s); of twenty-two
M.P.s killed, twenty-one were Conservatives.\textsuperscript{32} In contrast, the Labour party
was more fortunate, as many of its most influential supporters worked at the
home front.\textsuperscript{33} Thus, the Labour Party had more sound constituency

\textsuperscript{29} At that time, Butler was supported by some other shadow cabinet members like
Harold Macmillan and some tendencies. No doubt Butler was the undoubted
representative of this group. For the detailed explanation for the group, see Ramsden,
The Making of Conservative Party Policy, Ch. 6.

\textsuperscript{30} Pelling, Winston Churchill, p. 558.

\textsuperscript{31} Winston Churchill's view was the most popular among various explanations of the
One reason was that traditionally, the Conservative Party had more intensively and
professionally organized with a large network of activists, which had been a critical
factor in gathering votes, than the Labour Party. However, in the 1945 election the
party could not enjoy such advantage. Because of this, people tended to believe that
weak organization of the Conservative Party was a dominant cause of the electoral
defeat.

\textsuperscript{32} Mayor, The Opposition Years, p. 52.

\textsuperscript{33} Ibid.
organization than the Conservative Party. Churchill contended that the major adaptive strategy to the electoral defeat was to rebuild and reorganize the Conservative Party. As a result, major reorganization of the party occurred, such as establishment of a new Conservative youth movement and expanded role of the Conservative Research Department.

However, Churchill thought that party policies were not a major cause of the electoral defeat. Therefore, he did not feel much need to change policies for the next election. This was reflected in the little change of his beliefs in changing policies.

Churchill's belief had been in 'individualism,' which stressed individual freedom and free enterprise in industry. He sustained this attitude throughout 1945-51. In the 1945 election manifesto, Churchill declared that free enterprise and individual liberty should be the basic fact in the policies of the Conservative Party, strongly criticizing state domination favor by the Labour Party.34 Even after the crushing electoral defeat, he kept the same belief by saying at the 1946 Party Conference, "We support as a general rule free enterprise and initiative against state trading...."35 This same belief had appeared consistently in his later addresses and election manifestos. For instance, he stated, "The choice is between two ways of life; between individual liberty and state domination...... Freedom are the beacons..." in his addresses of 1949.36


35 Vicker, How an Election Was Won, pp. 52.

This argument was reconfirmed in the 1950 Conservative election manifesto with a statement, "The policy of the Conservative Party is to restore....full personal freedom and power of initiative."37

Little change in Churchill's belief of changing policies had effect on his preference as to how much specified policies should be made for the next election. Since he never thought policies were not a major cause of the electoral defeat, policies were not necessary to be specified.38 More detailed policies without changes gave only more opportunities of criticism to the opposing Labour Party, the governing party at that time. Thus, Churchill lectured Butler: 'When an Opposition spells out its policy in detail, the Government becomes the Opposition and attacks the Opposition which becomes the Government......it fails equally to enjoy the benefits of being out of office.'39

In contrast to Churchill, Butler and some cabinet members of the dominant coalition thought that the major cause of the defeat was that the Conservative Party failed to give a positive alternative to socialism, favored by the Labour Party before the electorate.40 In fact, during the campaign


40 In addition to two conservative leaders' interpretations described below, there were several somewhat different views by scholars, newspapers, and politicians about the causes of the electoral defeat. This means that differences of interpretation between Churchill and Butler were not abnormal. Examples of varied views in the interpretation are, 'Manchester Guardian' blamed Churchill for his attempt to turn the
period, the Conservative Party evidently relied on Churchill's popularity and his negative attack on the Labour Party than spreading positive policies.\textsuperscript{41} Evidences that the Conservative Party's primary strategy was to stress Churchill's personality and quality as the prime minister were shown in the 1945 election addresses by candidates. In spite of the fact that election addresses were mainly to introduce the individual personality and policies of the candidate rather than personality of the party leader and party's general policies, almost of all candidates used Churchill's popularity, by including the form of a letter, or a picture, or of a reference to his role as national leader in their election addresses in the 1945 election.\textsuperscript{42} Churchill himself also stressed his popularity before his electors without mentioning any of his policies by saying, "without your unswerving support during the 11 years I was in the political wilderness I should not have been in a position to be called upon to assume the supreme responsibility for guiding our country at the moment of its mortal danger."\textsuperscript{43} This abnormality was contrasted with the fact that few candidates for the Labour Party even mentioned their party

\textsuperscript{41} In contrast, the Labour Party's first priority in its campaign strategy was to explain its own policies. Attacks on the Conservative Party was the second.

\textsuperscript{42} H.G. Nicholas, \textit{British General Election of 1950}, p.215.

\textsuperscript{43} See \textit{The Times} (19 June 1945), p. 4.
leaders in election addresses in 1945. In any election held later than 1945, more than 50 percent of the conservative candidates never mentioned the party leader in their addresses.  

The second important factor in the Conservative Party strategy was to attack the socialism of the Labour Party. In his first broadcast during the campaign period, Churchill warned that the socialist system, inseparably interwoven with totalitarianism and the abject worship of the state, could not be established without a political police, a Gestapo. This statement was re-echoed thereafter by most of his followers until polling-day, while it also had been used to degrade Churchill's personality by the Labour Party throughout the campaign period.  

Thus, Butler argued that his party's neglect in letting the electorate know the Conservative Party was doing something to solve people's urgent problem led many independent electors without party affiliation to be misled to vote for doctrinaire socialism. Therefore, to Butler and his followers, progressive policies were the alternative to compete with the 'socialism' of the Labour Party. Their content should be balanced support for free enterprise with the determination to apply strong central guidance over the operation of the

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44 According to studies on elections after 1945, in only 1950 election almost 50 percent of the conservative candidates mentioned the party leader in their election addresses, while in most elections, the party leaders have been mentioned in 20-30 percent of election manifestos.

45 McCallum, British General Election of 1945, p. 142.

46 Ibid., p. 142-143.

47 Butler, The Art of the Possible, p. 133.
economy. It was departing from 'individualism' advocated by Churchill, the party leader, and was closer to 'socialism', but still was not exactly 'socialism'. It was in between 'individualism' and 'socialism.' Then, it was called 'the middle way' between 'individualism' and 'collectivism' or 'a mixture' of the two.

Since Butler and his followers argued for some critical changes of party policies closer to 'socialism', their preference for the amount of specified policies was quite different from that of Churchill's. To show that their policies were different from those of the defeated election, and to differentiate theirs from 'socialism', progressive policies were to be clearly specified and also clearly transmitted to voters. Their belief was shown in Butler's statement, "Until the progressive features of our thought had been fully exposed to public, no one was going to kill Attlee in order to make Churchill King."49

The conflict of opinions of policy changes between core members of the dominant coalition led to policy changes due to environmental factors--people's opinions--while any divided section of the dominant coalition was not in complete control of changing policies. For example, Winston Churchill, the party leader, had stressed his opposition to changing polices in the direction of 'socialism' or 'collectivism' and also his opposition to making specified policies. However, when the 1946 conference demanded policy reform,50

48 It is very understandable that when policies between politics are similar, more detailed policies are needed to differentiate policies of different parties. This kind of phenomenon also can be seen easily in the multi-party system which has parties with similar ideologies.

49 Butler, The Art of the Possible, p. 132.
Churchill appointed a special an Industrial Policy Committee, whose core members--Butler as chairman, and Macmillan as an M.P.--had obviously a different opinion from Churchill and thus, had argued for changing policies. The product of this committee was the 'Industrial Chapter', regarded as the beginning of the common ground between Conservatives and Socialists, and also marked the triumph of the "Middle Way." The notable point in this process is that the Conservative Party conference, which reflected voters' opinion very well as demonstrated in Chapter 2, worked as a key factor.

Just after the 'Industrial Chapter" was published, environment came back to the direction of 'individualism' when people's favor to 'socialism' was gone, because the performance of the Labour government using collective policies was poor in some socio-economic issues. Then, in its next policy publication, the 'Right Road for Britain'(1949), some policies, which had been in the direction of 'collectivism' and in which the Labour government failed, shifted to 'individualism'. The next section demonstrated in more detail that, for 1945-51 when the dominant coalition was fragmented, how environmental factors affected changes in each of four urgent policies of the Conservative Party in opposition.

50 Ibid., p. 135
5. Strong Environment

5.1. Strong pressure from the election defeat

As explained in the section of the theoretical argument in Chapter 2, landslide, unexpected defeat and the defeat of long-time governing party are included in conditions which make influences of environmental pressures—what people want most from parties—powerful in the party's changing policies to prepare for the next election. In sum, the reason is that party members and supporters, who dismay with such electoral defeat and are afraid of losing the next election again, put high pressure on the dominant coalition, asking the dominant coalition to respond thoroughly to demand from environments to win the next election. Like party members, members of the dominant coalition themselves also feel high pressure and fear from such defeat; they are also likely to respond thoroughly to environmental pressure not to lose the next election.

The electoral defeat of 1945 came with all of the conditions mentioned above. In the first place, the party suffered a crushing defeat. The defeat in 1945 general election was a complete rout. As seen in Table 3.2, the percentage shared by the Conservatives of total votes decreased from 53 percent in the last general election of 1935\(^5\) to 39.8 percent; the number of M.P.s elected also fell from 432 in the last election to 213.

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\(^5\) The previous of the 1945 election had to be held in around 1940, but it was not prolonged by 1945 because of the outbreak of World War II.
Table 3.2: General election results of 1935 and 1945

<table>
<thead>
<tr>
<th></th>
<th>1935 M.P.s Elected</th>
<th>% of votes</th>
<th>1945 M.P.s Elected</th>
<th>% of votes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conservative</td>
<td>432</td>
<td>53.7 %</td>
<td>213</td>
<td>39.8 %</td>
</tr>
<tr>
<td>Labour</td>
<td>154</td>
<td>39.7 %</td>
<td>393</td>
<td>47.8 %</td>
</tr>
<tr>
<td>Others</td>
<td>29</td>
<td>7.7 %</td>
<td>32</td>
<td>11.8 %</td>
</tr>
</tbody>
</table>

(Source: Butler and Butler, British Political Facts, 1900-1985, 6th ed. p. 226)

The Conservative Party failed to gain any seats from Labour, while the Labour Party, the Conservative Party's main opponent, won 179 seats from the Conservative Party.\(^{54}\) Five Cabinet ministers and twenty-six junior ministers of the Conservative government had lost their parliamentary seat.\(^{55}\) Thus, the defeat of 1945 was the second only to the defeat of 1906, when the number of M.P.s elected was reduced from 402 in the last 1900 election to 157.

In the second place, the Conservative Party lost an election that it never expected to lose.\(^{56}\) Only R.A. Butler among almost 20 conservative cabinet members was pessimistic at that time about the outcome of the election.\(^{57}\) All other members did not seriously think that the Labour Party had any chance of gaining a clear majority at the election.\(^{58}\) Winston Churchill, the

\(^{54}\) Hoffman, the Conservative Party in Opposition, p. 16.


party leader, was fairly confident of victory, as the Conservative Central office had promised a majority of 56 percent at least.\textsuperscript{59} \textit{The Times}, a newspaper, described the Conservative Party's optimism in the following statement: "On polling day the Conservative Party was firm and unshaken in its confidence that the Government [the Conservative Party] will win a good majority when the ballot boxes are opened and the votes counted."\textsuperscript{60} Even the Labour Party did not anticipate its landslide victory. Thus, \textit{London Economist}, a highly respected British Weekly, said, "The Labour landslide is complete and surpasses the wildest dreams of Transport House [Labour Party's headquarters].\textsuperscript{61}

In the third place, before losing the election of 1945, the Conservative Party had been in almost uninterrupted power in single or Conservative-led coalition government for thirty years. Then, the party was proud of itself as a natural governing party. Therefore, the heavy defeat put the party in the peak of dismay.

The heavy electoral defeat made party members ask the dominant coalition to prepare more thorough measures to attract voters for the next election. In other words, strong pressure was put on the dominant coalition to follow what the people wanted rather than what the dominant coalition wanted. For instance, the first party conference held in 1946 after the

\textsuperscript{58} Hoffman, \textit{The Conservative party in Opposition}, p. 21.

\textsuperscript{59} Pelling, \textit{Winston Churchill}, p. 556.

\textsuperscript{60} \textit{The Times}, (6 July 1945) p. 4.

\textsuperscript{61} Vicker, \textit{How an Election Was Won} p. 8.
defeated election strongly requested the party to take early steps to attract the electorate with conference decisions, "The Conservative Party...prepare and issue a statement,...easily understood by the electorate. This Conference urges the development of Conservative propaganda designed to influence electors outside the Party. This conference requests the Conservative Party Headquarters to take early steps for initiating the best means to attract into the Party all those who oppose the Socialist policy of the government."

The above statements appear like very plain decision-making statements by the Conference. However, they were very particular and strong, considering that no other conference decisions for the Conservative Party for between 1945-81 mentioned the term 'the electorate' so frequently; in fact, most conference decisions rarely mentioned how to deal the electorate.

The heavy defeat in 1945 also put the party leaders in panic; it in turn made the dominant coalition vulnerable to environmental pressure. Churchill confessed at a party conference of 1946 after his party's defeat, "The vote of the [1945] general election was one of the greatest disasters that has smitten us in our long and checkered career." His fear of losing the next elections also was expressed in another statement made at the same conference: "The whole tribe of intellectual Left Wing Scribblers assured us that the Socialist administration will rule for twenty years [from now on]."

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64 Vicker, How An Election Was Won, p.8.
This atmosphere also was sensed by other members of the dominant coalitions. For instance, R.A. Butler, a Shadow Cabinet member of the Conservative Party in opposition, who confronted Winston Churchill in changing policies, stated, "they [the Labour Party] were the ruling class now and nothing would move them for twenty years [from now]."66 The result was atmosphere that allowed very strong invasion of environmental pressure in the changing policies of the dominant coalition.


Under the condition that the dominant coalition was fragmented (due to the difference between its members in their preferences) and the crushing defeat, party members asked the dominant coalition to reflect on environmental demand. Now the Conservative Party had changed its socio-economic policies, mirroring the government's performance in each policy. As mentioned in the theoretical argument section of chapter 2, when the government's performance is considerably poor, especially as compared with the performance of the current opposition party when it was in government, the opposition party simply changes policies in a different direction to attract voters who are disappointed with the government's performance. When the

65 Ibid., p. 9. This atmosphere was also seen in common talk of the press that the Conservative would never again rise to power for at least a generation. For this See Lord Blake and John Patten, The Conservative Opportunity (London, Macmillan, 1976), p. VII. It was reconfirmed when the Labour Party swept the 1945 fall municipal election too. For this, see Vicker, How An Election Was Won, p. 16.

65 Vicker, How an election was won, p. 9.

66 Lord Butler, The Art of the Possible, p. 130.
government's performance in a certain policy is fairly good, the opposition party changes its policy in a similar direction to share voters who are satisfied with the government's performance.

5.2.1. Causes of Changes in Housing Policy

Why was the Conservative Party's housing policy in the direction of 'collectivism' in the manifesto of 1945 general election (see Section 3). The answer to this question should start with environment related to housing at that time.

The shortage of housing had been the most urgent problem in Britain after the war. In peacetime, building around three-hundred thousand houses per year had been required to maintain the status quo, including replacing old houses and accommodating new families. However, for five years of World War II, building houses were almost suspended. Furthermore, during the war 210,000 houses were destroyed; another 250,000 were rendered uninhabitable. Altogether, 4 million houses (perhaps one-third of the total) were destroyed or damaged by enemy action. This fact is reflected in Table 3.1, which shows that the housing problems had been recognized by the people as the top urgent problem from 1945 to 1948, and as the second or the third urgent for 1949-1951.


68 Ibid.
Thus, the biggest issue at that time was to build as many houses as possible to solve the housing shortage. In the 1945 election, each party necessarily proposed its way of building many houses.

As to this issue, a disputed point between political parties and also among people was, who should be responsible for building houses, to do it more efficiently and quickly between local authorities and private enterprises. Building houses by local authorities means government intervention and is consistent with 'collectivism' or 'socialism. Private enterprise means more freedom from the government and is associated with 'individualism.'

About this matter, people's opinions necessarily had an effect on the Conservative Party's choice, because the party could not win elections by ignoring people's opinion. Table 3.3 shows people's views. In a public opinion poll done in one month before the 1945 general election, 44 percent of people thought that the government should give assistance mainly to local authorities, while only 19 percent of people thought that assistance by the government should be given to private builders.

Table 3.3: In getting new houses built, should the government give assistance mainly to local authorities or to private builders?

<p>| | |</p>
<table>
<thead>
<tr>
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<tbody>
<tr>
<td>Local Authorities</td>
<td>44 percent</td>
</tr>
<tr>
<td>Private Builders</td>
<td>19 percent</td>
</tr>
<tr>
<td>Equally</td>
<td>29 percent</td>
</tr>
<tr>
<td>No Opinion</td>
<td>8 percent</td>
</tr>
</tbody>
</table>

*This poll was done in May 1945.
A similar atmosphere with the result of public opinion polls was seen in the Conservative Party Conference, which was held in three months before the election. The conference carried a decision, "Housing may need to be provided by Local Authorities subsidized by Exchequer Grants....Private Enterprise should be encouraged to play its full part." This conference decision certainly was in the direction of 'collectivism' because the Conservative Party, which had normally favored 'individualism' by stressing on free enterprise, suggested a major role of local authorities in solving the housing problem.

As seen in descriptions so far, people's and party members' opinions at about the time of the 1945 election were absolutely against 'individualism', which had been the Conservative Party's position of the previous 1935 election and had stressed private enterprise in building houses. With the public opinion and the conference decision, the Conservative Party had to shift somewhat its housing policies in the direction of 'collectivism' or 'socialism' as compared to those of the 1935 election.

Then, why did the housing policy of the Conservative Party turn back to 'individualism' in the 'Right Road for Britain'(1949)? The major cause was the Labour government's failure in building an appropriate amount of houses to solve housing shortage with policies in the direction of 'collectivism.' Inefficiency of government in the housing problem allowed the Conservative Party to change policies in the direction of 'individualism' as an alternative to the Labour government's unsuccessful policies. Detailed explanations will follow.
* Ave. 34-39 means annual average number of houses completed built between 1934-39.
(Source: Calculated based on data of the Central Statistical Office, Annual Abstract Of Statistics, No. 90, 1953, p. 73.)

Figure 3.1: Percentages of Houses Built By Local Authorities and Private Owners of Total Houses Completed in England and Wales For
1934-39. 1945-51

Since the Labour Party had been in government in 1945, government used local authorities as the major weapon in solving the housing problem. As seen in Figure 3.1, houses were gradually built more by the local authorities than
private enterprise under the Labour government, and since 1948, 80 percent of houses were built by local authorities. This figure formed a striking contrast to the fact that 80 percent of house had been built by private owners under the Conservative government for 1934-39.

However, the quantity of houses built under the Labour government were not satisfactory. In spite of the fact that the demand after the war for houses was extraordinary (Table 3.4), the amount of houses per year built under the Labour government was about half of the number of houses built under the Conservative Party for 1934-39 when demand had been quite less. In detail,

Table 3.3: In getting new housed built, should the government give assistance mainly to local authorities or to private builder?

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Houses</th>
</tr>
</thead>
<tbody>
<tr>
<td>*1934/35 to 1938/39(Average)</td>
<td>333,996</td>
</tr>
<tr>
<td>1945 April to December</td>
<td>1,445</td>
</tr>
<tr>
<td>1946</td>
<td>51,090</td>
</tr>
<tr>
<td>1947</td>
<td>127,541</td>
</tr>
<tr>
<td>1948</td>
<td>206,405</td>
</tr>
<tr>
<td>1949</td>
<td>171,780</td>
</tr>
<tr>
<td>1950</td>
<td>172,360</td>
</tr>
<tr>
<td>1951</td>
<td>171,903</td>
</tr>
</tbody>
</table>

*: the Conservative Party Government.
(Source: Central Statistical Office, Annual Abstract Of Statistics, 1953)

while for 1934-1939 when the Conservative Party was in government, 333,996 houses were built per year, for 1945-51 the Labour government built at best less than 200,000 houses, which was certainly not enough in solving the housing shortage.
This bad performance of the Labour government in building houses was exactly reflected in the public opinion poll. Figure 3.2 shows that more than 60 percent of people were disappointed with the government's performance in housing, whereas only less than 30 percent of people were satisfied.


Figure 3.2: On the whole are you satisfied or dissatisfied with the government's progress in housing?
Thus, the Conservative Party had no option but to come back to policies in the direction of 'individualism' from 'collectivism,' criticizing the bad performance of the Labour government which had favored 'collectivism.' In fact, the bad performance of the Labour government was clearly recognized by the dominant coalition of the Conservative Party. The party's reaction to it was seen in the statement in the 'Right Road for Britain'(1949), and the election manifesto of the 1950 general election: "Before the war, under free enterprise with a Conservative Government, the nation was getting a thousand new houses every day... the latest Socialist target is five hundred."69 If the Conservative Party still maintained housing policies in the direction of 'collectivism' even after looking at the bad government's performance, it would be like approving of the failed housing policies of the Labour government. In such a case, the dominant coalition of the Conservative Party, which is responsible for changing policies, should be subject to criticism by the people and party members. It probably causes another defeated election and broken dominant coalition.

5.2.2. Causes of Changes in Employment Policy

During World War II, the British mobilized a large portion of their manpower for winning the war. After the war, one of the most worrisome problems to the British people was expected high unemployment. In June of 1945, when war in Europe ended, 42 percent of manpower was in the armed

forces and ammunition industries. Most of this bulk of manpower in the war sector had to be released to be employed by the civilian sector for the next several years. Therefore, people necessarily had feared an expected high percentage of unemployment. This fact was shown in the public opinion poll done in 1946. As Table 3.4 shows, 73 percent of people thought that job security was more important than high wages, in spite of the fact that at that time (Table 3.7), unemployment rates were very low 1.8 percent. Therefore, people absolutely wanted the government to prevent the anticipated high level of unemployment.

Table 3.4: Which do you think is more important in a job, as high wages as possible, or security with lower wages

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>High Wages</strong></td>
<td>23 %</td>
</tr>
<tr>
<td><strong>Security</strong></td>
<td>73 %</td>
</tr>
<tr>
<td><strong>Don't Know</strong></td>
<td>4 %</td>
</tr>
</tbody>
</table>


Then why, in the method to solve the expected high level of unemployment problem, was the Conservative Party leaning in the direction of 'individualism' in the 1945 general election and maintained it up to 1947? The main reason is that nothing happened to push the Conservative Party in the direction of 'collectivism'. In the meantime, there were two factors in favor of 'individualism'. For one thing, under the Socialist Government of 1929-31, who

 favored 'collectivism,' the unemployment rate rose violently and reached fearful figures.\(^7\) Therefore, the Conservative Party did not need to hasten to change policies in the direction of 'collectivism.' Second, policies in the 1945 election manifesto were mainly a reflection of Winston Churchill, the party leader,\(^7\) who preferred 'individualism,' while party members like Butler, who leaned toward "collectivism," played little role in the formulation of the Conservative Campaign.\(^7\)

However, the Conservative Party turned to 'collectivism' in 1948, because by that time the Labour government performed superbly in preventing the expected high level of unemployment problem with policies in the direction of 'collectivism.' For 1945-1951, the main method of the Labour government in

**Table 3.5: Distribution of manpower in Great Britain**

<table>
<thead>
<tr>
<th></th>
<th>Mid-1939</th>
<th>Mid-1948</th>
</tr>
</thead>
<tbody>
<tr>
<td>Armed Forced and ex-service men and women on leave</td>
<td>480,000 (2.4%)</td>
<td>826,000 (4.1%)</td>
</tr>
<tr>
<td>National and Local Government Service</td>
<td>1,465,000 (7.4%)</td>
<td>2,230,000 (10.9%)</td>
</tr>
</tbody>
</table>

Parentheses include percentages out of total working population.

\(^7\) The Right Road For Britain, in Conservative Political Center, *Conservatism, 1945-1950*, p. 231.

\(^7\) McCallum, *British General Election of 1945*, p. 48.

\(^7\) At this time, Butler was the chair of Post War Problems Central Committee. He said that the committee played little for the 1945 election, in *The Art of The Possible*, p.128.
related its employment policies was 'collectivism'. As shown in Table 3.5, far more people in 1948 (2.4 percent) were released from the military and military- industries in 1939 (4.1 percent), the Labour government (1948) absorbed them by employing a greater portion of total employee (10.9 percent) in National and Local government than the Conservative government of 1939 (7.4 percent).

The successful results in solving the unemployment problem with policies in the direction of 'collectivism' were shown in Table 3.6. For 1945-1951 the unemployment rates had been under 2 percent. This figure is almost one third or fourth of 6-9 percent under the Conservative government during 1938 and 1939.

Table 3.6: Unemployment rates(1938-49, 1945-51)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Rate</td>
<td>8.7%</td>
<td>6.4%</td>
<td>0.4%</td>
<td>1.8%</td>
<td>1.2%</td>
<td>1.3%</td>
<td>1.1%</td>
<td>1.1%</td>
<td>1.4%</td>
</tr>
</tbody>
</table>

* The above unemployment rates are obtained by dividing the number of unemployed persons by the total population.
(Source: Calculated based on data in Central Statistical Office, Annual Abstract Of Statistics, 1953)

During this period, the employment condition could be understood in more detail with a scholar's description: "Throughout 1945-1950, the number of unfilled vacancies notified to employment exchanges was exceeded by far the

---

7.4 There were slight differences in raw data collection methods between data up to 1948 (old series) and those (new series) after 1948. However, it did not make much difference in understanding the trends of unemployment rate through 1945-51.
number of persons unemployed. If someone did not like this present job and wanted to leave it, there was the likelihood that he would find another as quickly as he wanted. Equally, employers were reluctant to dismiss workers for fear they would get no other.  

Although the Conservative Party tried to belittle very low unemployment rates for 1945-51 as a result of loans by the United States and Commonwealth countries rather than the good performance of the Labour government, it had to move its employment policy in the direction of 'collectivism' in the end for the 1950 election, to share the votes of people who supported the Labour government's successful unemployment policy.

5.2.3. Causes of Changes in Cost Of Living Policy

The Conservative Party's shift in policy regarding the cost of living in the direction of 'individualism' since 1948 was caused by (1) clearly aggravated high cost of living both statistically and in public opinion polls; and (2) people's thinking that the worst cost of living conditions were due to the Labour government's inefficient intervention in national economics. Thus, the Conservative Party chose policies in the direction of 'individualism', criticizing the Labour government's policies in the direction of 'collectivism'. The following is a more detailed explanation.

The problem of high cost of living always occurs when the rise of people's personal income is quite less than the increases in the prices of various items. This is exactly what happened for 1946-51. Figure 3.3 shows changes of

---

75 Worswick, British Economy 1945-50, p. 8.
prices of all articles, foods, and Tobacco, and personal income for 1946-51.\textsuperscript{76} According to this Figure, during the period of 1946-47, an increase of the price of all articles was quite less than that of personal income; then, only 2

* The price of all items are wholesale ones. (Source: Calculated based on data in \textit{Annual Abstract Of Statistics}, 1953)

\textbf{Figure 3.3: Annual changes in Cost of Living}

\textsuperscript{76} Changes in food prices are included in the figure because they are the hard core item of the price changes, especially under the condition of food shortages during this period.
percent of people, as indicated in Table 3.1, thought that the problem of the cost of living was urgent. For 1947-48, the annual increase of personal income was a little bit higher than that of the price of all articles, but it was considerably lower than the rise of food prices; as a result, only 5 percent of people thought that the cost living was urgent. However, for 1948-49, the annual increase of food prices was considerably higher than that of personal income, while annual increase of all articles was almost the same as that of personal income.

This was the period when people felt that the cost of living problem was the most urgent. This people's urgent feeling was kept up when the high cost of living problem was aggravated since this period. As Figure 3.3 shows, up to 1951 the annual increase of personal income was far behind those of food and all articles. Because of this, since 1948, 30-40 percent of people thought that high cost of living was the urgent problem the government must solve in the next few months.

This problem of the cost of living was exactly reflected in people's responses in the public opinion poll, as seen in Figure 3.4. Since 1947, more than 50 percent of people responded that their cost of living had been getting worse, while only less than 7 percent of people thought that the cost of living had been getting better. It is true that the trend in figure 3.4 is not exactly consistent to that of figure 3.5. For example, in spite of the fact that the cost of living for 1949-50 was worse than that of 1949-50, people's responses for the cost of living were in favor of the former than the latter. It may show that people's reactions to economic issues could be a little different from what really happened. However, the general trend could not be largely different.
were little changes in the cost of living. This was evidently environment, which demanded changes for the improved cost of living conditions.

![Chart showing changes in cost of living conditions over time.](chart.png)


**Figure 3.4: Cost Living: Compared with six months or one year ago, are you finding it harder, easier, or about the same to make both ends meet?**

People believed that such bad conditions in the cost of living were due to the Labour government, which had favored state intervention approach and policies in the direction of 'collectivism'. In fact, it is undeniable that for 1945-
51 the Labour government’s way to revive the economy after the war was extension of government control and extension of public ownership. As seen in Table 3.7, for 1946-51 under the Labour government, government expenditure, usually one measure of government intervention, was around 17-26 percent of the national gross product, much higher than 15 percent under the Conservative government of 1938. Another example of extended government control was nationalization of major industries, which is always the representative means of government intervention. Such nationalized industries included the Electricity Board, the Iron and Steel Corporation of Great Britain, London Transport, and the British Gas Council. A great amount of bulk contracts by the Labour government, which occupied from 64 percent to 46 percent of the value of all imports, was one more example of government intervention.78

Table 3.7: Percentage of government expenditure of GNP

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Percent</td>
<td>15 %</td>
<td>26 %</td>
<td>19 %</td>
<td>17 %</td>
<td>18 %</td>
<td>19 %</td>
<td>21 %</td>
</tr>
</tbody>
</table>

Percent of Government expenditure is obtained by dividing 'Public authorities' current expenditure on goods and services' by 'Gross national expenditure at factor cost' (=Gross National Product).
(Source: Calculated based on data in Annual Abstract Of Statistics, 1953)

A number of people believed those high levels of intervention by the Labour government had a negative impact on the high cost of living. In the public opinion poll of 1950 (Table 3.8), 11 percent of people thought that

Table 3.8: What would you say is the main cause of prices going up at the present time?

<table>
<thead>
<tr>
<th>Cause</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>High cost of production; wage; material</td>
<td>21 %</td>
</tr>
<tr>
<td>Rearmament:defense plans</td>
<td>15 %</td>
</tr>
<tr>
<td>Government Control; Restrictions of competition</td>
<td>11 %</td>
</tr>
<tr>
<td>Shortage; drain of exports</td>
<td>10 %</td>
</tr>
<tr>
<td>Excessive Government Expenditure</td>
<td>5 %</td>
</tr>
<tr>
<td>Taxes; Purchase Taxes</td>
<td>3 %</td>
</tr>
<tr>
<td>Others</td>
<td>35 %</td>
</tr>
</tbody>
</table>


government control was the major cause of the high cost of living; 5 percent of people responded that excessive government expenditure was another major cause; tax was also included as the main cause by 3 percent of the people. These three causes are in fact closely related to each other, saying government intervention is the major cause of the high cost of living. In more detail, a high level of government control needs more expenses. More expense needs more taxes. High cost of production, wage, and material, which was considered to be the most critical reason by 21 percent of people, was also substantially related to government intervention. High cost of production and materials were often considered to be as the result of inefficient management of nationalized industries and bulk buying of materials by the government at this time. Therefore, around 40 percent of people believed that government intervention was the major cause of the high cost of living.
Under the environment described so far, the Conservative Party, which had been eager to win the next election, was forced to make policies in the opposite direction of policies of the Labour government, which had pursued 'collectivism' or 'socialism'. Thus, the Conservative policies were in the direction of 'individualism'.

In fact, evidences for how much the housing policy in 'the Right Road 'for Britain' and 'the 1950 general election manifesto' of the Conservative Party was influenced by people's opinion in the public opinion poll can be easily found. For example, in the matter of high cost of production, the party stated, "The Conservative Party will encourage the highest level of efficient production.... Today, all forms of production and distribution are hampered in a socialist atmosphere, which denies [private enterprise]..." For government control, expenditure, and taxes, it proposed, "In order to lower taxes and the high cost of living, we must cut down Government spending. We shall bring Nationalization to a full stop here and now.... The time has come when controls must be reduced to the minimum necessary...." 7 9

5.2.4. Causes of Changes in Policies for Food Shortages

During the years just after World War II, the British suffered a very serious food shortage. 8 0 Official statistics about how serious the food shortage was

8 0 Agricultural Chapter, in Conservative Political Center, Conservatism, 1945-1950.
at this period are not available. However, the Gallup opinion poll of 1945 (Table 3.9) showed 50 percent of people thought that they did not get enough food to enable them to work efficiently. They strongly implied that the problem of food shortage was very serious during this period. In fact, the degree of seriousness of the food shortage was felt in that during this period, the popular term for the problem was the "food crisis," and about 50 percent of food had to be imported.81

Table 3.9: Do you feel that you are getting enough food to enable you to work efficiently?

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>47 percent</td>
</tr>
<tr>
<td>No</td>
<td>50 percent</td>
</tr>
<tr>
<td>Don't Know</td>
<td>3 percent</td>
</tr>
</tbody>
</table>

* This poll was taken on September of 1945. (Source: The Gallup International Public Opinion Polls: Great Britain, 1937-1975, p. 119.)

With that serious food shortage just after war, in the 1945 election manifestos the Conservative Party had no choice except for assuming a considerably ambiguous posture with implied policies in the direction of 'individualism.' As seen in section 2, Winston Churchill, the party leader, generally preferred the 'individualistic' approach in making polices for the 1945 election. However, he evidently could not follow his own way in food policies because the consequence of leaving imports to private traders at a time of food shortage could be harmful to producers as well as to consumers. It

81 Ibid.
could make not only supplies inadequate, but also the price very unstable.\textsuperscript{82} Thus, it could disturb the whole economy of the nation. Then, the result was ambiguous and abstract policies, which could not be interpreted in the direction of 'collectivism' or 'individualism'. The Conservative Manifesto of 1945 only stated, as our food situation improves, the Conservative Party would come back to policies in the direction of 'individualism'.\textsuperscript{83}

The reason the Conservative Party completely shifted to 'individualism' up to 1949 was because a serious food shortage was deteriorated with the Labour government's policies in the direction of 'collectivism'. Thus, the Conservative Party proposed policies in the direction of 'individualism' as an alternative to the unsuccessful 'collectivist' policies of the Labour government. The following is a more specific explanation.

Just after winning the 1945 election, the Labour government employed the 'collectivist' approach in solving the food problem. The government itself, instead of private enterprise, purchased most of the food from abroad and used a government-controlled system to distribute food. During this period, as Table 3.10 presented, the government bought 76.8 percent-82.7 percent of imported food during 1947-50. Centralized buying was unusually high intervention by the government, which could not be seen in the Conservative


government or even later in the Labour Government. It was only the legacy of war.84

Table 3.10: Percentages of imports of food by government 1947-50

<table>
<thead>
<tr>
<th>Year</th>
<th>1947</th>
<th>1948</th>
<th>1949</th>
<th>1950</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>81.3%</td>
<td>82.7%</td>
<td>81.9%</td>
<td>76.8%</td>
</tr>
</tbody>
</table>

(Calculated based on data in Economic Bulletin for Europe, 1951 and Annual Abstract Of Statistics, 1953)

The problem is that the Labour government with its intervention policy failed to solve the problem of food shortage. As Figure 3.5 shows, during the years of 1946-48, more people still believed that the food condition in terms of quantity and quality had worsened.

Then why did the Conservative Party stress more government intervention in the 1950 election manifesto than in 'The Agricultural Chapter' (1948) and "The Right Road For Britain" (1949)? While the same data as those in Figure 3.6 are not available to compare opinion polls before 1949 with that of 1949, people's opinion about the performance of the government in handling the food situation had been quite improved for 1949. In detail, Table 3.11 shows that in the opinion polls in 1949, people's positive opinion (very well + fairly well) about government's performance had risen from 54 percent to 59 percent with a rise of 6 percent in people who responded 'Very

Well', whereas the negative opinion had been dropped by 7 percent from 45 percent to 38 percent. This sudden and relatively high increase of favorable responses to the performance of the Labour government were probably because, as we can see in Figure 3.3, the government was fairly successful in keeping down food prices, compared to the highly increased prices of all other


Figure 3.5: How does your food today compare with 6 months ago?
articles. Under this atmosphere, the Conservative Party could not ignore the Labour Party's success completely; therefore, they quietly suggested a little more control by government in the 1950 manifesto than in the publications of 1948 and 1949.

Table 3.11: Do you think the government has handled the food situation well or badly?

<table>
<thead>
<tr>
<th></th>
<th>Jan. of 1949</th>
<th>Aug. of 1949</th>
<th>Nov. 1949</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very Well</td>
<td>12 %</td>
<td>19 %</td>
<td>18 %</td>
</tr>
<tr>
<td>Fairly Well</td>
<td>42 %</td>
<td>43 %</td>
<td>41 %</td>
</tr>
<tr>
<td>Badly</td>
<td>45 %</td>
<td>36 %</td>
<td>38 %</td>
</tr>
</tbody>
</table>


6. Conclusion

In this chapter, after the electoral defeats of 1945, changes in the Conservative policies for four urgent issues (housing, unemployment, cost of living, and food shortage) during 1945-51 have been explained by an environmental model. In detail, the dominant coalition, the highest decision-making organ of the party, was fragmented, because its members were differed in their interpretation of why their party was defeated in 1945 and how to prepare for the next election. This divided and weak dominant coalition allowed a condition in which the environment influenced policy changes for the next election, because confronting dominant coalition members are likely to rely on a favorable environment to reflect on their argument in policy argument.
Under the condition that the weak dominant coalition allowed the environment to influence policy changes, the environment, consisting of party members' reactions to the election defeat and people's reaction to the government's performance, was strong; it was a major cause of policy changes of the Conservative Party in opposition to win the next election. Party members, very dismayed at the landslide and unexpected defeat after being in power for around 30 years, demanded the dominant coalition to change policies to attract the electorate to win the next election. This request from party members forced the dominant coalition to change policies dependent on people's opinion of the Labour government's performances in urgent issues. The government's performance in housing and cost of living policies in the direction of 'collectivism' was very poor; then, the Conservative Party in opposition made policies in the direction of 'individualism' to attract voters disappointed with poor government performance. The superb government performance in employment with policies in the direction of 'collectivism' pushed the Conservative Party to change policies in the direction of 'collectivism' to share voters who were satisfied with the government's performance. In the issue of food shortage, until 1948, the government's performance with policies in the direction of 'collectivism' was not satisfactory to the people; as a result, the Conservative Party chose policies in the direction of 'individualism' to absorb votes disappointed with the government's performance. However, when the government's performance in food shortage was better after 1949, policies of the Conservative Party moved in the direction of 'collectivism' to share voters satisfied with the government's performance.
Two findings deserve mention in this chapter. First, issues usually become urgent because they create serious difficulties against people now. However, issues also become urgent because people expect they will create difficulties for people in the future. The example is seen in the issue of employment in this chapter. During 1945-51, in spite of unemployment rates less than a very low 2 percent, people thought that the unemployment problem was urgent because they believed that after the war plenty of people would be discharged from military service, creating serious employment problems. It means that political parties should prepare for problems in the future as well as now, to win the election.

Second, all policies do not change in the same direction, when environmental pressure plays a dominant role in changing policies. The reason is that environments are not in the same direction. For example, during 1945-51, as described in this chapter, the Conservative Policies of housing and the cost of living changed in the direction of 'individualism'; employment policies shifted in the direction of 'conservatism'; policy of food shortage changed in the direction of 'individualism' by 1949, but it shifted in the direction of 'individualism' until 1951.
CHAPTER IV

Cause of Policy Changes for 1964-70

I. Introduction: Power-Control Model

The Conservative Party, winning the 1951 election with an absolute parliament majority, dominated British politics in government for thirteen uninterrupted years up to 1964 with two more consecutive wins in later general elections (1955 and 1959). There has been little dispute that those thirteen years of the Conservative Party in office owed much to economic good fortune (which came to not only Britain but also all European countries) rather than to the party’s spectacular policy and ideological appeal to the electorate. Economic conditions began to deteriorate somewhat since 1961, but were still sound until 1964. In the general election held in October 1964, the Conservative Party tasted its third and narrow defeat since 1945.

After the defeat, the Conservative Party changed its socio-economic policies for the next election. Those policy changes were made by the dominant coalition without much pressure from the environment. Factors to allow such changes were very weak pressure from the environment and a strong dominant coalition.

Weak pressure from environment was due to the fact that the defeat was anticipated and narrow, which brought a new election quickly in 1966. Anticipated defeat reduced the amount of criticisms on the dominant coalition; a quick new election hastened the party to prepare for it and thus,
party supporters, activists, and M.P.s were not given the time to criticize the dominant coalition and to influence its policy changes.

Another reason of weak pressure from environment was that the performance of the Labour government in urgent issues was only slightly better than the performance of the previous Conservative government. Slightly better government performance, as explained in the theoretical section of chapter 2, could not create a strong environment, which pushes the opposition party to change policies in certain direction. The reason is that people believed that the Conservative Party would not be better than the current government if it was in government, no matter what policies it proposed.

Thus, this weak environmental pressure permitted the dominant coalition a lot of freedom in changing policies. The dominant coalition of the Conservative Party was strong and very cohesive in socio-economic policy changes because it includes all influential leaders in it. Policy-making power in socio-economic issues during 1964-70 was concentrated in the hand of Edward Heath, who had been a member of the dominant coalition until July 1965. Heath became the party leader after July 1965 at the first-ever leadership election, and had been in charge of all main policy organs of the Conservative Party from 1964 to 1968. Thus, the dominant coalition perfectly controlled socio-economic policy changes after the 1964 defeat. In other words, policy changes during the years of 1964-70 confirms the power-control model explained in the literature review of Chapter II.

What follows is a more detailed demonstration that policy changes of the Conservative Party during years of 1964-70 are the most properly explained
by the power-control model. In the section 2, four most urgent socio-economic issues during 1964-70 are selected. Section 3 describes policy changes of the Conservative Party in those four urgent socio-economic issues. Section 4 demonstrates that environmental pressure related to four urgent issues was very weak. Section 5 demonstrates that the dominant coalition of the Conservative Party during the period of 1964-70 was strong and cohesive and thus, that the cohesive dominant coalition changed socio-economic policy changes according to its value or subjective interpretation of the socio-economic situation.

2. Four Most Urgent Socio-Economic Problems for 1964-70

Table 4.1: The most urgent socio-economic problem facing the country at the present time

<table>
<thead>
<tr>
<th>Sept.-Oct. of 1964</th>
<th>1. Economic Affairs(15 %) 2. Housing(14 %) 3. Pensions(11 %) 4. Labour Relations(6 %) 5. Education(5 %)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mar. of 1966</td>
<td>1. Economic Affairs(48 %) 2. Housing(16 %) 3. Pensions(13 %) 4. Labour Relations(8 %) 5. Education(6 %)</td>
</tr>
<tr>
<td>Feb. of 1968</td>
<td>1. Economic Affairs(59 %) 2. Immigrants(6 %) 2. Labour Relations(6 %) 4. Housing(5 %) 5. Pensions(5 %)</td>
</tr>
<tr>
<td>April-May of 1970</td>
<td>1. Cost of Living and economic affairs(36 %) 2. Labour Relations(9 %) 3. Housing(8 %) 3. Pensions and service for older people(8 %) 3. Immigrants(8 %)</td>
</tr>
</tbody>
</table>

As seen in Table 4.1, according to the Gallup opinion poll, economic affairs, housing, pensions, and labour relations were four issues which people urgently wanted the government to solve in terms of frequency and rank during 1964-79 when the Conservative Party was in opposition. Unlike the other two issues, Education and Immigrants (Table 4.1), which appeared in only two consecutive years each, and also were low in urgency rank, these four issues were included in five of the most urgent issues throughout all four years; they also occupied high ranks. These four issues, then, must be crucial issues to the electorate's voting behavior. Therefore, political parties should take account of these issues to gather more votes for the next election.

Urgency of issues is evidently an important factor for political parties' selecting policies, which parties bring into focus for the next election, as explained above. However, if people think that there is little difference in policies for urgent issues between competing parties, the importance of those policies for electoral purpose would be fairly reduced. The reason is that a party may not attract supporters of its competing party, with its similar policies for the same issues with the other party. 'Difference' in policies between competing political parties, therefore, is sometimes another important factor to gather votes in elections.

From the standpoint of 'difference', four socio-economic policies--economic affairs, housing, pensions, and labour relations--are all well qualified. The Gallup opinion poll in Table 4.2 shows that all four urgent socio-economic policies were within the five policies, which people thought were the most

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1 Data of the most urgent problem of 1965, 1967 and 1969 were not available. Absence of those three years' data is, however, not such a big obstacle to know what the most urgent problems people thought were.
different between the Conservatives and the Labour Party. Therefore, those four were certainly primary policies closely connected with gathering votes in the next election to political parties during 1964-70.

Table 4.2: On what policies the Conservatives and Labour Parties differ most? (the first five)

<table>
<thead>
<tr>
<th>Economic Affairs</th>
<th>35 %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Defense, armaments</td>
<td>21 %</td>
</tr>
<tr>
<td>Housing</td>
<td>17 %</td>
</tr>
<tr>
<td>Pensions</td>
<td>16 %</td>
</tr>
<tr>
<td>Labour Relations</td>
<td>11 %</td>
</tr>
</tbody>
</table>

*this poll was done on March of 1964.

Before an attempt to find reasons of policy changes of the Conservative Party during 1964-70 are made, descriptions of changes in each of four urgent policies are necessary. Then, section 3 is about policy changes of the Conservative Party. Descriptions of changes of four Conservative policies during 1964-70, as in the opposition period of 1945-51, are made from mainly one standpoint, namely, the direction that Conservative policies of 1964-70 moved from the policies of previous years. This is done to discover whether policies for urgent issues after 1974 shifted to 'collectivism' or 'individualism,' compared with policies before 1974. During this period, this standpoint was the most disputed point within the Conservative Party as well as in competition with its main opponent, the Labour Party, because it was a part of crucial strategy for gathering more votes in the election. Thus, the
following policy changes are described by comparing conservative policies before 1964 and after 1964.

Descriptions of the Conservative Party policies are mainly based on a close review of official Conservative Party publications, which include policies at different points in time and thus, reveal changes of policies. Descriptions of policies before 1964 were made on the basis of a review of *United For Peace and Progress* (1955 Conservative Manifesto), *The Next Five Years* (1959 Conservative), and *Prosperity with a Purpose* (1964 Conservative manifesto). Descriptions of policies after 1964 were made on the basis of review of *Putting Britain Ahead* (1965), *Action Not Words: The New Conservative Programme* (1966 Conservative Manifesto), *Fair Deal at Work* (1968), *Make Life Better* (1968), and *A Better Tomorrow* (1970 Conservative Manifesto). Publications of the Labour Party are referred to, whenever necessary.

3. Changes in Four Most Urgent Socio-Economic Policies After the Electoral Defeat in 1964

3.1. Economic Affairs

For the issue of economic affairs, after the defeat in the 1964 general election, the Conservative Party showed policy changes in the direction of 'individualism' from so-called 'the mixed economy', which is a kind of mixture of 'individualism' and 'collectivism', and had remained the Conservative Party's policy for thirteen years (1951 to 1964). The following is a detailed description.

After the Conservative Party moved in the government as a result of the 1951 general election, the party's main economic theme in the next three consecutive elections (1955, 1959, 1964) had been establishing prosperity
and expanding the British economy. This theme implied that every aspect of economic affairs were stable and that the only thing left to be pursued was to achieve a better economy. Thus, in the 1955 general election manifesto, 'An Expanding Economy' was a title of the Conservative Party's economic policies; the 1959 Conservative election manifesto stated, "Conservative Policy is to double the British standard of living in this generation and ensure that all sections of society share in the expansion of wealth."; in the 1964 election manifesto, 'An Expanding Economy' reappeared as the title of economic policies with a statement, "We shall give first priority to our policy for economic growth." Conservative programs in the party's 1964 manifesto were based on an expectation of the high economic growth. As evidence, Sir Alec Douglas-Home, the prime minister and the party leader until Oct. of 1964, stated, "Conservative programs are very expensive, but they can be paid for from a rate of growth [4 percent]."

During this period, the method to expand economy and to make further prosperity had been considerable government intervention in economic affairs,


5 The Times (18, September, 1964) p.12. 4% of economic growth rate was very high because, as seen in below Table 4.5, the rates were mostly less than 3.0 even during economically booming period in Europe in 1950s. Thus the Times mentioned 4% of economic growth rate the Conservative Party was ambitious.
namely, the 'mixed economy' or the 'middle way,' which means the method in between 'individualism' and 'collectivism'. As evidence, the 1955 Conservative election manifesto made it clear that the party intended to guide the national economy to a degree by its statement, "It is for the state to give a lead, to provide incentive, support, advice...[in economy],"\(^6\) rather than providing environments for free action of enterprises. In the same manifesto, the Conservative Party's intention of intervention was confirmed by a statement, "the Conservative Party is strongly opposed to any further measure of nationalization."\(^7\) At this time, since many core industries had already been nationalized by the former Labour government with its policies in the direction of 'collectivism'(1945-51), opposing further nationalization clearly meant accepting 'collectivism' to a degree favored by the Labour Party. Had the Conservative Party favored policies in the direction of 'individualism', it would have to commit to implementing policies to let the nationalized industries by the Labour government go back to private enterprise when it returned to government. The evidence was also seen in the 1964 Conservative election manifesto, which says that the National Economic Development Council, composed of government, management, and unions, was set up for improving the economy by planning with partnership.\(^8\) This statement is clearly in the

\(^6\) *United for Peace and Progress*, in Craig, ed., *British General Election Manifestos, 1918-1966*, p. 188.

\(^7\) Ibid., p. 165.

direction of 'collectivism' rather than 'individualism' because it guaranteed a crucial role to the government of the national economic planning.

Within less than one year of the 1964 defeat, the Conservative Party's main theme in economic affairs changed from expanding economy to dealing with the difficult economy, meaning that unlike the period of 1951-64, the British economy was not in a satisfactory condition anymore. Therefore, something needed to be done to solve problems. The new theme remained unchanged until 1970, when the Conservative Party returned to government.

In detail, in *Putting Britain Right Ahead* (1965), the first Conservative Party policy publication since the 1964 election, and 1966 election manifesto viewed the economic situation as crisis. For example, *Putting Britain Right Ahead* spoke of "a time when immediate economic difficulties overshadow our lives." It is explored in more detail in 'Make Life Better(1968), another Conservative Party publication, and the 1970 Conservative election manifesto. The 1970 manifesto, for instance, stated, "Under Labour rule, hundred of thousands of extra families suffering the hardship and insecurity of employment...A new load of foreign debt....the faster price rise...

The Conservative Party's method to solve the economic crisis at this period moved policies in the direction of 'individualism.' Its key was reducing


10 *Putting Britain Right Ahead*, p.5

tax and weakening legal restrictions by government, to give more incentives to individuals by giving opportunity for more savings and to create a competitive condition for industries by offering them more freedom of action. Preference of the Conservative Party for this method continued until 1970. *Putting Britain Right Ahead* (1965) proclaimed, "Too many tax burdens and restrictions bear down on the very people in this country... It is high time that these burdens were reduced and that incentives to display talent and ability were increased. to take new measures to recreate vigorous competitive conditions." Economic policies in the 1966 Conservative manifesto copied statements of *Putting Britain Right Ahead*. The later publication, *Make Life Better* (1968), and the 1970 Conservative manifesto were no different from the above two documents in their economic policies. For instance, *Make Life Better* (1968) stated, "The next Conservative government will once again reduce direct taxation to provide the opportunity and incentives that will encourage men and women... We will control state spending, scrap state control of wages.... put nationalization into reverse."

3.2. Labour Relations

Like economic affairs, for the issue of labour relations, after the defeat of 1964, Conservative policies had moved in the direction of 'individualism' from

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1 2 *Putting Britain Right Ahead*, pp. 7-8. Ian Macleod, a shadow cabinet member and opposition spokesman on finance and economic affairs, also confirmed the Conservative policy of reducing taxes at the 1965 annual party conference. See *The Times* (12 October 1965) p. 6.

1 3 *Make Life Better*, p. 6.
the direction of 'collectivism' during 1951-64. Thus, the party showed its intention of little intervention in relations between workers and management than before. In the section that follows, far more details are described.

During the period of 1951-64 when the Conservative Party had been in government, labour relations policies of the party had been in favor of government intervention, that is, in the direction of 'collectivism'. In the 1955 election manifesto, the Conservative Party strongly implied that it would actively interfere with labour relations in many respects if it won the election, by stating, "We shall follow up our work of better human relations in industry by discussing with the joint advisory bodies of employers and Trade Unions, and with the British Productivity Council... We intend to launch a vigorous drive to promote health, welfare and safety of the working population with the aid of our new Mines and Quarries Act and of the recently established Industrial Health Advisory Committee." The 1959 Conservative election manifesto had the same position as the 1955 manifesto by stressing the government's role in solving human and industrial problems along with employers and trade unions. This policy position was confirmed in the 1964 election manifesto, which mentioned, "we shall continue to seek their [trade union's] cooperation in matters of common interest and to work in partnership with them through


N.E.D.C. [National Economic Development Council, composed of government, management, and unions].

Unlike policies up to 1964 from the 1950s, in policy statements between 1964-70, the Conservative Party revealed its intention of minimal intervention in labour relations. In the meantime, it proposed only policies establishing a mechanism to resolve labor disputes. It means that the Conservative government, if it returns to government, would intervene only when disputes could not be resolved between workers and managements. The 1965 Conservative policy document, *Putting Britain Right Ahead*, on which policies in the 1966 election manifesto were based, stated, "More of the cost of the social services should be transferred from the Exchequer to the employer." It also suggested a powerful Register of Trade Unions and Employers' association to see that the rules of both conformed to certain basic principles and new industrial courts to settle industrial disputes. This policy was confirmed by later and conclusive Conservative policy documents for labor relations in the opposition period of 1964-70, *Fair Deal at Work*(1968), which made it clear that the Conservative labor-relation policies were in the direction of 'individualism': "Responsible voluntary action within industry would have more opportunity and more incentive to succeed....No government action can, in itself, create good industrial relations."

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17 *Putting Britain Right Ahead*, p. 8.

18 Ibid., pp. 11-12.
3.3. Housing

For the issue of housing, unlike economic affairs and labor relations, there was no clear change from 'collectivism' to 'individualism' or in the opposite direction after the 1964 electoral defeat. The only visible change was the party's strong stress on efficiency in solving the housing problem. Following are detailed descriptions.

As the period of 1945-51, the issue of housing during 1964-70 was one of the most important problems to people. The primary solution to this problem was to build as many new houses as possible and to renovate old homes. As it had been during 1945-51, the issue at this time also was who, between public authorities and private enterprises, should be responsible for more and better house-building. 'Individualism' is always in favor of free action of private enterprise, supporting an idea that private enterprises build houses more efficiently than the public sector; 'collectivism', which purports maximum government interference, supporting policies of housing building by local authorities and public enterprises.

During the period of 1951-64, the Conservative Party in government had favored the mixture of 'individualism' and 'collectivism,' or the middle way between them. More specifically, it revealed its policies to support private enterprise as well as local authorities in building and renovating aged houses. For instance, the 1955 Conservative manifesto proclaimed, "The Conservative Government will do all it can to encourage private owners and local authorities
to make fuller use of the improvement grants [for housing] available; the 1959 manifesto also mentioned, "the local authorities will continue to play a big part along with private enterprise in meeting housing needs."

Even after the defeat in 1964, the position of the Conservative Party on housing policies seemed to remain almost unchanged. In *Putting Britain Right Ahead* (1965), the party clearly showed its intention to utilize both private and public enterprise to build houses by saying, "The first task is to get more houses built for sale and for letting...by making use of both private and public enterprise." Other publications of the Conservative Party for 1966-70 also did not mention who should be more responsible for building houses any more.

Changes in housing policies of the Conservative Party after 1964 had been seen in the party's stress on new building methods. Any manifesto between 1951-1964 had not mentioned efficient building methods, except the 1964 Conservative election manifesto, which refereed to up-to-date building methods as just one of the ways to build more houses. However, after the 1964 electoral defeat, the Conservative Party made it clear that the main method to building houses was new techniques by stating, "The first task is to get more houses building for sale and for letting. We would do this by giving more encouragement to new building techniques." This policy was exactly

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19 *Fair Deal at Work*, pp. 8-9.


22 *Putting Britain Right Ahead*, p. 15.
confirmed by the 1966 Conservative election manifesto which mentioned, "Speed up house building...Use modern building method."\(^{24}\)

3.4. Pensions

Like the issue of housing, pension policies of the Conservative Party after defeat in 1964 did not show any clear change from those before 1964 from a standpoint of 'individualism' and 'collectivism.' Like the issue of housing, one evident change was the party's great emphasis on 'efficiency' to meet changing and new needs to help those in need.

The Conservative pension policies were in the direction of 'collectivism' with constantly raising all kind of pensions controlled by the government during the years of 1951-64 when the party had been in power. Party publications during this period showed evidences for this. The 1955 Conservative election manifesto mentioned, "in its first year of office the Conservative government increased virtually all social-service payments. This year it has again raised pensions and benefits.... war pensioners and public service pensioners can be sure...to give the most constant attention to their interests and needs."\(^{25}\) The 1959 manifesto stated, "Our new pensions scheme will... concentrate Exchequer help on those with the lowest earnings, and enable men and women, with ignore earnings to make increased provision for old age."\(^{26}\) The

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\(^2\)\(^3\) Ibid, p. 15.


1964 manifesto also pledged to increasing pension with the following statement: "In the next Pensions Increase Act we shall reduce the age at which such pension increases are payable from sixty to fifty-five."\(^{27}\)

After the electoral defeat in 1964, however, the Conservatives did not show any indication that their pension policies were moving from those before 1964. In reality, Conservative Party publications between 1965 and 1970 mentioned neither the expansion nor curtailment of pensions.

More obvious changes in the Conservative pension policies are seen in the party's far greater emphasis on improving effectiveness of not only the existing pension policies, but also other social policies, without increasing or decreasing finance for pensions. Such a matter has never been mentioned in Conservative publications by 1964. It only appeared in the publications of the Conservative Party after 1965. Thus, *Putting Britain Right Ahead* (1965) stated, "We have therefore, designed as new and coherent policy. The aim is to help those in need effectively..."\(^{28}\) It continued, "Our new policy would require the Ministries of Health and of Pensions and National Insurance to be merged to form a New Department of Health and Social Security. Here the constant use of research would enable policies to be adapted or introduced to meet changing and new needs. And there would be administrative savings too."\(^{29}\) The proposal to advance the effectiveness of pension policies was

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\(^{28}\) *Putting Britain Right Ahead*, p. 13.
repeated in the 1966 Conservative election manifesto, *Make Life Better* (1968), and 1970 manifesto. For instance, the 1966 manifesto confirmed the merging of government departments mentioned above as a way to improve the effectiveness of pension policy again. *Make Life Better* (1968) stated, "We[the Conservative Party] are undertaking a comprehensive review of all existing Public Service Pension schemes to see if we can improve them."\(^3\)\(^1\)

4. **Weak Environment**

4.1. Little Pressure from Electoral Defeat

Theoretical arguments of Chapter II described conditions which make environmental pressure--what people want most from a political party when it is in power--so powerful that the party's policy changes for the next election are dominated by the environment, rather than by other factors, such as the party's dominant coalition's value or subjective interpretation of situation. Those conditions included landslide defeat, unexpected defeat, and defeat of a long-term governing party. All these conditions were applied to the 1945 defeat of the Conservative Party as explained in Chapter III. They were, thus, argued as a crucial part of the reasons why policy changes of the Conservative Party after the defeat in 1945 were the most appropriately explained by the environmental model.

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\(^2\)\(^9\) Ibid. pp.13-14.

\(^3\)\(^0\) See *Action Not Words*, in Craig, ed., *British General Election Manifestos, 1959-1978* p. 75.

\(^3\)\(^1\) *Make Life Better*, p. 24.
Unlike the defeat in 1945, the defeat in 1964 did not give the Conservative Party such a big shock because, whereas it was still a defeat of a long-term governing party, it was neither a landslide nor an unexpected one. As a result, after the defeat in 1964, the Conservative Party, especially its dominant coalition, was under less serious pressure from the environment, especially from party members and supporters, in the process of preparing for policies for the next election.

This weak pressure from environment permitted the dominant coalition, that is, the Shadow Cabinet of the Conservative Party, considerable freedom in making policies in its own ways. Following are detailed explanations.

Before the electoral defeat in 1964, the Conservative Party had been in government for thirteen years with three consecutive wins. Three wins came with comfortable majority in general elections; the Conservative Party gained 17, 58, and 102 more parliamentary seats than the total obtained by all other parties combined in each of the 1951, 1955, and 1959 elections. Thirteen years and comfortable wins were enough to make party members feel that their party was a natural governing party. Therefore, as after the defeat of 1945, which came after 30 years in government, after the defeat in 1964, frustration and dismay of Conservative Party members should be very deep. Request to reform the party from the party members and supporters must to be high, too.

However, reality was quite different from what was expected. Unlike after the 1945 election, the Conservative Party was not in a state of dismay and shock. In fact, the first Conservative Party conference after the defeat of 1964 did not carry any resolution as to how to get over the defeat. It
contrasts well to the first party conference after the defeat of 1945, which carried several resolutions to propose ways to recover from the defeat.\textsuperscript{32} Party leaders also reacted quite differently from each other. While the party leader, Winston Churchill, confessed his deep frustrations and disappointment in 1945, the party leader, Alec Douglas-Home, was never depressed after the defeat in 1964.\textsuperscript{33} Thus, later Sir Alec simply reflected, "The results were damned close.. A few hundred votes redistributed and we would have been in."\textsuperscript{34}

Why, then, unlike after the defeat in 1945, was the Conservative Party calm after the defeat of 1964? First, the defeat of 1964 was quite different from the 1945 defeat, in that the Conservative Party's prospect of returning to power was already dim before the election. Such anticipation weakened the party members' and supporters' furious reaction.

There are some evidences to demonstrate the dark prospect against the Conservative Party in the 1964 election. In the county council elections held just before the 1964 general election, heavy swings to the Labour Party were seen.\textsuperscript{35} Because of this, many Tories had expected a far bigger defeat than actual results, and after the catastrophic rout by almost 100 seats eighteen months later in March 1966, concluded that decisive defeat had only been


\textsuperscript{34} Ibid, p. 218.

\textsuperscript{35} John Campbell, \textit{Edward Heath: A Biography} (London: Jonathan Cape) p. 159
postponed in 1964.\textsuperscript{36} Gallup Opinion Polls also reported a continuous lead of the Labour Party over the Conservative Party by a big margin since the last

\begin{figure}
\centering
\includegraphics[width=\textwidth]{figure.png}
\caption{Electoral prospect of 1964 general election}
\end{figure}


\textsuperscript{36} Young, \textit{Sir Alec Douglas-Home}, p. 218.
1959 election. As Figure 4.1 shows, at least 5 percent more people continuously had intended to vote for the Labour Party than the Conservative Party, had approved of the Labour Party leader than the Conservative Party leader (the prime minister), even though differences in supports for the two parties had reduced as time passed.

Second, unlike in 1945, the 1964 defeat was not a landslide. In that election, the Conservatives were so narrowly beaten that the second election in the near future was almost certain; as a result, environment had little chance for influencing the dominant coalition's policy changes. In detail, as seen in Table 4.3, the percentage shared by the Conservative Party of total votes was reduced from 49.4 percent of the last election to 43.4 percent; the number of M.P.s elected also fell from 365 to 304. However, in spite of such a defeat, the shock of the defeat in 1964 was far less than the defeat of

Table 4.3: General election results of 1959 and 1964

<table>
<thead>
<tr>
<th></th>
<th>1959</th>
<th>1964</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>M.P.s Elected</td>
<td>% of votes</td>
</tr>
<tr>
<td>Conservative</td>
<td>365</td>
<td>49.4 %</td>
</tr>
<tr>
<td>Labour</td>
<td>258</td>
<td>43.8 %</td>
</tr>
<tr>
<td>Others</td>
<td>6</td>
<td>6.8 %</td>
</tr>
</tbody>
</table>


37 All public opinion polls showed the same prediction as the Gallup Poll. For example, the National Opinion Poll, which was also a highly regarded poll, showed the Conservative Party's lead for most of 1964. However, it also predicted win of the Conservative Party just before the election. For more detail, see Butler and King, The British General Election of 1964 (London: Macmillan, 1965) p. 208.
1945 because, unlike the defeat of 1945, in which the Labour won an overall 148 seats, in the 1964 election, the overall Labour Party majority was only four.

Such a close defeat meant that the Labour government would evidently not last the full five years. The government with a small majority naturally wanted to escape as soon as possible from the discomfort of being a small majority, because death or dissension of its members could put the governing party in an awkward situation. For this reason, the second election could come any time. This circumstance pushed the Conservative Party to prepare for rebuilding its organization and reforming its policies quickly in an electioneering atmosphere. Thus, right after the 1964 defeat, Sir Alec and his colleagues on the Leaders' Committee—the Shadow Cabinet—recognized that, with a majority of only four, the Labour government must be expected to go to the country again before very long.38 To present the electorate with a coherent set of policies freshly worked out under the spur of opposition when the next election came, with Blakenham's (a Shadow Cabinet member and the party chairman at that time) encouragement, Sir Alec, the party leader, chose Edward Heath (another Shadow Cabinet member) for the policy role.39 The Advisory Committee on the Policy of the Conservative Party dominated by a dominant coalition member, Edward Heath, quickly started to review its


39 Ibid.
policies and the first publication, *Putting Britain Right Ahead* (1965), on which the next election manifesto was based, and was published in one year after the defeat of 1964. This is contrasted with the first publication after the 1945 defeat, the 'Industrial chapters', which needed three years to be born and was initiated at the request of the party conference, which was held in sixteen months after the defeat, not by the dominant coalition. It means that the close defeat in 1964 did not necessarily permit time and space for environmental pressure (opinion and criticism of the party members, supporters and activists) to intervene in the policy preparation process for the next election by the dominant coalition.

Another effect of the very close 1964 defeat was that it was impossible to isolate any single factor that might have turned the scale.40 For this reason, in contrast to environment just after the defeat of 1945, in which the party conference and some members of the dominant coalition clearly asked to change policies in the direction of 'collectivism', after the defeat of 1964, how to change policy to prepare for the next election was not clear among not only party members, but also party leaders. Thus, Mr. Maudling, one of the Shadow Cabinet member at that time, said, "the real problem was that whereas there was general acceptance of the need for changes [after thirteen years in government] there was not general agreement about the

40 Young, *Sir Alec Douglas-Home*, p. 208. Many reasons were proposed, such as if Macleod and Powell, influential party leaders at that time, had not defected; if Sir Alec had not espoused the abolition of resale price maintenance; if there had been no economic downturn; if some Cabinet colleagues had exerted themselves more wholeheartedly. The party leader, Alec Home, thought that thirteen years[in government] was just too much and the public was a bit bored.
nature of the change that was needed."\textsuperscript{41} This environment also protected the dominant coalition's freedom in changing policies from the pressure of party activists and supporters.

4.2. Little Pressure From Government's Performance

As explained, strong environmental pressure, which forces the opposition party to make policies in a certain direction, is likely to appear when the government's performance was very successful or very unsuccessful in solving urgent problems. However, as described in the theoretical section of chapter 2, when the government's performance is somewhat successful or unsuccessful, especially compared to the performance of the last government, when the opposition party was in power, it is not likely to create a strong environment. The factor that makes a difference in strong environment and a weak one is whether a larger portion of people is likely to support the alternative approach proposed by the opposition party, withdrawing their support for the approach employed by the current government. A detailed explanation of each case follows.

When the government, which employs certain solutions, is clearly unsuccessful in solving urgent problems, the opposition party is naturally pushed to strongly propose the solution, normally very different from one used by the current government in its direction, to attract voters because the people, who saw unsuccessful government's performance, are likely to prefer

\begin{verbatim}
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a different solving approach (demonstrated in chapter 3). The opposition party necessarily uses this opportunity by proposing an alternative solution.

When the government, using a certain solving approach, was very successful in solving urgent problems, the opposition party is forced to propose a similar solving approach. The reason is as follows: when the government is successful, the people strongly approve of the solution it used. It is, therefore, hardly expected that the people would favor and pay much attention to an alternative approach, quite different from the government's, suggested by the opposition party. In this situation, the opposition party can propose a similar solution to the government's, to share part of, or to neutralize people's support for, the successful solving approach of the governing party, despite the fact that this action is clearly a sign of approving of the government's performance.

When the government was only somewhat successful or unsuccessful, as compared with the performance of the current opposition party when it was in government, the portion of people who may possibly change their mind to support an alternative solution suggested by the opposition party should be quite smaller than under the strong environment. The reason is that a larger portion of people is likely to feel that the performance of the current government is not so disappointing and also has no confidence that alternative policies suggested by the opposition party bring better results. In this case, the government's performance creates only weak environment for policy changes. Under the weak environment, if policies of the opposition party change, the changes would be not because of environment, but because of some other factors, such as the dominant coalition's preferred value.
The following section is a demonstration that the Labour government's performance was only somewhat successful when major changes occurred in four urgent socio-economic policies of the Conservative Party of 1964-70. It, thus, attempts to show that the Labour government's performance did not have a significant effect on the Conservative policy changes. The demonstration employs official statistics and people's opinions about government's performance in each policy. The reason to do this is that a political party's reactions, including the political leader, are always based on not only facts about a situation, but also facts about people's opinion of those situations. Evidence about the Conservative Party's reaction to the government's performance is sought in its publications, its leaders' speeches, and newspapers.

4.1.1. Government's Performance in Economic Affairs

Economic affairs is a term which includes a number of specific policies in it. During 1964-70, direct evidence about what people thought to be the most crucial specific issues in economic affairs was not available. However, manifestos and party publications of both the Labour Party and the Conservative Party showed that the rate of economic development, unemployment rates, and prices were the most debated economic issues in the election between the two major parties. These three specific economic issues are stressed in both parties' 1964, 1966, and 1970 manifestos. Below

are descriptions of the government's performance in each of three policies, starting with the government's performance with respect to employment.

**Unemployment**

The Labour government's performance in the issue of unemployment during 1964-70 had a threshold. The unemployment rate under the Labour government during the years of 1964 and 1965, as seen in Table 4.4, was less than 1.5 percent which was similar to rates in most years of 1951-64 under the Conservative government.

Table 4.4: Unemployment Rates in the Great Britain, 1956-70

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<tbody>
<tr>
<td>Rate</td>
<td>0.9</td>
<td>1.0</td>
<td>1.8</td>
<td>2.1</td>
<td>1.4</td>
<td>1.3</td>
<td>1.1</td>
<td>2.2</td>
<td>2.2</td>
<td>2.4</td>
</tr>
</tbody>
</table>

*Under the Conservative Government

Thus, the government's performance in this period was quite similar to the period under the previous Conservative government. However, during 1967-70, the rates were 2.1 percent-2.4 percent, somewhat higher than the Conservative government; then, it could be said that after 1967, the Labour government's performance became worse than in previous years. In fact,
because of the worsened Labour government's performance after 1967, the Chancellor at that time, Mr. Callaghan, was removed from the Treasury.43

The point we should pay attention to here is that major changes in economic policies of the Conservative Party in the direction of 'individualism', as described in section 3 of this chapter, occurred in the first part of the threshold, when the Labour government used 'collectivism' as a solving method and its performance was as good as the previous Conservative government. Therefore, it was almost certain that those policy changes of the Conservative Party during 1964 and 1965 were not a reaction to bad government performance.

**Economic Growth**

Economic growth is the process by which an economy's capability for production is expanded over the years.45 Since it is usually asserted that a higher living standard and a fair chance in life for everyone can only be achieved with a strong, efficient, and expanding economy,46 its rate is always one of essential indicators of the government's economic performance.

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44 As it has been, the Labour government's employment policy during 1964-70 also had clearly been in the direction of 'collectivism', promising full employment with maximum government intervention. As evidence, during this period, percentage increases in public expenditure over previous years, a usual indicator of government intervention, were +3.8 (1964-65), +5.9 (1965-66), +5.7 (1966-1967), and +13.1 (1967-68).

Table 4.5: Growth of gross domestic product (GDP): United Kingdom (percent)

<table>
<thead>
<tr>
<th>Year</th>
<th>GDP Growth (percent)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1951-55*</td>
<td>2.8</td>
</tr>
<tr>
<td>1955-60*</td>
<td>2.5</td>
</tr>
<tr>
<td>1960-64*</td>
<td>3.1</td>
</tr>
<tr>
<td>1964</td>
<td>4.1</td>
</tr>
<tr>
<td>1965</td>
<td>2.2</td>
</tr>
<tr>
<td>1966</td>
<td>2.1</td>
</tr>
<tr>
<td>1967</td>
<td>2.9</td>
</tr>
<tr>
<td>1968-73</td>
<td>2.1</td>
</tr>
</tbody>
</table>


In terms of GDP growth, the Labour Government's performance in economic growth during 1964-1970 was somewhat unsatisfactory, in comparison with previous years under the Conservative Party. As seen in Table 4.5, except for the two years of 1964 (4.1) and 1967 (2.9), in most years under the Labour government of 1964-70 growth rates were less than 2.5 percent, which was lower than 2.5-3.1 percent of growth rates under the Conservative government of 1951-64.

The problem is that in 1964, when the Labour government showed good performance in economic growth by using policies in the direction of 'collectivism' or 'socialism', the Conservative Party's review to change its economic policies began and policies changed in the direction of 'individualism'.

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in the next year. It meant that those policy changes were little affected by the government's performance; they are due to the preference of the dominant coalition, as explained in section 5 of this chapter. If such policy changes were influenced by the government's performance in 1964, they must be changed in the direction of 'collectivism', to appeal to and to share voters supporting the government's performance.

**Prices**

Prices are always a major concern to the electorate, because high inflation substantially deteriorates the standard of living of all kinds of people, especially those whose income are fixed, such as people relying on past savings. Fast growing prices are also likely to discourage savings, which are bases of investments. As a result, it has a bad effect on economic growth, in which savings play an important role.

The Labour government of 1964-70 certainly did not perform very well in keeping prices down as compared with previous Conservative governments. Table 4.6 shows that under the Labour government of 1964-70, inflation had been between 2.4 percent and 6.4 percent, which was clearly more than between 1.4 percent and 4.2 percent under the Conservative government of 1959-64.

Particularly for the years of 1964 and 1965 when the Conservative government changed in its economic policies, the Labour government's performance in price was worse. At this period inflation was comparatively high, 4.8 percent and 3.9 percent each (Table 4.6). It is possible that
economic policy changes of the Conservative Party were influenced by the Labour government's record on inflation.

Table 4.6: Percentage increases in retail price index (RPI) over previous years 1959-70

<table>
<thead>
<tr>
<th>Year *</th>
<th>Percentage Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>1959</td>
<td>1 %</td>
</tr>
<tr>
<td>1960</td>
<td>3.4 %</td>
</tr>
<tr>
<td>1961</td>
<td>4.2 %</td>
</tr>
<tr>
<td>1962</td>
<td>2.0 %</td>
</tr>
<tr>
<td>1963</td>
<td>3.2 %</td>
</tr>
<tr>
<td>1964</td>
<td>4.8 %</td>
</tr>
<tr>
<td>1965</td>
<td>3.9 %</td>
</tr>
<tr>
<td>1966</td>
<td>2.4 %</td>
</tr>
<tr>
<td>1967</td>
<td>4.8 %</td>
</tr>
<tr>
<td>1968</td>
<td>5.4 %</td>
</tr>
<tr>
<td>1969</td>
<td>6.3 %</td>
</tr>
</tbody>
</table>

*Under Conservative Government
(Source: Annual Abstract of Statistics and Economic Trends)

Public Opinion

The Labour government's performances on three specific issues of economic affairs during 1964-70 have been described. Generally speaking, during the years of 1964 and 1965, it was at least as good as the previous Conservative government's performance, while after 1967, it had become worse.
Table 4.7: Approving the government's handling of economic affairs 1963-70

<table>
<thead>
<tr>
<th>Date</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aug. 1963*</td>
<td>47 %</td>
</tr>
<tr>
<td>July 1964*</td>
<td>54 %</td>
</tr>
<tr>
<td>Oct. 1965</td>
<td>54 %</td>
</tr>
<tr>
<td>Mar. 1967</td>
<td>41 %</td>
</tr>
<tr>
<td>July 1968</td>
<td>18 %</td>
</tr>
<tr>
<td>Mar. 1969</td>
<td>18 %</td>
</tr>
<tr>
<td>May. 1970</td>
<td>38 %</td>
</tr>
</tbody>
</table>

*under the Conservative government (Source: Gallup Political Index, 1964-70)

This trend was exactly reflected in public opinions. As Table 4.7 presents, during the years of 1964 and 1965, more than 50 percent of people approved of the way the government handled the problem of economic affairs, while after 1967, 18-41 percent of people approved. Thus, William Rees-Mogg, a political journalist, said about an atmosphere in 1965: "the [Labour] government has passed into a new phase of popularity. Mr. Wilson has succeeded at least for the moment."47

Again, the problem here is that for the years of 1964 and 1965 when the public opinion poll was still very supportive for the Labour government, which used economic policies in the direction of 'collectivism', as much as for the previous Conservative government, the Conservative Policies turned to 'individualism.' This turn demonstrated that changes in economic policies of the Conservative Party were not affected by the environment surrounding the

47 The Times (17 October 1965) p. 12.
British economy, particularly the government's performance. In other words, at this period such environment was remarkably neither very successful nor very unsuccessful; as a result, it could not influence the economic policy changes of the Conservative Party.

4.2.2. Government's performance in Labour Relations

Originally, labour relations means relationship between only labour unions and employers. However, labor relations in Britain nowadays has become an idea that includes government in addition to labor unions and employers. The reason is that since bad labour relations, which usually result in various kinds of strikes, have severe adverse effects on the national economy (such as severely impaired productivity, huge lay-offs and workshop closure), government intervenes to prevent the negative effects of bad labour relations.

Frequent involvement of the British government in labour relations makes the people think that government is mainly responsible for good or bad labour relations. Thus, labour relations sometimes become an important part of the criteria to evaluate general government performance.

The years of 1964-70 were when, as described in section 2 of this chapter, labour relations were believed to be one of the urgent issues the government must solve. Political parties, which had to respond to public opinion, also regarded labour relations as one of their top issues. The Conservative Party's first publication after the defeat in 1964, *Putting Britain Right Ahead* (1965), for instance, included the issue of labour relations among the five problems which required new policies and energetic action: "trade unions'
responsibilities redefined and restrictive labour practice eliminated... pointless strikes weaken our efficiency."^4^8

While labor relations was one of the crucial issues to the people as well as political parties, the Labour government's performance did not create such a strong environment, especially when major changes in Conservative policies took place. The reason was that the Labour government's performance in the issue of labour relations was not quite different from the performance of the previous Conservative government which had been approved by almost half of the people. Therefore, the government's performance was not a factor to push the labour relation policy of the Conservative Party in a certain direction. In other words, Conservative labour policy changes during 1964-70 were not affected by the Labour government's performance at that time. Following are more specific explanations.

Just as in economic affairs, the Labour government's performance in labour relations during 1964-70 had a clear threshold. In terms of government statistics seen in Table 4.8 (above), the Labour government's performance for 1964-67 was not much different from, or slightly better than, the previous Conservative government's between 1960-1964. In detail, differences in the number of industrial stoppages, numbers of workers involved and days lost between two periods, was less than 1,000, 300,000,

^4^8 Ibid, pp.7 and 11. During this period, unlike the Conservative Party, the Labour Party did not mention labour relations in its publications, especially in its election manifestos. The reason was because the Labour Party, dominated by the trade union, could not suggest anything about the balance of power between union and employers. The balance had been swung so far in the favor of trade unions that there was need of some action to redress the balance. For more details, see Derek Robinson, "Labour Market Policies," The Labour Government's Economic Record: 1964-1970, pp. 317-18.
and 1,000 each, except in the year of 1962. However, the Labour government's performance of 1968-70 in labour relations was much worse than in the previous eight years. For example, as seen in Table 4.8, as compared with numbers of 1961, up to 1970, the number of stoppages per year increased as much as almost two times, the number of workers 2.5 times, and the number of working days lost more than 3 times.

This threshold was exactly reflected in the Gallup public opinion poll. As seen in Table 4.9, percentages of approvals of the government's performance in Labour relations by the people for 1963, 1964, and 1966 were 39 percent, 46 percent and 45 percent each, which were twice as high as 21 percent, 21 percent and 17 percent as for 1968-70.
A point we should note here again is that major changes in the policy of labour relations of the Conservative Party were made in the first half of the threshold, more specifically during 1964 and 1965, when the Labour government's performance was little different from previous years under the Conservative government, and was still approved by almost half of the people. It meant that those policy changes did not react to the Labour government's performance. As evidence, while, with almost no exception, policy publications of the opposition party begin by criticizing the performance and policies of the government party and then propose new alternatives, two publications of the Conservative Party, *Putting Britain Right Ahead* (1965) and the 1966 Conservative election manifesto, which presented major changes in labour relations, did not mention anything about the Labour government's performance in labor relations and its policy by only proposing policies in the direction of 'individualism'. In other words, little significant change in government's performance did not create an environment which pressed the opposition party to change policies in a certain direction. It means that changes in labour relation policies of the Conservative Party were

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49 In these publications, general and abstract criticism on overall performance of the Labour government by the Conservative Party was seen, but very specific evaluation of and attack was not found.
managed by factors other than the Labour government's performance. The other factor is the dominant coalition and its members' value about policies, which are explained in section 5 in detail.

4.2.3. Government's performance in Housing

Since old and slummed houses should be replaced by new ones for a better life for the people, the issue of housing, especially building new houses, has always been a major concern of the British people. The years of 1964-70 under the Labour government were particular in that in addition to the problem of old and slummed houses, the influx of a significant number of Commonwealth immigrants, up to 2 percent of the total population (from the underdeveloped countries since the end of 1950s) made the housing problem even more serious. For this reason, the Labour Party in government stated in its 1970 election manifesto, "Housing has been and will continue to be a main priority of labour's social policy."

During 1964-70, however, as the issues of economic affairs and labour relations, the Labour government record was not very different from that of the previous Conservative government, namely, neither far better, nor even

50 The importance of the housing problem to could be seen in statements in the Conservative Party Conference. For example, Mr. J. Boyd Carpenter, spokesman on housing and land, said, "housing was one of the things about which people really cared" at 1965 annual conference, in the Times (14 October 1965) p. 9. For more various statements about housing, which showed the importance of housing to people, see the same page.

less, in terms of public opinion and official statistics, particularly when major Conservative policy changes were made in 1964 and 1965. Thus, it did not generate strong environment and it could not be a significant factor to determine changes in Conservative housing policies. Following are detailed explanations.

The Labour government's performance in building new houses was slightly better than that of the previous Conservative government, especially during the period from the end of 1964 to the end of 1965, when major Conservative policy changes in housing were made in the direction of 'practicalism', which emphasized efficiency in the process of building houses. Generally speaking, the Labour government performance in housing since 1965 was much better than the Conservative government before 1964, as Table 4.10 shows. However, the number of permanent houses completed increased by 8,000 from 383,000 in 1964 under the Conservative government, to 391,000 in 1965 under the Labour government.

Table 4.10: Number of Permanent Houses Completed in the United Kingdom, 1954-1970

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>278</td>
<td>304</td>
<td>307</td>
<td>383</td>
<td>391</td>
<td>396</td>
<td>415</td>
<td>425</td>
<td>378</td>
<td>362</td>
<td></td>
</tr>
</tbody>
</table>

* means under the Conservative Government

5 2 The 1964 election was held in October 15. In fact, the Labour government began at the end of October. Then, since most of the months of 1964 was under the Conservative government, the number of houses built in 1964 was treated as the Conservative government's performance.
The Labour government's performance in housing in terms of official statistics was exactly mirrored by the public opinion polls. The Gallup opinion poll in Table 4.11 shows that the percentage of approvals for the Labour government's performance in housing in 1965 was slightly higher (47 percent) than that under the previous Conservative government (41 percent and 45 percent).

Table 4.11: Percentages of approving the way of the government's handling of housing problem 1963-70

<table>
<thead>
<tr>
<th>Year</th>
<th>Aug 63*</th>
<th>Aug 64*</th>
<th>May 65</th>
<th>July 68</th>
<th>Mar. 69</th>
<th>May 70</th>
</tr>
</thead>
<tbody>
<tr>
<td>( %)</td>
<td>41 %</td>
<td>45 %</td>
<td>47 %</td>
<td>39 %</td>
<td>36 %</td>
<td>39 %</td>
</tr>
</tbody>
</table>

*under the Conservative government (Source: Gallup Political Index, 1964-70)

This Labour government's performance was not necessarily a condition which significantly influenced the Conservative policy changes in housing. One evidence for this argument was the absence of criticism by the Conservative Party on the Labour government's performance in housing for the years of 1964 and 1965, when the Conservatives changed policies. It is always true that when the Conservative Party has found even very tiny mistakes in Labour government's performance in building houses, it has criticized the mistake and has made a proposal based on that criticism. However, 1965 and 1966

53 For example, the Conservative Party criticized the Labour government's performance in its 1970 election manifesto when the Labour government failed to keep its promise to build 500,000 by 1969/1970, despite the fact that the Labour government's performance in building housing was still better than that under the Conservative government. For this, see, *A Better Tomorrow*, in Craig, ed., *British General Election Manifestos, 1959-1987*, p. 122.
Conservative publications did not include any criticism of the Labour government's performance in housing.\textsuperscript{54} It meant that policy changes in the issue of housing by the Conservative Party during 1965 and 1966 were not affected by, and did not react to, the Labour government's performance.

4.2.4. Government's performance in Pensions

Pensions here are one kind of various social services, such as national insurance, supplementary benefits, and family allowances provided by the government. Their main aim is to reduce inequality in living standards between families by providing money for families, whose income is low due to old age, unemployment, sickness, and so on.

Since pensions are drawn from public expenditure, two different parties are involved in them: one who mainly pays pensions through tax, and the other, who receives pensions by paying little tax. Therefore, an evaluation of a certain government's performance in pension policies is likely to differ, depending on who evaluates the performance. The people or families who mainly pay for pensions would not favor too much public expenditure for pensions; the beneficiary would prefer high growth in pensions.

There is, however, a basic criterion, agreed by the British people and political parties, for judging a government's performance in pension policies. The criterion is whether pension benefits fall below the minimum level of human needs. Thus, an opposition party's criticism on the government's social security policies, including pension policies, often starts with the fact that the

\textsuperscript{54} See Putting Britain Right Ahead, p. 15; Action Not Words, in Craig, ed., British General Election Manifestos, 1959-1987, p. 76.
beneficiary lived below the basic human's needs under the current government, and promises to implement new and improved policies when it returns to power. For example, the 1964 Labour election manifesto stated, "Social security benefits--retirement and widow's pension, sickness and unemployment pay--have been allowed to fall below minimum levels of human needs [under the Conservative government]...Labour will reconstruct our social security system..."\textsuperscript{55}

To sustain the minimum level of human need or to improve it, the growth rate in pensions should be faster than that of price. In fact, the governing party always presents faster increase in pensions than the price as its major achievement in social welfare policies. An example is a statement in the 1964 Conservative election manifesto after 14 years in government: "Under Conservatism the value of social security has outpaced both prices.....Under socialism they were eaten away by inflation"\textsuperscript{56}

However, growth rates of pensions in comparison with that of prices, unfortunately, could not be a criterion here, because pensions outpaced prices under the Labour government. As evidence, Table 4.12 shows that, as under the previous Conservative government, under the current Labour government, too, the average rates in unemployment, sickness, widow, and old age pensions went from almost twice to almost six times as fast as the rate of inflation. Then, the Labour government's performance in pensions could be


said to be well done as much as the previous Conservative government in term of one criterion, namely, whether the growth rates in pension surpass the speed of inflation.

**Table 4.12: averages of growth rates in price and old, sick person, Unemployment and widow pensions per year in two periods of 1959-64 and 1964-70**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Price</td>
<td>3.1 %</td>
<td>4.6 %</td>
</tr>
<tr>
<td>Unemployment Pensions</td>
<td>12.5 %</td>
<td>24.5 %</td>
</tr>
<tr>
<td>Sickness Pensions</td>
<td>7.4 %</td>
<td>11.9 %</td>
</tr>
<tr>
<td>Widow Pensions</td>
<td>10.7 %</td>
<td>7.6 %</td>
</tr>
<tr>
<td>Old Age Pensions</td>
<td>missing</td>
<td>12.8 %</td>
</tr>
</tbody>
</table>

* means under the Conservative Government

The above description means that the Labour government's performance in pensions was successful in terms of one criterion. However, faster growth rates of pension than prices are only a condition of a successful government's performance. Another essential condition is how many people like or dislike the growth speed of pensions made by the government. For instance, although the growth rate of pensions is much higher than the speed of price hike, the government's performance should be judged unsuccessful, if more than an absolute majority of people, who pay for pensions, thought that the growth rate of pensions is too fast and the accompanying tax increase is too much of a burden to them. It is a real criterion of the government's performance and can be known by the public opinion poll.
In terms of public opinion poll, the Labour government's performance in pensions during 1964-70 has a threshold as do cases of economic affairs and labour relations. As Table 4.13 shows, between 1964-1966, 43-46 percent of people approved of government's performance in pensions, which was somewhat higher than 39-41 percent of 1963 and early 1964 under the previous Conservative government. In the meantime, between 1968 and 1970, people's approval was 34-39 percent, which was 6.9 percent lower than those of 1964-66.

Table 4.13: Percent Approving of the Government's Handling the Pension Problem 1963-70.

<table>
<thead>
<tr>
<th>Year</th>
<th>July 63*</th>
<th>Jan.64*</th>
<th>Aug.64*</th>
<th>Dec.64</th>
<th>Apr.66</th>
<th>July 68</th>
<th>Mar.69</th>
<th>May 70</th>
</tr>
</thead>
<tbody>
<tr>
<td>(%)</td>
<td>41%</td>
<td>44%</td>
<td>39%</td>
<td>43%</td>
<td>46%</td>
<td>34%</td>
<td>38%</td>
<td>39%</td>
</tr>
</tbody>
</table>

*under the Conservative government. (Source: Gallup Political Index, 1964-70)

The point we should note is that major policy changes in pensions during 1964-70 were made the first part of threshold, between 1964 and 1966, when government's performance in pensions was only slightly better than that of the previous Conservative government. As explained before, slightly better the government performance than before creates only a weak government. It is not only not disapproved or criticized by the opposition party as a bad performance, but also not regarded as success. Evidence is found in that the 1966 election manifesto included no criticism or statement on the Labour government's performance, except it proposed a new strategy in social
security, including pensions. If the Labour government's performance in pensions was less than successful, the Conservative manifesto would criticize the Labour government's performance and use it as base for making its new proposal persuasive. In other words, the Labour government's performance in pensions was never a strong environment that compelled the opposition party to make policies in a certain direction. Therefore, major policy changes in pensions by the Conservative Party during 1964-1970 were not directed by the environment.

5. Cohesive Dominant Coalition as a Major Cause of the Conservative Policy Changes during 1964-70

So far, explanations have been made that during the years of 1964-70 pressure from environments in four socio-economic policies measured in terms of the effect of the electoral defeat and government's performance was very weak. This environment certainly allowed much more freedom for the dominant coalition of the Conservative Party to play a big role in policy changes than a very strong environment. It is, however, not true that under a weak environment any kind of dominant coalition automatically plays a predominant role. How commanding the dominant coalition is in changing policies depends on various relationships between leaders in the dominant coalition and the balance of power between the dominant coalition and minor tendencies in the party.

A dominant coalition of a party, as described in the theoretical section of Chapter II, is predominant in changing policies, when the following three conditions are satisfied. The first is when the most influential leaders of the party are included in the dominant coalition, while the minority tendencies do not have such leaders. It can effectively resist challenge from the minority tendencies in the process of changing policies. The second condition is when members of the dominant coalition are not quite different in value from one another. In this case, they can easily change their party's established policies in the certain direction based on their similarity in values in policies, without much conflict among themselves. Particularly, the dominant coalition can be very powerful in policy-making, when the party leader has similar values with a member of the dominant coalition who controls major policy organs of the party. The most powerful dominant coalition in changing policies might be found when policy-making power is concentrated in the hand of a member of the dominant coalition. Two specific examples are given. The first example is when the party leader directly controls the major policy organs as a head of them. The second is when the party leader has little knowledge of issues. Then, a member of the dominant coalition, who is in charge of policy organs, can dominate the policy-making power.

The following is a demonstration that major Conservative policy changes in the issues of economic affairs, labour relations, housing, and pensions during 1964-65 were due to the strong dominant coalition, which satisfied all three conditions mentioned above. First of all, between 1964-65, when major policy changes were initiated and completed, the dominant coalition of the Conservative Party was relatively strong against minority tendencies, because
it included almost all influential senior party leaders in it. In detail, the Conservative Party is a highly disciplined one, in which back-bench M.P.s rarely challenge the senior leaders. Thus, if the dominant coalition included most of the senior leaders of the party, it was in a strong position in changing policy without worrying about criticism from back-bench M.P.s. After the electoral defeat, the Conservative Party included all prominent figures in its Shadow Cabinet. Under the party leadership of Sir Alec Douglas-Homes (October 1964-July 1965), all prominent leaders, such as Epoch Powell, Ian Macleod, Edward Heath and R.A. Butler, who have established themselves over a considerable period of years as the party's senior figure, served for the Shadow Cabinet. Under the party leadership of Edward Heath, who became a leader at the first-ever election leadership in July 1965, all prominent figures, including the former party leader, Sir Alec, were still in the Shadow Cabinet. Thus, the only change in the dominant coalition between before and after July 1965 was that Edward Heath, the former Shadow Cabinet member, became the party leader, and Sir Alec Homes, the former party leader, served Edward Heath as a Shadow Cabinet member.

Second, in addition to the strong dominant coalition, the policy-changing power, in economic affairs, labour relations, housing, and pensions was concentrated in one of the senior party leaders, Edward Heath, since the

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59 For the lists of shadow cabinet members under Edward Heath and Sir Alec Homes, see David Butler and Gareth Butler, British Political Facts, 1900-1985, 6th ed., p. 138.
1964 defeat. Explanations for this should be slightly different from each other in two short separated periods: one is a period from October 1964 to July 1965 when Sir Alec was the party leader and Heath was a Shadow Chancellor and the chairman of The Advisory Committee on Policy (Hereafter, ACP): and the other is a period of after July 1965, when Heath was a newly-elected party leader and, at the same time, a chairman of the ACP.

Explanations have to begin with Heath's status related to policy-making power in his party. Within a few days after the party lost office, Edward Heath controlled the entire policy apparatus. The ACP, which was composed of some 30 specific policy groups and included M.P.s, officials of Central of Office and or the Research Department, and representatives of the National Union, was taken over by Heath from R. A. Butler, who had dominated the Conservative policy-making since the war. Although Heath did not also succeed Butler as Chairman of the Research Department, (another Conservative major policy organ whose chairman position was not formally filled at all during 1964-70), he was in charge of it.

The power of Heath as head of policy organs is as follows. First, he had the authority to enlist the help of M.P.s, business and professional people and some sympathetic academics, for specific policy groups of the ACP, which the Research Department staffs serviced. Second, he was responsible for

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coordination among policy groups. Third, he also directed the policy review from the start and every piece of paper the study group produced went first to Heath as chairman of the ACP. By possessing this power to recruit personnel, to control interaction between policy groups, and to set the direction of policies, Heath was certainly in the position to dominate the policies, if the party leader permitted it.

For the period from October 1964 to July 1965 under the party leadership of Sir Alec, Heath's exclusive power in changing policies of four urgent issues was largely due to Sir Alec's lack of interest in, and knowledge of, domestic policies. Had the party leader, Sir Alec, been interested in, and knowledgeable about, socio-economic policies, Heath would not have been so powerful, despite being in charge of major policy organs of the Conservative Party at that time. It is always beyond doubt that the party leader could be a focal point in changing policies if he wanted. However, Sir Alec not only was not interested in, but also did not have knowledge of, domestic policies, including socio-economic policies. His whole background and departmental experience were confined to foreign and Commonwealth affairs, and encouraged his disinterest and inability in domestic politics. As evidence to


64 Ibid.

65 Ibid.

66 Sir Alec worked as Secretary of state for Commonwealth Relations Office from 1955-1960 and was a Foreign Secretary from 1960 until 1963 when he became the prime minister.
support this argument, Sir Alec reflected himself later that at that time [around 1964-65] he had such a vast amount to learn of the unfamiliar domestic situation, he relied too heavily on speeches written by others and on the ideas and concepts that were demonstrably not his own. For this reason, all power of changing policies was in the hand of Edward Heath, who had considerable experience in domestic policies as a former minister of Labour and Secretary for Industry, Trade, and Regional Development. One evidence for the exclusive power of Edward Heath in domestic policy-making is found in the fact that, although in 1965 Reginald Maudling was Deputy Leader of the Party, he did not have access to the reports on policy that were produced for the ACP under Heath's chairmanship. It means that there is no doubt that Heath realized the opportunity his position gave him to gather all the threads of party thinking into his own hands, and he exploited it to the full. In fact, it was not secret even to newspapers that Edward Heath drafted policies even under the leadership of Sir Alec Homes. For example, *The Times* stated, "The policy statement [Putting Britain Right Ahead], drafted by Mr. Heath, has been based on interim reports from more than 30 party study groups at the end of the first six months [when Sir Alec

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68 Heath was a Minister of Labour in 1959-60 and a Secretary of Industry, Trade and Regional Development in 1963-64.


Homes was the party leader of their work. The Shadow Cabinet has been considering the draft since early September of 1965, and the published document carries their general approval.\textsuperscript{71}

In July 1965, Edward Heath became an opposition party leader through the first-ever election for the party leader in the history of the Conservative Party.\textsuperscript{72} However, he still retained the chairmanship of the ACP until 1968 and did not appoint a chairman for the Research Department until 1970. Thus, Heath achieved almost a monopoly of authority and power in changing policies in the Conservative Party.

Heath's monopoly of power in policy-making allowed Conservative policies to be changed not according to people's and party members' views, but according to his personal values and judgment about situations. Evidence is found in his statement, in the forward of \textit{Putting Britain Right Ahead} (1965): "What we are more concerned to do now is to point a practical way out of the present frustrations and difficulties in which this country has become embroiled..."\textsuperscript{73} As seen in section 3, economic conditions during the years of 1964 and 1965 were not so bad, and could be not be called a crisis, because it was better under the former Conservative government in terms of public

\textsuperscript{71} \textit{The Times} (7 October 1975) p. 12.

\textsuperscript{72} The Conservative Party leader has never been selected by neither ballot nor any formal contest of any kind before 1965. He had emerged following private consultations within the party hierarchy. For an excellent description for the method to select the Conservative Party leader before the new method of 1965, see Randolph Churchill, \textit{The Fight for The Tory Leadership} (Boston: Houghton Mifflin Company, 1964). However, since 1965, the party leader has been elected by Conservative M.P.s.

\textsuperscript{73} \textit{Putting Britain Right Ahead}, p.3.
opinion poll and official statistics. Few other Conservative politicians except Heath indicated there was a big problem in the British economy during the years of 1964 and 1965. In fact, until almost the end of 1964, the Conservative Party clearly argued that the economic condition was very sound, by saying, "In thirteen years (1951-64) of Conservative government, the living standards of the British people have improved more than in the whole of the previous half-century...Over 98 percent are in jobs....Rising incomes and lower taxes have made possible a spectacular increase in spending on the essentials..." in the 1964 election manifesto, published in October.\(^7\)\(^4\) It is hard to believe that such a sound economy is called a crisis a year later. In sum, Heath's evaluation of the current economic condition was quite subjective and different from other party members', but it appeared in the foreword of the main party publication (Putting Britain Right Ahead) of the Conservative Party in opposition during 1964-70. Policies were made based on his evaluation of the national economy. Thus, it strongly implied that Edward Heath had dominant power in policy-making.

Another evidence that Heath dominated policy changes during 1964-70 is also seen in his statement in Putting Britain Right Ahead, "And yet if what we have to say dealt with the present crisis situation [in Economy], it would not be enough. Putting Britain Right Ahead is not just the recipe for the hour. A clear picture of the kind of future we want to see is needed."\(^7\)\(^5\) This


\(^7\)\(^5\) Putting Britain Right Ahead, p.3. In retrospect, Heath's conviction was right. In fact, after 1967, the British Economy started on the downward path.
statement clearly indicated that policy changes made under the control of Heath were not only just for solving current problems, but also for preparing for the future problem. A prediction of what would happen in the future is certainly subjective matters, especially during 1964-65, when the British economy was in a condition of neither improved nor worsened; thus, it was certainly hard to anticipate the future economic trend. It also implied that policy changes during 1964-70 were not affected by party members' view, but by Heath's view.

Heath's personal judgment about economic situation directed the Conservative policy changes in economic affairs and labour relations throughout 1964-70. As Lindsay and Harrington correctly indicated, Heath's deepest conviction was that Britain was going downhill.\textsuperscript{76} In fact, this conviction of Heath was implied when he alone defined the British economic condition of 1964-65 as a crisis. It was also seen in another statement, "I [Heath] know that we shall inherit from the Labour government a weak economic position."\textsuperscript{77} The method suggested by Heath to get out of crisis was to push economic policy in the direction of 'individualism'. In detail, he did not believe that any policy in the direction 'collectivism' or 'socialism' was the proper method to escape from economic crisis, by a statement, "Planning and preaching [by the government] are not enough [for getting prosperity]."\textsuperscript{78}

\textsuperscript{76} Lindsay, \textit{The Conservative Party 1919-1970}, p. 244.

\textsuperscript{77} \textit{Action Not Words}, in Craig, ed., \textit{British General Election Manifestos, 1959-1987}, p. 70

\textsuperscript{78} \textit{Putting Britain Right Ahead}, p.7.
He confirmed this in the foreword of the 1966 manifesto, which was an exact reflection of *Putting Britain Right Ahead*, by saying, "I am determined to break away from the growing constraint of Socialism." He believed that 'individualism' was a proper method to solve economic crisis. It explained the Conservative policy changes in economic affairs and labour relations, as described in detail in section 2 of this chapter, from so-called 'mixed economy' to 'individualism' between 1964-70, especially during the years of 1964-65.

Two reasons explain the unprecedented stress of the Conservative Party under Heath on 'efficiency' in housing and pension policies, described in detail in the section 2 of this chapter. The first one is the effect of its economic policies in the direction of 'individualism' on housing and pension policies. Heath made it clear that his prime concern was with economic policies through 1964-70, with his statements, "I intend to give first priority to the management of our economy" and "Our first and foremost priority, overriding all others, must be to put our economic affairs in order." As described before, his economic policies were in the direction of 'individualism' and the core method of policies was reducing direct tax to give more incentives to individuals with more savings and to create a competitive condition for industries with more freedom of action. Reducing taxation necessarily means controlling state spending. Diminished state spending


80 Ibid.

81 Make Life Better, p.5.
naturally leads to lower public expenditure on social policies controlled by the government, including pensions and housing policies. Strategically, political parties in a democratic system proclaim reduction of the government spending for social policies only at the risk of losing support from beneficiary of social services in the next election. A usual tactic to avoid this risk is to stress 'efficiency'. More specifically, in an effort not to irritate any section of the electorate\textsuperscript{82}, political parties propose a way to get the same or better result, despite less public expenditures. Thus, the Conservative Party promised building houses with newly developed methods in housing policy and promised meeting appropriately to changing and new needs to help those in need without mentioning curtailing government expenditure for housing and pensions.

The second reason is that Heath himself had strong faith in efficiency in solving urgent problems and thus, his preference for efficiency was reflected in housing and pension policies. The evidence to demonstrate that Heath was a believer in efficiency follows. As after the electoral defeat of 1945, most Conservatives believed that the party lost in 1964 because the party had shown signs of a lack of its ideas during its last years in office. However, unlike after the 1945 defeat, which led to abstract debates on Conservative ideology, Edward Heath chose to eschew a re-examination of the party's general aims and philosophy in favor of a detailed examination of specific areas of policy\textsuperscript{83} by 30 policy groups because of two practical purposes.

\textsuperscript{82} For example of this tactic, see Mark and Pear, \textit{How People Votes}, p. 139.

\textsuperscript{83} Butler and King, \textit{The British General Election of 1966}, p. 59.
One was that debate on philosophy could probably divide the party; the other was that a detailed examination produced any positive results for the coming election. In fact, Edward Heath's preference to 'efficiency' was seen in his statements in foreword of *Putting Britain Right Ahead*, such as "What we are more concerned to do now is to point to a practical way out of the present frustrations...It is only as the economy comes more efficient...and more productive." Thus, William Ree-Moggs, a journalist, stated, "the document *Putting Britain Right Ahead*..fit in well with the pragmatism."

6. Conclusion

After the 1964 defeat, policy changes of the Conservative Party in four urgent socio-economic issues (economic affairs, labour relations, housing, and pensions) have been explained by the power-control model. During this period, the cohesive dominant coalition under a weak environment had been a major source of policy changes of the Conservative Party during 1964-70. In detail, little pressure from environmental factors was due to unremarkable Labour government performance and narrow, anticipated defeat in the election. Under little pressure, the dominant coalition had huge freedom. Since the dominant coalition was very strong and cohesive during this period,

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85 *Putting Britain Right Ahead*, p.3.

86 *The Times* (10 October 1965). Edward Heath was criticized by the Conservative M.P.s after two defeats in 1974 (described in the next chapter), partly because of his advocating pragmatism. See *The Times* (10 November 1974) p. 16.
it controlled policy changes based on its own subjective interpretation or value.

After major policy changes of the Conservative Party during the years of 1964 and 1965, the party's policy remained unchanged until 1970, as described in section 2 of this chapter. Even another electoral defeat of 1966, a far more serious defeat than that of 1964, could not bring any changes. In detail, as presented in Table 4.14, the Conservative Party had 51 less seats and 1.5 percent less votes in the 1966 election than the 1964 election. The result allowed the Labour Party a comfortable majority in the Parliament.

Table 4.14: General election results of 1964 and 1966

<table>
<thead>
<tr>
<th></th>
<th>1964</th>
<th>1966</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>M.P.s Elected</td>
<td>% of votes</td>
</tr>
<tr>
<td>Conservative</td>
<td>304</td>
<td>43.4%</td>
</tr>
<tr>
<td>Labour</td>
<td>317</td>
<td>44.1%</td>
</tr>
<tr>
<td>Others</td>
<td>9</td>
<td>12.5%</td>
</tr>
</tbody>
</table>

(Source: Butler and Butler, British Political Facts, 1900-1985, 6th ed. p. 226)

However, after the defeat there were no changes in the dominant coalition and party policies. It implied that once a strong and cohesive dominant coalition is formed, it could resist somewhat strong environmental pressure.

After 1968, the dominant coalition was not under strong environmental pressure any more. The reason is that, as Heath predicted in 1964-65, the Labour government's performance in four urgent socio-economic policies started to deteriorate during 1968-70. Therefore, policy changes made based on Heath's prediction during the years of 1964 and 1965 were
perfectly fitted to environment pressure. Any more policy changes was not necessary.

If, during the years of 1964-70, the dominant coalition was not very strong against minority tendencies of the party or was not very cohesive, there would be a confrontation between opposing tendencies in policies. Then, it is highly possible that the Conservative policies would change in different ways from actual changes of 1964-70. In other words, when both pressure on the dominant coalition from environment and the dominant coalition are weak, party changes should turn out to be different from those of 1964-70. If they are really different, questions of what dominate policy changes and what kind of policy changes happen are raised. These are answered in Chapter 5, which explains policy changes of the Conservative Party in opposition between 1974 and 1979. During the period of 1974-79, the dominant coalition was weak and environment pressure was also not very strong.
CHAPTER V
Causes of Policy Changes During 1974-79

1. Introduction: Compromise Model

The Conservative Party won the 1970 election with socio-economic policies in the direction of 'individualism'. However, since 1972, when the British economy had deteriorated, its policies in government made a 'U-turn' to the direction of 'collectivism' in an effort to solve the economic problem more effectively.\(^1\) In the next general elections held in February, the Conservative Party won more votes than the Labour Party, but it gained less number of seats in the parliament with policies in the direction of 'collectivism,' Thus, it failed to stay in government. In another election in October 1974, the Conservative Party had less number of seats and votes than the Labour Party. Then, it again failed to return to the government.

After the Conservative Party's two consecutive failures in getting into the government, severe criticism was put on the party leader then, Edward Heath, because the Conservative Party had lost three out of four elections since 1965, when he became the leader. Thus, an election for a new party leader was held in February 1975. Margaret Thatcher, unexpectedly, was elected the new party leader, defeating Edward Heath, the former leader, and other senior leaders like William Whitelaw.

Under Margaret Thatcher’s leadership during 1974-79, major changes of socio-economic policies were highly expected. The reason is that Margaret Thatcher pledged to changing policies in the direction of 'individualism' in her platform for the leadership election, criticizing socio-economic policies in the direction of 'collectivism' under Edward Heath's leadership.²

However, changed policies under Margaret Thatcher’s leadership were not policies in the direction of 'individualism' as she committed. As explained in detail in section 3 of this chapter, they were a kind of hybrid located somewhere between the Conservative policies by 1972, that is, policies in the direction of 'individualism' that Margaret Thatcher pledged in the leadership election, and policies in 'collectivism' that Edward Heath favored, during the years of 1972-74.

Such compromised policy changes under Margaret Thatcher’s leadership, demonstrated in detail in section 5 of this chapter, were due to two factors. The first is weak pressure from the environment, measured in terms of party members' reaction to electoral defeats and people's reactions to government's performance. Pressure from two consecutive defeats in 1974 was very little on the dominant coalition, a group of leading and influential members of the Shadow Cabinet for the following reasons. The first defeat was unexpected but close; thus, it brought another election quickly 8 months later, which did not allow any criticism to work, and permitted only time to prepare for the next election. The second defeat was also close but expected; then, criticism was not substantial. Furthermore, such weak

² See The Times (12 February 1975) p.1; The Times (5 July 1977) p. 15.
criticism after the defeat was mainly concentrated on the party leader's (Edward Heath, who lost three of four elections during his tenure of leadership) record and personality, and not on the dominant coalition and its policies.

Pressure from the government's performance was not so great, either. While the electorate thought that the Labour government's performance in socio-economic policies was very poor during 1974-79, it was commonly recognized that the bad performance was because of rapidly deteriorated global economy and oil shock, and thus, it was beyond the control of the government, regardless of which party was in government. Thus, there was not much pressure on the dominant coalition about what kind of policies should be made.

Little pressure from the environment permitted a lot of freedom to the dominant coalition in changing policies. However, the dominant coalition under Margaret Thatcher was not strong and cohesive, because an influential former leader, Edward Heath, was outside the dominant coalition, sticking to policies in the direction of 'collectivism', and because several of Edward Heath's supporters also were in the Shadow Cabinet of Margaret Thatcher, who intended to make policies in the direction of 'individualism', still arguing for policies in the direction of 'collectivism'.

The main argument in this chapter is that a fragmented and weak dominant coalition under weak environmental pressure changed policies which were not disagreed on by both conflicting tendencies within the dominant coalition, not to disunite the party. The result was hybrid or compromised socio-economic policies mentioned above.
What follows is a more detailed demonstration that socio-economic policy changes during the years of 1974-79 are the most adequately explained by the compromise model. Section 2 includes three urgent socio-economic issues people thought during this period. In section 3, changes in those three urgent policies are described. In section 4, that environment pressure related to urgent issues was weak is demonstrated. Section 5 demonstrates that the dominant coalition of the Conservative Party during 1974-79 was weak and fragmented in their policy preferences; thus, changed policies under Margaret Thatcher's leadership are a kind of compromise between different tendencies within the party.

2. Four Most Urgent Socio-Economic Problems for 1974-79

According to the Gallup Public Opinion Poll, as presented in Table 5.1, four most urgent socio-economic problems to people during 1974-79 were labour relations, cost of living, unemployment, and other economic problems. Except for these four problems, any other socio-economic problem was not included in four most urgent problems for more than one year. The problems of the cost of living had been indicated as the most urgent problems by the people. Cost of living had been the leading urgent problem for 4 years out of 6, and was considered the urgent problem by 28% to 61% of the people. The problem of labour relations had been included within four most urgent problems for 5 years out of 6 from 1974 to 1979, being the most urgent problem for the years of 1974 and 1979. Then, it was clearly the second urgent problem. The problem of unemployment was included in four most
urgent problems for four years out of six. Other economic problems had been included in the urgent problems people thought for all six years.

Table 5.1: The most urgent socio-economic problems facing the country At the present time

| Apr. 1975 | 1. Cost of Living: Prices (61%) 2. Strikes: Labour Relations (7%) 3. Other Economic Problems (6%) 4. Unemployment (5%) |
| Jan. 1977 | 1. Cost of Living: Prices (45%) 2. Unemployment (16%) 3. Other Economic Problems (14%) 4. Strikes: Labour Relations (5%) |
| Jan. 1979 | 1. Strikes: Labour Relations (53%) 2. Cost of Living: Prices (20%) 3. Unemployment (11%) 4. Other Economic Problems (4%) |

(Source: Gallup Political Index, 1974-79)

Urgent issues are very crucial factors to political parties, because people necessarily want the parties to solve them; consequently, parties should show great concern to urgent issues and propose policies to solve those problems to get votes in the election. However, the importance of those issues can be diminished, if people feel that there is little difference in policies between political parties. In fact, differences in policies are a major instrument to show that a party is different from others. If this is true, the result of elections would be decided by some other factors, such as the image of
candidates, rather than party policies. In this case, explaining policy changes itself could not be so significant to be studied.

In the matter that people saw any difference between competing parties during 1964-70, Table 5.2 shows that around of 50% of people thought that there are differences between competing parties around the years of 1974-79.³ It means that polices are one of the significant deciding factors in an election; as a result, political parties have to pay attention to urgent policies. Urgent issues during 1974-79, therefore, were worth being described and explained.

Table 5.2: Is there any really important difference between the parties?(%)

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Are Differences</td>
<td>47%</td>
<td>49%</td>
<td>50%</td>
<td>50%</td>
</tr>
<tr>
<td>Much the Same</td>
<td>48%</td>
<td>45%</td>
<td>45%</td>
<td>46%</td>
</tr>
<tr>
<td>Don't Know</td>
<td>5%</td>
<td>6%</td>
<td>5%</td>
<td>4%</td>
</tr>
</tbody>
</table>

(Source: Gallup Political Index, 1974, 1976, 1977)

Before an attempt to find causes of policy changes of the Conservative Party during 1964-70 is made, descriptions of policy changes are necessary. Then, section 3 is about the policy changes of the Conservative Party. Descriptions of changes of four Conservative policies during 1964-70, as in the previous two and three chapters, are made from mainly one standpoint, namely, to which direction Conservative policies of 1964-70 shifted between

³ Data on 1975, 1978 and 1979 are not available. Data in the table are, however, probably enough to show a general trend during years of 1974-79.
'collectivism' or 'individualism' from the policies of the previous years. During this period, this standpoint, as it always is, was the most disputed point within the Conservative Party, as well as in competition with the main opponent of the Conservative Party, the Labour Party, because it was recognized as a part of crucial strategy for gathering more votes in the election.

Descriptions of changes in the Conservative Policies are mainly based on a close review of official Conservative Party publications, which include policies at different points of time and thus, reveal changes of policies. Points of time should be divided into three for the following reason.

After returning to government in 1970 with promises of implementing socio-economic polices in the direction of 'individualism,' the Conservative government made a 'U-turn' of economic policies to the direction of 'collectivism' in 1972 from policies in the direction of 'individualism' that they had advocated since 1965 and with which they fought the 1970 election. The main reason is that the Conservative Party, implementing policies in the direction of 'individualism,' faced the accelerated inflation, the steep rise in unemployment, and the deteriorated labour relations. Since 1972, the Conservative government had sustained socio-economic policies in the direction of 'collectivism' by two 1974 general elections, intervening in the socio-economic lives of people more than before.

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Thus, descriptions of changes in the Conservative policies after 1974 are mainly made by comparing policy between 1972-1974 with those after 1974. However, for better descriptions and clear understanding of policy changes after 1974, the Conservative policies by 1970 were also described to be compared with policies between 1972-74 and after 1974. Descriptions of policies between 1972-1974 were made on the basis of a review of *For Action For a Fair Britain* (the Conservative Manifesto of Feb. 1974) and *Putting Britain First* (The Conservative Manifesto of Oct. 1974). Descriptions of policies after 1974 were made on the basis of a review of *The Right Approach:A Statement of Conservative Aims* (1976), *The Right Approach To The Economy:Outline of an Economic Strategy For the Next Conservative Government* (1977), and *The Conservative Manifesto* (1979 Conservative Manifesto). Descriptions of policies by 1970 were based on the 1970 Conservative manifesto, and *Putting Britain Right Ahead* (1965).


Cost of living: Prices, labour relations, unemployment, and other economic issues, as seen in the former section, were four most urgent ones during 1974-1979. However, the description of policy changes will be confined only to the former three, except for other economic problems. The former three, which were also economic problems and were recognized more important than the latter, had a direct effect on the occurrence of the latter. Therefore, other economic affairs are only little worthy of describing and explaining. In
fact, in the Conservative manifestos of 1974, beyond the first three economic problems, there were very few new promises.\(^5\)

3.1. **Cost of Living: Prices**

For the issue of cost of living and prices, after two defeats in the 1974 elections, policies of the Conservative Party shifted a little to the direction of 'individualism', but were still in the direction of 'collectivism' as compared with policies until 1970. In short, the Conservative Policies after 1974 were in between the policies by 1970 and policies between 1972 and 1974 on the line of continuum of 'individualism' and 'collectivism.' The following is more of a detailed description.

Until 1972, as described in Chapter 2, price policies of the Conservative Party was certainly in the direction of 'individualism'. For instance, the Conservative Party, in its 1970 manifesto, stated, "The main causes of rising prices are Labour's damaging policies of high taxation....Labour's compulsory wage control was a failure and we will not repeat it."\(^6\) Thus, after the party returned to power by winning the 1970 general election, it pursued policies in the direction of 'individualism', such as reduction of taxes, scraping state control of wage, and giving free enterprise freedom from the restraints of state.

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\(^5\) Campbell, Heath, p. 602.

However, after 1972 when polices in the direction of 'individualism' failed, price policies of the Conservative Party made a 'U-turn' to 'collectivism' by making laws to let state control wages, prices, and even profits. The following statements in the Conservative manifesto of February 1974 clearly show the process of the party's changing policies in the direction of 'collectivism' after 1972: "We reduced Labour's rates of indirect taxation which bore directly on prices. We made unprecedented efforts to obtain the co-operation of trade unions and employers in formulation of an effective voluntary pay and price policies. When agreement on this proved impossible, we sought and obtained the consent of Parliament to control pay, price, and profits by law."\(^7\) The Conservative manifesto of October 1974 confirmed price policies in the direction of 'collectivism' and very deep government intervention in price policies by its statements, "we [Conservative Party] will bring in a comprehensive price stabilization programme....There must be a restraint in prices and incomes and we will rigorously control public spending and the money supply."\(^8\) In the same manifesto, more detailed intervention policies by the state, such as the price commission and law-making for restraining high prices were suggested.\(^9\)

After its failure in returning to government in the 1974 elections and the election for a new leadership in 1975, the Conservative Party moved in the  

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\(^9\) Ibid.
direction of 'individualism'. As evidence, the Conservative Party criticized the Labour government's price control by a statement in the 1979 manifesto:

"This [Labour] Government's price control has done nothing to prevent inflation." With this statement, the Conservative Party, after the two defeats of 1974, clearly showed its intention to get out of price control, which was also the Conservative Party's own policy between 1972-74. Thus, the Conservative policies after 1974 turned in the direction of 'individualism,' criticizing its own policies between 1972-74 in the direction of 'collectivism.'

However, it does not mean that the Conservative policies, after defeats in 1974, were the same as policies by 1970 from the standpoint of 'individualism' and 'collectivism.' The former was closer to 'collectivism' than the latter. Then, the Conservative socio-economic policies during 1974-79 were in between policies by 1970; and policies between 1972 and 1974 were on the continuum line of 'individualism' and 'collectivism'. In detail, the Conservative policies after the defeats in 1974 included the government control by managing the money supply and government expenditure. Thus, it means that the Conservative Party after 1974 had the intention to intervene to some degree in price affairs when it returned to power. In the meantime, the Conservative policies by 1970, as described in chapter 4, never implied the party's preference to any kind of government intervention.

1 The Right Approach, p. 24; The Right Approach to Economy, p. 2


Therefore, the Conservative policies after 1974 were closer to 'collectivism' than those until 1970 and closer to 'individualism' than policies between 1972-74.

3.2. Labour Relations

As the case of the prices described above, after 1974, the policies of the Conservative Party in the issue of Labour Relations moved closer to the direction of 'individualism' than polices between 1972 and 1974. However, it was still closer to 'collectivism' than policies until 1970. Thus, labour relations policies of the Conservative Party after the defeats in 1974 were located between policies during 1972-74 and policies of 1964-1970. What follows is details.

Until 1970, the Conservative Party had labor relation policies in the direction of 'individualism', proposing for the least government intervention in labour relations. As described in section 3 of chapter 4, the Conservative Party made it clear in its policies that the party, if it was in government, would intervene only when disputes could be not resolved between workers and management.

However, during the period up to 1974, when the Conservative Party had been in government, the Conservative Party made a 'U-Turn' to 'collectivism,' and showed a strong intention to actively intervene in labor relations. It was reflected in the following statement in the party manifesto of February 1974: "we have not yet been able to liberate the economy and the nation from the disruption, the inflation, and the inefficiency caused by bad industrial relations."
The need for action on this front was recognized..."13 The primary method of intervention was making partnership with labor unions and industry. For instance, the Conservative Manifesto of October 1974 stated, "we want to promote government and industry and partnership between those who work together in industry."14 In addition, for more active intervention, the Conservative Party has tried to establish a new legal framework for good labour-relations.15 In fact, the Conservative Party accepted The Trade Union and Labour Relations Acts based on 'collectivism', introduced by several-month old Labour government in 1974.16 It meant that the Conservative Party's labour relations policies until the election of Oct. 1974 were really close to the policies of the Labour Party on the basis of 'collectivism.'

After two electoral defeats in 1974, the Conservative Party's labour relation policies was somewhere between that until 1970 and that of between 1970 and 1974. As in between 1972 and 1974, after 1974, the Conservative Party statements still stressed partnership between government and industries by its statement, "There has to be dialogue and a constructive voluntary partnership between government and industry, for example, through the National Economic Development Office (NEDO) machinery"17 It means


16 Ibid., p. 169
that the Conservative Party after 1974 argued for more involvement of the
government in problems of labor relations than by 1970. However, unlikely in
between 1972 and 1974, the Conservative Party argued for repealing the law
made by the Labour Party and endorsed by itself in 1974 by its statement,
"The battery of weapons of interfering in industry introduced since 1974 must
therefore be scrapped. We should repeal the 1975 Industry Act..."1 8 It
means that the Conservative Party's labour policies after 1974 proposed less
involvement of government than its policies before 1974.

3.3. Unemployment

For the problem of unemployment, the main theme of the Conservative
Policies by 1970 was not comparable with that of 1970-79 in its
characteristics for the following reason. Until 1970, the major concern of the
Conservative labour-relations policy was not how to create new jobs, but how
to make people get a new or better job. For example, the 1970 Conservative
Manifesto mentioned, " We want to help people seeking new and better jobs.
This involves provision for redundancy, opportunities for retraining, the
maintenance of living standards during retraining, and assistance."
9 This
means that there were already enough employment opportunities. Thus, what
the party had to take care of was helping people adjust to jobs.

1 7 The Right Approach, p. 32.

1 8 Ibid.

1 9 A Better Tomorrow, in Craig, ed., British General Election Manifestos, 1959-
1987, p. 120
After 1970, the theme had been shifted to how to make more jobs from how to train people. This theme had been dominant until 1979. As to how to make more jobs for people, the Conservative unemployment policies were shifted in the direction of 'individualism' during 1975-79, as compared with those by 1974. The Conservative Party's labour relations policies after 1975 were closer to 'individualism' than the policies of 1970-74. The details are follows.

The Conservative policies by 1974 were in the direction of 'collectivism.' The Conservative Party showed its intention to intervene, as the case of labor relations, if it was in government, by stating its 1974 manifesto, "We [the Conservative Party] want a partnership with industry based on trust, not a relationship of hostility and compulsion... In less than two years these provided or safeguarded over 50,000 jobs." However, by 1979, the Conservative Party's intention to intervene in the matter of unemployment was quite reduced. The 1979 manifesto proposed only partial intervention in its statement, "We need to concentrate more on the creation of condition where new, more modern...jobs come to existence. Where it is in the national interest to help a firm in difficulties, such help must be temporary and tapered." In this statement, the party made it clear that the party would intervene to solve the unemployment, but its actions would be limited to only part of the industry, if it was in government.21


4. **Weak Environment**

4.1. **Little Pressure from the electoral defeat**

Theoretical arguments of Chapter 2 described that a landslide defeat, an unexpected defeat, repeated defeats, and a defeat of a long-term governing party were included in conditions which make environmental pressure—pressure from party activists, supporters, and M.P.s—on the dominant coalition very powerful. Under these conditions, policy changes for the next election depend on the environment, rather than the dominant coalition's preferences. The defeat in 1945, as explained in Chapter 3, was 1) unexpected; 2) landslide; and 3) a long-term governing party's. Therefore, it played a big role in making the environment work significantly on policy changes after the defeat. The defeat of 1964, as explained in Chapter 4, did not create significant environmental pressures on the dominant coalition in changing policies for the next election after 1964. The reason is that it was anticipated and close, although it was a defeat of a long-term governing party.

Unlike the defeat of 1945, but like the defeat in 1964, the two defeats in 1974 did not create such a big environment pressure on the dominant coalition in changing policies. This is because the defeat was very close, although it was unexpected and one of the repeated defeats against the Conservative Party, and the third defeat out of four elections since 1964. The environment around the Conservative Party at this time could read in the first party conference (1975) after the defeats in 1974. In that conference, the proposal "that deplores the ineffectiveness of the Tory party in opposition,
and suggests that by more tenacity we will ensure a speedy return to a Conservative government," was defeated. It meant that the environment to put pressure upon the dominant coalition did not exist from party members.\textsuperscript{2,2} It was squarely in contrast to the first Conservative Party conference after the defeat in 1945, which made a very specific request to the dominant coalition as to party policies for the next election; it thus showed a very strong environment as described in details in Chapter 3.\textsuperscript{2,3}

This weak environmental pressure allowed the dominant coalition considerable freedom in changing policies; consequently, the dominant coalition changed policies according to its preferred way. The following is details.

The Conservative Party experienced two electoral defeats in 1974. Both defeats have some effects in changing policies of the Conservative Party after 1975. Therefore, the effect of each election on policies is explained separately.

The electoral defeat of February 1974 that the Conservative Party experienced was not expected by anybody, including many Conservative Party members and public opinion polls. For example, one of several senior leaders of the Conservative Party at that time, William Whitelaw, recalled the election: "We had lost an election which many of our MPs and supporters in the country believed we are going to win."\textsuperscript{2,4} The Bookmakers duly made the Tories

\footnotesize

\textsuperscript{2,2} Craig, \textit{Conservative & Labour Party Conference Decisions 1945-81}, p. 25.

\textsuperscript{2,3} Ibid., pp. 20-21.

\textsuperscript{2,4} Whitelaw, \textit{The whitelaw Memoirs}, p. 136.
favourites at 2-1. All major public opinion polls, including Marplan, National Opinion Polls, ORC/Times and Louis Harris, forecasted the Conservatives led in the election. In fact, as presented in Figure 5.1, the Gallup poll showed that

Figure 5.1: Electoral prospect of 1974 general elections


25 The Times (15 February 1974)

while the Conservative Party had not led the Labour Party from the last election of 1970 to 1973 in people's voting intention for parties and in their approval of the party leader, the Conservative Party saw its lead in both categories in January 1974, just before the election.

Such unexpected defeat should be very disappointing to the Conservative Party superiors and members. However, it did not create strong environmental pressure on the dominant coalition. The main reason was that the defeat was very close. As Table 5.3 shows, compared with the last election, the Conservative Party disappointingly lost 33 seats and 6.7 percent of total votes, whereas the Labour Party, the main opponent of the Conservative Party, gained 14 seats and 6.2 percent of total votes. However, the Conservative Party (37.9 percent) still obtained more votes than the Labour Party (37.1 percent), although it had less number of seats. Under this condition, the problem was that all parties failed to be a party of clear majority. At this time, the election results also never produced a situation where not even the first and third parties combined could control the House.27 It means that another election in the near future was certain. In fact, Whitelaw, one of several senior Conservative politicians and a chairman of the party at that time, recalled that the second general election was inevitable.28 Since the Conservative Party started preparing for a strategy

27 Ibid, p. 258.

28 Whitelaw, The whitelaw Memoirs, p. 139.
of autumn 1974 general election right after the defeat,\textsuperscript{29} MPs, supporters, and members had no time to put pressure on the dominant coalition.

Table 5.3: Results of 1970 and 1974 general elections

<table>
<thead>
<tr>
<th></th>
<th>1970 M.P.s</th>
<th>% of Votes</th>
<th>Feb. 1974 M.P.s</th>
<th>% of Votes</th>
<th>Oct. 1974 M.P.s</th>
<th>% of Votes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conservative</td>
<td>330</td>
<td>46.4%</td>
<td>297</td>
<td>37.9%</td>
<td>277</td>
<td>35.8%</td>
</tr>
<tr>
<td>Labour</td>
<td>287</td>
<td>43.3%</td>
<td>301</td>
<td>37.1%</td>
<td>319</td>
<td>39.2%</td>
</tr>
<tr>
<td>Others</td>
<td>13</td>
<td>10.6%</td>
<td>37</td>
<td>23.2%</td>
<td>39</td>
<td>25.0%</td>
</tr>
</tbody>
</table>


In Contrast to the defeat of February 1974, the defeat in October 1974 was expected. \textit{The Times} mentioned, "the October defeat was largely inevitable."\textsuperscript{30} Every poll, including Opinion Research Center, Marplan, National Opinion Polls(NOP), ORC/Times and Louis Harris, predicted the Labour Party's comfortable lead.\textsuperscript{31} The highest margin recorded was a 14.6% lead in NOP and the lowest figures came from the weekly Business Decision poll, showing a lead of about 4%.\textsuperscript{32} In Figure 5.1, we see that both in voting intention for a party and approval of the party leader, the Gallup Poll also showed the lead

\textsuperscript{29} Ibid., p. 139.


\textsuperscript{32} Ibid., p. 192.
of the Labour Party. A BBC exit poll, one of the first of its kind, has given the Labour Party a majority of 150 votes.\(^3^3\)

The actual result, however, was quite different from what was predicted by most opinion polls. Compared with the election of February 1974, the Conservative Party lost 20 seats and 2.1 percent of total votes; the Labour Party gained 18 seats and 2.1 percent of total votes. The Labour Party's overall majority was only four (see Table 5.1.).

This actual result was far better than had been expected. This was a great relief rather than a disappointment to party members. This feeling is reflected in Whitelaw's statement, "Most important, Labour's overall majority was only four and their majority over the Conservatives just forty-three, far fewer than I had expected at the best. I felt greatly relieved at this result."\(^3^4\)

The better performance in the election than was expected, although the election is defeated, necessarily weakened the pressure from M.P.s and party supporters and members on the dominant coalition. Another close defeat also played a significant role in weakening the pressure from environments. As it has been, under the close defeat it was impossible to isolate any single factor, which might turn the scale, because too many factors can be proposed. It made the environmental pressure ambiguous. In other words, pressure from party members, supporters and M.P.s was confused and consequently, weakened.

\(^{33}\) Whitelaw, The whitelaw Memoirs, p. 139.

\(^{34}\) ibid., p. 140.
While two defeats in 1974 did not create strong environmental pressure from people and the party supporters and members, as described so far, the real problem was that they were part of repeated defeats. Since 1965, the Conservative Party had lost three elections (1966, February 1974, October 1974) out of four under just Edward Heath's leadership. These defeats deeply embarrassed the Conservative Party as well as its supporters who felt their party was a natural governing party.

However, this embarrassment did not create strong environmental pressures on the dominant coalition's process of changing policies, but turned out to be a criticism on Edward Heath's record and personality. At this time, Edward Heath was mainly criticized, because it was believed that after 1970 he surrounded himself with like-minded colleagues, and that his Cabinet in government and Shadow Cabinet in opposition were unrepresentative of the broad spectrum of Conservative opinion.\textsuperscript{3,5} For example, \textit{The Times} commented, "It [the defeat in February 1974] is plainly a vote of no confidence in the prime minister [Heath] personally."\textsuperscript{3,6} In other words, the strong pressure from the environment appeared because Edward Heath, the party leader, failed to unify the party for the successful election, not because the party's policies were in the wrong direction. The result was a widespread demand for a procedure which would enable Mr. Edward Heath to submit

\begin{flushleft}

\textsuperscript{3,6} \textit{The Times} (3 Mar 1974) p. 16.
\end{flushleft}
himself for re-election, not a demand for policy changes in a certain direction. Thus, even repeated electoral defeat did not create strong environmental pressure on the dominant coalition's process of changing policies for the next election.

4.2. Little Pressure From Government's Performance

4.2.1. Government's Performance In Inflation

The problem of the cost of living/prices, namely, the problem of inflation, had been the most important single problem to the British since 1972. All public opinion polls, including the Gallup Poll, indicated that inflation was the primary problem. Because of this, all political parties promised their fight against inflation as their first priority in their general election manifestos of 1970 and 1974. In its 1970 manifesto, the Conservative Party pledged, "we will give overriding priority to bringing the present inflation under control." The introduction of the manifesto of February 1974 began and ended by stressing the bad effects of high inflation. The manifesto said, "The first priority for any government must be... to bring inflation down from the

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present ruinous rates."\(^4\) The Labour Party was not different from the Conservative Party in stressing the problem of inflation as its first priority: "The first priority must be a determined attack on inflation."\(^2\) The Liberal Party also stated, "the major single problem facing the next government will be that of inflation."\(^3\)

During 1974-79, for the problem of inflation, the Labour government's performance was extremely poor. In spite of such bad performance, people believed that the Labour government can best handle the Conservative Party. The reason is that the government's performance was affected by oil shocks starting in 1973, which is beyond the control of the government. People clearly understood that at this time the oil shock caused high inflation in not only the United Kingdom but in virtually all industrial countries.\(^4\) Then, the government's bad performance in inflation did not create significant environmental pressures on the dominant coalition. In turn, the dominant coalition had much freedom in changing policies. The following is details.

After 1974, when the Labour government returned to power with winning the election in February, inflation increased. As Table 5.4 presents, rates of inflation since 1974 skyrocketed from 9.2% in 1973 to 16.1% in 1974 and

\(^{41}\) Ibid., p. 216.


\(^{44}\) Alec Cairncross, The British Economy Since 1945, p.187.
Table 5.4: British inflation 1969-1979

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</thead>
<tbody>
<tr>
<td>1969</td>
<td>5.4</td>
<td>6.3</td>
<td>9.4</td>
<td>9.2</td>
<td>16.1</td>
<td>24.2</td>
<td>16.5</td>
<td>15.8</td>
<td>8.3</td>
<td>13.4</td>
</tr>
</tbody>
</table>

* Under Conservative Government (Source: Economic Trends)

24.2 percent in 1975, although they sank a little to around 15 percent in the later years, still much higher than rates of 1973. Thus, the Labour government's performance in the problem of inflation was very bad.

In spite of such awful Labour government performance during 1975-79, more people still approved of the government's performance than under the Conservative government. In the Gallup poll (Table 5.5), which asked, "In general do you approve or disapprove of the way the Government is handling prices and Cost of living?", 13-35% of people since 1975 still approved the Labour government in its handling of the problem of inflation, whereas 53-80% approved.

Table 5.5: Approving the government's handling Inflation

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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Approve</td>
<td>16%</td>
<td>14%</td>
<td>15%</td>
<td>36%</td>
<td>13%</td>
<td>35%</td>
<td>31%</td>
</tr>
<tr>
<td>Disapprove</td>
<td>59%</td>
<td>80%</td>
<td>80%</td>
<td>53%</td>
<td>80%</td>
<td>57%</td>
<td>61%</td>
</tr>
<tr>
<td>Don't Know</td>
<td>25%</td>
<td>6%</td>
<td>5%</td>
<td>11%</td>
<td>7%</td>
<td>7%</td>
<td>7%</td>
</tr>
</tbody>
</table>

* under the Conservative government. (Source: Gallup Political Index, 1969-79)

4 5 Inflation means percentage increases in Retail Price Index over previous year.

of people disapproved. These numbers are higher than those between 1970-1972 under the Conservative government, when rates of inflation were much lower than after 1975.

People's increased support for the Labour government than the Conservative Party was confirmed with people's responses to another question, "Which party do you think best handles problems of prices and the cost of living?", in the Gallup Poll. Table 5.6 shows that more people believed the Labour government best handles the problem of inflation. In detail, 36 percent and 34 percent of people thought that the Labour government can handle inflation better than the Conservative Party in 1974 and 1975. In the meantime, during the same period, only 27 percent and 28 percent of people believed that the Conservative Party best handles inflation.

Table 5.6: Which party do you think best handles the problem of prices and the cost of Living?4 7

<table>
<thead>
<tr>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Conservative</td>
<td>39%</td>
<td>35%</td>
<td>16%</td>
<td>27%</td>
<td>28%</td>
</tr>
<tr>
<td>Labour</td>
<td>28%</td>
<td>34%</td>
<td>44%</td>
<td>36%</td>
<td>33%</td>
</tr>
<tr>
<td>Others</td>
<td>3%</td>
<td>3%</td>
<td>14%</td>
<td>11%</td>
<td>7%</td>
</tr>
<tr>
<td>Don't Know</td>
<td>30%</td>
<td>23%</td>
<td>26%</td>
<td>29%</td>
<td>32%</td>
</tr>
</tbody>
</table>

*Under Conservative Government. (Source: Gallup Political Index, 1970-75)

The phenomenon described so far happened because of a factor: worldwide energy crises, which happened after the Arab-Israeli War of October, 1973, and subsequent high increase in the price of oil by OPEC (Organization of

4 7 Data of years between 1976-79 are not available.
Petroleum Exporting Countries). Britain is a nation dependent on trade. This country, therefore, has been considerably affected by the international economic condition, especially when the condition is bad. The war increased the price of oil more than four times than before. It was the main cause of soaring inflation.

The point is that the problem of inflation was beyond the control of the Labour government, because it was due to worldwide economic problems. This fact was well admitted by everybody, including parties in opposition, which always like to attribute poor government performance to the incompetence of the government, regardless of the real reason of poor performance. For example, the Conservative Party stated that the oil embargo caused by the war quintupled oil prices,\(^4\) which in turn affected the cost of almost everything that we produce or buy in Britain.\(^5\) Therefore, there is no quick or simple way of defeating inflation.\(^6\) In the same vein, the Labour Party also said, "Inflation is a world-wide problem and there are no easy answers."\(^7\) The Liberal Party agreed with two bigger parties by its statement, "We are faced with an immediate economic and social crisis, the

\(^4\) The Right Approach, p. 9.


\(^7\) Change the Face of Britain: Britain Will Win With Labour: The Labour Manifesto of October, 1974, p. 243.
seriousness of which it is impossible for anyone to calculate with assurance and for which no-one can offer easy remedies.\textsuperscript{52}

Because of these reasons, despite very high inflation, support for the Labour government remained a little higher than the previous Conservative government. This did not create strong environmental pressures from people, party supporters, and party members on the dominant coalition. Furthermore, under the condition that even political parties and government could not suggest assured policies to solve the problem of inflation with confidence, nobody had any clear solutions. Consequently, while there was a strong demand from people for solving the problem of inflation, the demand had no clear direction. This also helped the dominant coalition of the Conservative Party to have much freedom in changing policies for inflation.

4.2.2. Government's performance in Labour Relations

The problem of labour relations has been a very important issue in the British economy. Bad relationships between labour unions and management lead to industrial stoppages and social disorder, which necessarily lower productivity and savings, which, in turn, produce increased unemployment. Demand of labour unions for high wage increases to further their own interest at the expense of the rest of the community results in high prices and cost of living. Thus, the Conservative Manifesto of February 1974 stated, "But the

Achilles heel of the British Economy has long been, and continues to be, industrial relations."53

The years of 1974-79 were no exception. During this period, the problem of Labour Relations had been recognized as the second urgent problem to the problem of inflation by opinion polls and among political parties. As seen in Table 5.1 in section 2 of this chapter, it was the top urgent problems in two years out of six during 1974-79. In the party publications, this problem was also the second important issue. For instance, the 1979 conservative manifesto stated, "Our five tasks are (1) to restore the health of our economic and social life, by controlling inflation and striking a fair balance between the rights and duties of the trade union movement..."54; the 1979 Labour manifesto also made it clear, "Here are five of our priorities... Two, we will carry forward the task of putting the new framework to improve industrial relations that we have hammered out with the Trade Union Council."55

As described so far, the problem of labour relations had been one of the two most urgent problems to people as well as to political parties. The government's performance in labour relations, however, never created strong environment pressure, which enforced the dominant coalition to change


policies in a certain direction. The reason is that the Labour government's performance was not significantly different from that of the previous Conservative government. In this condition, any alternative policy of the Conservative Party was not likely to make a large portion of people support the Conservative Party, because people were not confident that the alternative policies of the Conservative Party worked better than policies of the current Labour government policies. Thus, strong demand from people for the Conservative Party to make policies in a certain direction was absent. In other words, the Labour government's performance in labour relations did not play a significant role in policy changes of the Conservative Party. Following are more specific explanations.

There is little difference in the Labour government's performance during the years of 1974-79 and the performance of the previous Conservative government. As presented in Table 5.7, the number of stoppages per year, number of workers involved, and days lost of 1974-79 were between 2,000 and 3,000, between 789 and 1,156, except in 1979, and between 9,405 and 14,750, each. These numbers are very similar to those numbers of 1971(2,228, 1,175, and 13,551) and 1973(2,873, 1,513 and 7,197) under the Conservative government.

\[\text{Data of government performance in 1979 are not hard to be treated as the Labour government's, because the Conservative Party returned to the government in May.}\]
### Table 5.7: Industrial stoppages 1971-79

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td><strong>Stoppages # Per Year</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Workers Involved (000)</td>
<td>1,175</td>
<td>1,513</td>
<td>1,622</td>
<td>789</td>
<td>670</td>
<td>1,156</td>
<td>1,003</td>
<td>4,583</td>
</tr>
<tr>
<td>Days Lost (000)</td>
<td>13,551</td>
<td>7,197</td>
<td>14,750</td>
<td>6,012</td>
<td>3,284</td>
<td>10,142</td>
<td>9,405</td>
<td>29,474</td>
</tr>
</tbody>
</table>

(Source: Annual Abstract of Statistics, 1981)

In fact, the number of stoppages per year, the number of workers involved, and, particularly, days lost during the years of 1971-1979 were far more than during previous years around 1963 and 1965. For example, days lost during 1963-66 were between 2,000 and 3,000 per year, while lost days during 1971-1979 were between 6,000 and 13,551 per year, except in the year 1975, when 3,284 days were lost. It meant that government's performance in the 1970s was very poor, regardless of which party was in power.

Such poor performance of the government was reflected in the Gallup Poll. As Table 5.8 shows, people's approving the government's handling labour relations was less than 36% less in the 1970s, quite less around 45% of 1964 and 1965. The Labour government's performance was little better than that of the Conservative government's except in 1975.

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57 For these data, see Table 8 in the Chapter 4.

58 For these data, see Table 9 in the Chapter 4.
Thus, even after satisfactory performance by the Labour government, people thought that the Labour government could handle the problem of Labour relations better than the Conservative Party. As seen in Table 5.9,

Table 5.9: Which party do you think can best handle the problem of strikes and industrial disputes?

<table>
<thead>
<tr>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Conservative</strong></td>
<td>37%</td>
<td>38%</td>
<td>20%</td>
<td>25%</td>
<td>28%</td>
</tr>
<tr>
<td><strong>Labour</strong></td>
<td>32%</td>
<td>36%</td>
<td>37%</td>
<td>46%</td>
<td>40%</td>
</tr>
<tr>
<td><strong>Others</strong></td>
<td>3%</td>
<td>3%</td>
<td>12%</td>
<td>10%</td>
<td>7%</td>
</tr>
<tr>
<td><strong>Don't Know</strong></td>
<td>28%</td>
<td>23%</td>
<td>31%</td>
<td>19%</td>
<td>26%</td>
</tr>
</tbody>
</table>

*Under the Conservative government. (Source: Gallup Political Index, 1970-75)

46% and 40% of people responded that the current Labour government can best handle the problem of strikes and industrial disputes in 1974 and 1975,

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two years after the Labour Party in government. These figures are better than the Conservative government in 1970, 1971, and 1973 (37%, 38%, and 20%). During the same period, only 25% and 28% of people believed that the Conservative Party can best handle the same problem.

Statistics above showed that during 1974-79, the Conservative Party was not in a position that it was supported by a large portion of people by proposing new and squarely different alternative approaches from those of the Labour government, because around three quarters of people did not believe that the Conservative Party can best handle the problem of labour relations. In other words, there was a strong demand from the people that the labour relations should be improved, when people noted the problem of labour relations as one of two most urgent problems. However, the party was certainly not under environmental pressure that enforced the dominant coalition to make policies in a certain direction. One evidence for this is seen in one of the 1975 Conservative Conference decisions about labour relations, which stated, "This Conference insists that the Conservative Party produces clearly defined progressive policies to resolve the root causes of industrial conflict between workers and management. It urges the Party to do all that is in its power to encourage government [the Labour government], industry and trade union, to work more closely together in formulating participating policies."\(^6\)\(^0\) This statement clearly means that the Conservative Party was asked to do everything, including helping the Labour government to solve the problem of labour relations. Thus, it simply reflected very strong demand

\(^{6,0}\) Craig, *Conservative & Labour Party Conference Decisions 1945-1981*, p. 84.
from people. However, it did not include what kinds of policies should be pursued for solving the problem. Encouraging its major opponent party's government to solve the problem was certainly above the issues of 'individualism' and 'collectivism'.

4.2.3. Government's Performance in Unemployment

The problem of unemployment has always been very sensitive and crucial to the people. For this reason, it has usually been included in urgent problems people thought, even when unemployment rates were very low. For example, after 1945, people responded in opinion polls that the problem of unemployment was urgent to them, despite the rate of at best 1.5 percent, as seen in Chapter 1.

During 1974-79, the Labour government's performance in unemployment was never successful. The problem of unemployment, thus, was a crucial issue for people. However, pressure from the environment on the Conservative Party in changing policies was very weak, because people thought that unsuccessful government performance was not because of government policies, but because of some other factors, such as high inflation and poor labour relations. The result was that the dominant coalition of the Conservative Party had considerable freedom in changing policies for unemployment. If people thought that government policies were responsible for deteriorated unemployment conditions, there would be pressure, which would force the dominant coalition of the Conservative Party to make quite different alternative policies from the current government's. Following are details.
During the years of 1974-79, the problem of unemployment was necessarily urgent to people, because the government's performance was very poor. As Table 5.10 presented, whereas the unemployment rates were still less than 3.0 by 1975, they increased to 4.1 in 1976, 6.3 in 1977, 6.1 in 1978 and 5.7 in 1979. The unemployment rates during 1976-79 were the worst since 1945.

Table 5.10: Unemployment rates 1969-1979

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</tr>
</thead>
<tbody>
<tr>
<td>Rate</td>
<td>2.5</td>
<td>2.6</td>
<td>3.5</td>
<td>2.7</td>
<td>2.7</td>
<td>2.7</td>
<td>4.1</td>
<td>6.2</td>
<td>6.1</td>
<td>5.7</td>
</tr>
</tbody>
</table>

* Under Conservative Government
(Source: Annual Abstract of Statistics, 1972 and 1982)

Poor performance by the government usually was mirrored in people's evaluation. As seen in Table 5.10, for example, when the rate of employment was 2.6 in 1970, 28 percent of people approved of the way the

Table 5.11: Approving the Government's Handling Unemployment

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</thead>
<tbody>
<tr>
<td>Approve</td>
<td>28%</td>
<td>14%</td>
<td>21%</td>
<td>47%</td>
<td>20%</td>
<td>28%</td>
<td>32%</td>
</tr>
<tr>
<td>Disapprove</td>
<td>33%</td>
<td>30%</td>
<td>62%</td>
<td>25%</td>
<td>60%</td>
<td>54%</td>
<td>52%</td>
</tr>
<tr>
<td>Don't Know</td>
<td>39%</td>
<td>24%</td>
<td>17%</td>
<td>28%</td>
<td>20%</td>
<td>17%</td>
<td>15%</td>
</tr>
</tbody>
</table>

(Source: Gallup Political Index, 1969-79)

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Data on 1971, 1973, 1975 & 1978 were not available.
government's handled the problem of unemployment in the Gallup Poll. However, when the rate of employment was 3.5 percent in 1974, only 14 percent of people approved of the government's performance.

However, after 1975, people's approval pattern of the government's performance in the problem of unemployment was abnormal. In spite of the fact that rates of unemployment were very high, 6.1 and 5.9 in 1978 and 1979 each, the percent of approving of the government's handling of the problem was 28 percent and 32 percent, far better than 1970 and 1973, when the rate of employment was less than 3.0.

People's relatively high approval for the Labour government was because people thought that government was not the main causes of high rates of unemployment. According to the Gallup Poll (Table 5.11), trade union and world economic pressures account for almost 60 percent of the reason of the high rate of unemployment. Only 15 percent of people thought that the government was responsible for high unemployment.

Table 5.12: Which of these things is the main cause of the present unemployment?

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<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>Trade Union</td>
<td>29 percent</td>
</tr>
<tr>
<td>World Economic Pressure</td>
<td>29 percent</td>
</tr>
<tr>
<td>People not wanting to work</td>
<td>21 percent</td>
</tr>
<tr>
<td>Government</td>
<td>15 percent</td>
</tr>
<tr>
<td>Employers</td>
<td>5 percent</td>
</tr>
<tr>
<td>Other</td>
<td>6 percent</td>
</tr>
<tr>
<td>Don't Know</td>
<td>6 percent</td>
</tr>
</tbody>
</table>

(Source: Gallup Political Index, 1976)
Political parties had similar thoughts with people, in that the problem of unemployment was caused by some factors other than the government policies. They believed that inflation was the major cause of high unemployment. The Conservative Party stated, "We have endured a wounding bout of inflation, leading to very high unemployment." In the same vein, the Labour Party mentioned, "full employment must go hand-in-hand with keeping down inflation." 

It means that people as well as the political parties thought that if the Conservative Party is in government, the result would not be much different. Under the condition that the problem was beyond the control of the government, it was hard to expect an environment which pressed the dominant coalition of the Conservative Party to make policies in a certain direction to solve the problem. Confirming evidence was seen in the resolutions in the Conservative Conference of 1977: "this Conference calls on the Conservative Party to examine the unemployment situation..." This statement simply asked the party to pay much attention to the problem of employment. It never pushed the party to make policies in a certain direction. This was the weak environment which allowed the dominant coalition of the Conservative Party to change policies in its preferred way.

5. Divided Dominant Coalition as a Major Cause of the Conservative Policy Changes during 1975-79

Very weak environment pressure permits the dominant coalition considerable freedom in changing policies. Under a weak environment, how policies are changed depends on power relations between the dominant coalition members. As demonstrated in chapter 3, when the dominant coalition includes all powerful leaders in it and is cohesive, it must be strong against the challenge of minority leaders. Consequently, it changes policies in its preferred way.

However, if the minority tendencies outside the dominant coalition include powerful leader(s), who differ from the party leader in policy preferences, the dominant coalition is not in complete control in changing policies. The reason is that the powerful leader(s) outside the dominant coalition attempt to influence the process of changing policies. If the dominant coalition ignores their attempt, it could lead to disunity of the party. The dominant coalition is likely to reflect the opinion of minority leaders in the process of changing policies. The changed policies tend to be a kind of compromise of different opinions of the dominant coalition and of the minority leader.

If there are confrontations in preferred policies between the dominant coalition members, it is also likely to produce a kind of compromised policies, that are a compromise of different opinions between the dominant coalition members. The reason is that differences in policy preferences between the dominant coalition members would cause severe disunity of the party, if any kind of compromise cannot be made between members. Therefore, the
dominant coalition naturally attempts to find policies not to dissatisfy different opinion holders within it.

The dominant coalition during 1975-79 was not cohesive at all for two reasons, mentioned above. The first one is that a very influential leader, who disagreed with the party leader in policies, was still outside the dominant coalition. The second is that there are confrontations between the dominant coalition members in policy preferences. The result was compromised policy changes for the next election. The following is a detailed demonstration.

A germ of divided dominant coalition appeared just after two electoral defeats in 1974. Edward Heath, the party leader at that time, lost three out of the four general elections since 1965. Those three defeats increased the pressure inside the Conservative Party against Edward Heath's leadership. Thus, there was widespread demand for a procedure, which enabled Edward Heath to submit himself for re-election. The leadership election took place in February 1975. Margaret Thatcher was elected as the opposition party leader, defeating other senior and influential Conservative leaders, such as Edward Heath and William Whitelaw.

A symptom of the divided dominant coalition already appeared during the campaign period of the leadership election. It was differences in policy


66 Ibid.

67 In the first ballot, Thatcher defeated Heath, the former party leader, by 11 votes. Then, Heath stepped down from the competition. In the second ballot Thatcher defeated Whitelaw to be a new leader with absolute majority.
preference between candidates. The confrontation was made mainly between policies in the direction of 'collectivism' favored by Edward Heath and Whitelaw and policies in the direction of 'individualism' supported by Margaret Thatcher. Edward Heath, the party leader, and Whitelaw, the chairman of the party, advocated policies in the direction of 'collectivism', the official Conservative government policies by 1974, described in the section of chapter 2. They were supported by the left-wing of the party. In contrast, Margaret Thatcher's preferred policies were certainly in the direction of 'individualism', stressing individual enterprise and opposing state intervention. She stated, "One of the reasons for our electoral failure is that people believe that too many Conservatives have become socialists already." In fact, Margaret Thatcher complained about Edward Heath government's failure to stick to policies in the direction of 'individualism,' which Edward Heath advocated until 1972. Margaret Thatcher's argument was very similar to policies the Conservative Party had favored until 1972. She, thus, mentioned in her platform for leadership, "Our party needs...compassion and concern for the individual and his freedom; opposition to excessive State Power; the right of the enterprising." She was said to be picking up main support from the conventional right-wing.

68 See the Sunday Times (9 February 1975) p.3.
69 Campbell, Edward Heath, p. 671.
70 Howard Penniman, ed., Britain At the Polls, p. 70.
71 For more detail argument, see Ibid., p. 69.
Since Margaret Thatcher became the new leader, that confrontation between right and left wing turned out to be very serious. Division in the dominant coalition of the Conservative Party was evident to the conservative leaders as well as the public. William Whitelaw recalled, "We were a divided Party under an unknown Leader [Margaret Thatcher]..."74 Hugo Young, a political journalist, mentioned, "Through the four years of Opposition [1975-79], a sharp divide became apparent between the ideas [Margaret Thatcher's] that flourished and those [Edward Heath's] that were resisted."75 People also believed in the same way as the former two. In fact, Peter Walker, a former Cabinet minister and a supporter of Edward Heath, publicly stated that policies in the direction of 'collectivism' should be pursued, criticizing policies in the direction of 'individualism' advocated by Margaret Thatcher.76 The division within the Conservative Party was clearly recognized by people. Thus, as presented in Table 5.13, more than 50 percent of people responded in the Gallup Poll that the Conservative Party was divided for the years of 1974-76, although less percent of people believed that way in 1977. Those figures were somewhat higher than 39 percent of 1973 before defeated elections.

72 Margaret Thatcher, "Platform in the Election for the Leadership", in Gardiner, Margaret Thatcher: From Childhood to Leadership, p 225.

73 The Sunday Times (9 February 1975) p.1; Whitelaw, Whitelaw Memoirs, p. 142.

74 Whitelaw, Whitelaw Memoirs, p. 144.

75 Young, One of Us, p.107.

76 The Times (10 November 1974) p. 6; The Times (20 December 1975) p.1
Table 5.13: Do you think that the Conservative Party is united or divided at the present time?  

<table>
<thead>
<tr>
<th>Year</th>
<th>United</th>
<th>Divided</th>
<th>Don't Know</th>
</tr>
</thead>
<tbody>
<tr>
<td>1973</td>
<td>43%</td>
<td>39%</td>
<td>18%</td>
</tr>
<tr>
<td>1974</td>
<td>28%</td>
<td>51%</td>
<td>21%</td>
</tr>
<tr>
<td>1975</td>
<td>32%</td>
<td>52%</td>
<td>16%</td>
</tr>
<tr>
<td>1976</td>
<td>38%</td>
<td>59%</td>
<td>13%</td>
</tr>
<tr>
<td>1977</td>
<td>42%</td>
<td>39%</td>
<td>19%</td>
</tr>
</tbody>
</table>

(Source: Gallup Political Index, 1974-77)

The Conservative Party during this period was divided for two reasons. The first was that one of the key figures, Edward Heath, the former party leader and still very influential Conservative leader at that time, remained outside of the dominant coalition by not only declining to join Margaret Thatcher's new Shadow Cabinet but also continuing to be influential until 1979. In detail, as appeared in the leadership election, almost half of the M.P.s supported him in the election. In addition, all 20 Shadow Cabinet members under Edward Heath's leadership, except Margaret Thatcher and Sir Keith Joseph, were supporters of Edward Heath and they probably, in fact, voted for Edward Heath in the leadership election rather than for Margaret Thatcher. A majority of party supporters also had been very supportive of Edward Heath, although Heath was on the back benches. As evidence, the 

77 Data in 1978 and 1979 are not available.
78 There are arguments that the Conservative Party was divided because Margaret Thatcher was a weak leader due to the fact that she was the first female leader. However, this argument was not confirmed.
79 Patrick Cosgrave, Margaret Thatcher: a Tory and Her Party, p. 40.
1978 Market and Opinion Research International (MORI) showed that if Edward Heath were the leader, the Conservatives would be 12% points ahead of Labour--as against a mere one per cent under Mrs Thatcher. The 1978 Gallup opinion poll also showed that more Conservatives--46 per cent to 42%--thought that the party would stand a better chance in the election with him as a leader [than with Margaret Thatcher, the current party leader].

Influential Edward Heath withheld any public expression of confidence in Margaret Thatcher until October 1976, when he announced at the Annual Conference, "He had complete confidence in Margaret Thatcher and her colleagues on the platform." However, even this simple gesture of reconciliation was certainly not a cue for a return to cordiality. In fact, in an interview with The Times, a newspaper, in February 1977, Margaret Thatcher admitted that Edward Heath was a substantial figure to her and that there were differences between them, although she said the differences were only minimal.

The second was that most supporters of Edward Heath, who preferred policies in the direction of 'collectivism', remained in Margaret Thatcher's new Shadow Cabinet. It means that newly-formed dominant coalition was not

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81 Ibid.
83 Ibid.
cohesive. This was largely due to the particular British system, in which the new leader must live with those who have established themselves over a considerable period of years as the party's senior figure, not to sacrifice their experience, and not to make them enemies. Thus, while Margaret Thatcher dismissed only six supporters of Edward Heath from the Shadow Cabinet, composed of 20 members, and brought in several of her supporters, many senior Conservative figures, who had supported Edward Heath, were still in the new Shadow Cabinet of Margaret Thatcher. However, all of the significant changes came at the lower end of the Shadow Cabinet rankings. Thus, Whitelaw, a Shadow Cabinet Member and Margaret Thatcher's deputy, described the dominant coalition at that time in the following way: "She [Margaret Thatcher] was surrounded at the top of the Conservative Party by those who had served under Edward Heath and were dismayed by the defeat [of Edward Heath]." The strength and effectiveness of pressures of Edward Heath's supporters in the Shadow Cabinet on Margaret Thatcher, the party leader, can be seen in the following example. Under pressure from Whitelaw and others, Margaret Thatcher has withheld the shadow

85 For a complete list (names and positions) of Margaret Thatcher's new Shadow Cabinet, see The Times (19 February 1975) p.1.

86 Howard Penniman, ed., Britain At the Polls, p. 71. Because of this British System, Margaret Thatcher, the new leader, made clear that she hopes that not only Mr. Heath, the former leader, but also all former members of the Shadow Cabinet would consent to serve under her leadership. See The Times (12 February, 1975) p. 1.

87 For names of Thatcher's supporters and Heath's Cabinet in the new Shadow Cabinet, see Behrens, The Conservative Party From Heath to Thatcher, p. 62.


89 Whitelaw, Whitelaw Memoirs, p. 142.
Chancellorship from Sir Keith,\(^9^0\) who was one of the few agreeing with Margaret Thatcher in the direction of policy changes.

Under the condition described so far, the only way to unite the divided party was to change policies based on compromise between opposing tendencies. The result was policies closer to 'individualism', which the Conservative Party had favored by 1972. These policies were in the opposite direction from policies under Edward Heath's leadership during 1972-74, but they were closer to 'collectivism' than policies favored by Margaret Thatcher. In other words, policies of the Conservative Party during 1975-79 were between the policies of the Conservative government under Edward Heath and policies preferred by Margaret Thatcher after 1975 on the continuum line of 'individualism' and 'collectivism'. Thus, some commentators saw policy documents during 1975-79 as treaty\(^9^1\) or consensual documents.\(^9^2\)

Evidences demonstrate that Edward Heath and his supporters intervened in the process of changing policies after 1975. One evidence is that early drafts of "The Right Approach"(1976), the first and the most important policy document of the Conservative Party under Margaret Thatcher's leadership, were checked with Mr. Edward Heath,\(^9^3\) who had no formal power related to policies, to ensure that he would not repudiate what was

\(^9^0\) The Times (19 February 1975) p.1.

\(^9^1\) Patten, "Policy Making in Opposition", in Layton-Henry ed. Conservative Party Politics, p. 20


\(^9^3\) Butler and Kavangah, The British General Election of 1979, p. 78.
proposed. It strongly demonstrated that Margaret Thatcher could not ignore Edward Heath's opinion.

The second evidence was seen in *The Right Approach to the Economy* (1977), the second key policy document for the opposition period of 1974-79. Normally, the Conservative Party policy documents began with a foreword by the party leader, which includes a very clear direction of party policies. They looks as if they were published in the name of the party leader. Examples are *The Right Road For Britain* (1949) and *Putting Britain Right Ahead* (1965). However, *The Right Approach to the Economy* was written and published in by Keith Joseph, Geoffrey Howe, David Howell, and James Prior, who included both Margaret Thatcher's and Edward Heath's supporters without a foreword by the party leader. Keith Joseph was a well-known follower of Margaret Thatcher.94 Geoffrey Howe had been promoted by Edward Heath.95 David Howell was a maverick economist without a clear label.96 James Prior was a custodian of the Edward Heath Inheritance. It strongly implies that policies during 1975-79 were products of compromise between opposing tendencies.

This mixture of supporters of Edward Heath and Margaret Thatcher, and outsider experts clearly means that *The Right Approach to Economy* was a

94 Ibid., p. 77. Keith Joseph was in charge of policy apparatus, including a chairman of the Advisory Committee at that time. However, he failed to wield the expected influence on specific policies because decisions about official party policy were taken in the inner steering Committee and in the full Shadow Cabinet.

95 Penniman, ed., *Britain At the Polls*, p. 79.

96 Young, *One of Us*, p. 107.
kind of compromise between Margaret Thatcher's and Edward Heath's tendencies. Thus, Hugo Young, a political journalist, commented on this publication saying, "there really wasn't anything of Edward Heathities and Margaret Thatcherities to disagree about it." Andrew Gamble called *The Right Approach* and *The Right Approach to the Economy* consensual documents.

6. Conclusion

This chapter searched for a main cause for socio-economic policy changes of the Conservative Party during 1974-79, when the party was in opposition. The starting point was that policies during this period were between policies by 1972 and during 1972-74 on the line of continuum of 'individualism' and 'collectivism'. It was demonstrated that under a weak environment, measured in terms of party members and support's reaction to the electoral defeats, and people's evaluation of the Labour government's performance, a weak and divided dominant coalition was the major cause of party changes during this period. More specifically, while weak environmental pressure allowed the dominant coalition plenty of freedom in changing policies, the weak and divided coalition changed policies not to dissatisfy conflicting tendencies in the dominant coalition as well as in the party. The result was compromised policies between opposing tendencies within the party.

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97 Ibid., p.108.

The most important finding in this chapter is that the Conservative Party in opposition during 1974-79 had been very rational. An opposition party can be rational only when it works for winning the next election. To win an election, the party makes policies to meet demands from people and to unify the party. During 1974-79, as explained already in this chapter, people's demand had been unclear and weak (a weak environment). Under this condition, the Conservative Party has made compromised policies between opposing tendencies to unify the party. This happened under Margaret Thatcher, the party leader, who had been known as not conciliatory and could not compromise with 'collectivism' advocated by the Labour Party.99

99 Butler and Kavanagh, The British General Election of 1979, p. 66. In spite of the fact that in 1975 Margaret Thatcher promised radical changes to the direction of 'individualism', many members of the Parliamentary Labour Party believed that such changes would not happen. See The Times (12 February 1975) p. 12. The Labour M.P.s' anticipation turned out to be correct later.
CHAPTER VI

Conclusion

1. Summary: Comparative Changes in Policies of the Conservative Party in Opposition

This dissertation has examined the adaptive changes in socio-economic policies of the British Conservative Party after the electoral defeats since 1945. Its main purpose is to find the main factors responsible for those adaptive policy changes. The main method employed in this study is comparative. More specifically, this dissertation attempts to find explanatory variables by comparing the processes of policy changes in three different opposition periods (1945-51, 1964-70, 1974-79) of the Conservative Party.

There are two reasons for doing this research. The first one is that an in-depth study concerning policy changes of the opposition party in the democratic system has been neglected in the field of political science. Thus, this study attempts to contribute to this neglected subfield. The next reason is that even the very limited amount of existing studies related to the policy changes of parties have been very different in their arguments. This study also attempts to resolve disputes among existing studies.

Socio-economic policies of various kinds are focused on in this dissertation, since, as explained in Chapter 1, they are important to political parties for their gathering votes in the election. In fact, because of this, the Conservative Party always has paid particular attention to policies for socio-economic issues. Instead of reviewing all socio-economic policies, several
policies the people considered urgent were selected to be reviewed in each
opposition period since they are certainly believed to be more closely
associated with votes and then, with winning an election, than less urgent
policies.

Policy changes of the Conservative Party after the electoral defeats have
not been in the same direction. As illustrated in Table 6.1, after the defeat in
1945, urgent socio-economic policies (housing, cost of living, unemployment,
and food shortage) changed in the direction of 'collectivism' except the issue
of unemployment, which was still in the direction of 'individualism,' stressing
more government intervention in socio-economic affairs. The Conservative
Party shifted its policies (economic affairs, labour relations, housing, and
pensions) from 'collectivism' in the direction of 'individualism' after the defeat
of 1964, arguing that reduced government intervention in the socio-economic
lives of people gave an incentive to people and consequently, led to economic
development and high productivity. In the government, especially during
1972-74, the conservative socio-economic policies made a 'U-turn' in the
direction of 'collectivism'. However, after 1974, urgent policies to people
(cost of living, labour relations, unemployment) were located between policies
in the direction of 'individualism' by 1970 and policies in the direction of
'collectivism' during 1972-74.
Table 6.1: Changes in policies in three opposition periods

<table>
<thead>
<tr>
<th>Opposition Periods (Party Leader)</th>
<th>The Most Urgent socio-economic Issues</th>
<th>Direction of Policy Changes</th>
</tr>
</thead>
<tbody>
<tr>
<td>1945-51 (Winston Churchill)</td>
<td>(1) Housing</td>
<td>Policies changed to the direction of 'collectivism' except employment which remained in the direction of 'Individualism.'</td>
</tr>
<tr>
<td></td>
<td>(2) Unemployment</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(3) Cost of Living</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(4) Food Shortage</td>
<td></td>
</tr>
<tr>
<td>1965-70 (Edward Heath)</td>
<td>(1) Economic Affairs (includes unemployment, economic development, cost of living)</td>
<td>All these policies about these issues changed to the direction of 'individualism' by 1970. (However, during 1972-74 in government, they turned back to the direction of 'collectivism')</td>
</tr>
<tr>
<td></td>
<td>(2) Labour Relations</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(3) Housing</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(4) Pensions</td>
<td></td>
</tr>
<tr>
<td>1975-79 (Margaret Thatcher)</td>
<td>(1) Cost Living</td>
<td>All policies were in between 'individualism' by 1970 and 'collectivism' during 1972-74</td>
</tr>
<tr>
<td></td>
<td>(2) Labour Relations</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(3) Unemployment</td>
<td></td>
</tr>
</tbody>
</table>

Searching for explanatory factors for differences in policy changes in different periods was the main purpose of this dissertation. The first step of this study was to review the existing literature in an effort to accumulate and refine existing theories. A limited amount of established studies has shown three different arguments in party policy changes. The first one is an environmental model, arguing that party policies change dependent on changes in the key environment related to gathering votes. A power-control model is the second, arguing that political parties change their policies...
contingent on the power struggle within the party. The third one is a mixture of the former two. Its main idea is that both environmental changes and internal struggle are required. The process is that environmental changes work as a catalyst for transforming power structure and a changed power structure will shift party policies.

Based on the critical review of arguments made in the existing literature, three working general hypotheses guiding the analysis in this study have been proposed. The basic argument behind these hypotheses is that all models in the literature review could appear, instead of having one model always be correct over the other, under different conditions. These hypotheses were made based on assumptions that environmental pressure is likely to be different from one time to the other time and the dominant coalitions, the highest policy-making organs in the party, also are different in their cohesiveness and strength in different periods. The core point of working hypotheses is that different combinations of strength of environment, and cohesiveness and strength of the dominant coalition result in differently changed policies of the opposition party.

Environment, which constrains the dominant coalition's changing policies, is composed of two factors. The first one is electoral defeat. The exclusive and final purpose of most major parties in the democratic system, including the Conservative Party, gets to power only by winning elections. Consequently, the electoral defeat usually brings enormous pressure on the dominant coalition in its changing policies for the next election, especially when the defeat is a landslide, repeated and unexpected. The pressures are usually from disappointed party supporters, members, activists, and M.P.s.
The second one is people's reaction to government performance. People's support during an election is the only way for a party to take power in the democratic system. The way to win people's consent in the election is to provide adequate responses to the desires of the population. Since people tend to pay more attention to the government's performance, the only thing the opposition party can do is to find whether people are satisfied or dissatisfied with the government's performance. The opposition party criticizes and exposes deficiencies of the government and then proposes alternative policies,\(^1\) especially when people are dissatisfied with the government's performance. Strong environment appears when the government's performance is very poor or very good; what people want from the opposition party is clear. In detail, if the government's performance in a policy that is very crucial to people's lives now or in the near future is poor or is expected to be poor, people naturally turn to alternative policies substantially different from the current government policies proposed by the opposition party.\(^2\) Under this condition, to win the election, the opposition party should make policies people want, regardless of what kind of policies the dominant coalition of the opposition party likes. If people believe that the

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2 This statement is based on an assumption that people know about what they want and have their own views of how efficiently to achieve it. The assumption seems to be correct because, throughout this dissertation, people's responses to many questions in the Gallup Poll have demonstrated it. An example is seen in Table 3.3 in Chapter 3. About a question, "In getting Houses Built, should the government give assistance mainly to local authorities or to private builders?", 44% of people responded for local authorities, 19% for private builder, 23% for equally, and 8% has no opinion. If people don't know what they want, most of the respondents should have no opinion.
government's performance is absolutely successful in a certain policy, they pay little attention to an alternative policy different from the policies of the government. Under this condition, the only thing the opposition party can do is to make a policy similar to that of the current government, to share the support of the people who positively evaluate the government's performance. Weak environment appears when the people's evaluation of government's performance in a certain policy is confused. More specifically, some portion of people believe that the government's performance is good and the other portion thinks that the government's performance is poor. The bad government's performance was out of the control of government, regardless of which party is in government, because it is due to factors such as global economic conditions. Under this condition, the dominant coalition of the opposition party has substantial freedom in policy-making.

The degree of strength and cohesiveness of the dominant coalition has been an important factor in the change of party policies. The explanation must begin with a concept, 'party disunity'. Party disunity has been regarded as one of the most essential for losing an election for two reasons. First, people hardly trust a fragmented party's policies, because they have no confidence in the party's policies being implemented when the party is in government. In this respect, the fragmented party is at a disadvantage in the election. Second, a fragmented party also cannot use its organization efficiently for the election because part of party origination, which is discontented with its policies or ideologies then, may be little active for winning the election.
A strong dominant coalition emerges when there is no confrontation within the dominant coalition or no threatened challenge from strong outside tendencies. A strong dominant coalition changes policies according to its intention, if there is no strong pressure on it from the environment. A weak dominant coalition appears when there are confrontations within the dominant coalition with regard to changing policies, or when the view of strong tendencies outside the dominant coalition is quite different from the dominant coalition's. A weak coalition has to compromise between its members or with outside tendencies to unify the party and then, to win the election, if there is little environmental pressure.

Based on the classification described so far, following four working hypotheses are proposed: (1) When pressure from the environment is very strong, regardless of whether the dominant coalition was weak or strong, policies definitely changed in accordance with demand from the environment. The reason is that the party, which does not adapt to the demand from the strong environmental pressure, is likely to lose the election. This hypothesis is consistent with the environmental model in the established literature. (2) When pressure from the environment is weak and the dominant coalition is very strong and cohesive, policies changed dependent on the dominant coalition's intention. It is consistent with the power-control model. (3) When pressure from the environment is weak and the dominant coalition is also very weak and divided, compromised policies between confronting groups are made to unify the party. This is called a 'compromise model' in this dissertation.

The above hypotheses are tested with the Conservative policy changes in three different opposition periods (1945-51, 1964-70, and 1974-79) since
1945. The result is presented in Table 6.2. During 1945-51, environmental pressure was very strong and demanded policies in the direction of 'collectivism,' except for the unemployment issue, on which the environment demanded policy in the direction of 'individualism,' while the dominant coalition was fragmented. The result was socio-economic policy changes (see Table 6.1) in the direction of 'individualism' in accordance with the strong demand from environment. Policy changes during this period, thus, are consistent with the environmental model. Between 1964-70, the environmental pressure was weak and the dominant coalition was very strong and cohesive. Since under

Table 6.2: Causes of policy changes

<table>
<thead>
<tr>
<th>Opposition Period (Party Leader)</th>
<th>Pressure from Environment</th>
<th>Dominant Coalition</th>
<th>Model</th>
</tr>
</thead>
<tbody>
<tr>
<td>1945-1951 (Winston Churchill)</td>
<td>*Strong pressure from the electoral defeat (in favor of 'collectivism')</td>
<td>Divided and Weak</td>
<td>Environmental Model</td>
</tr>
<tr>
<td></td>
<td>*Strong pressure from government performance (in favor of 'collectivism')</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1964-70 (Edward Heath)</td>
<td>*Weak pressure from the electoral defeat</td>
<td>Strong and Cohesive (in favor of 'individualism')</td>
<td>Power-Control Model</td>
</tr>
<tr>
<td></td>
<td>*Weak pressure from government performance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1974-79 (Margaret Thatcher)</td>
<td>*Weak pressure from the electoral defeat</td>
<td>Divided and weak</td>
<td>Compromise Model</td>
</tr>
<tr>
<td></td>
<td>*Weak pressure from government performance</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
weak environmental pressure, the dominant coalition preferred policies in the
direction of 'individualism', urgent socio-economic policies shifted in the
direction of 'individualism' from 'collectivism' before 1964 (see Table 6.1).
Policy changes during these periods validated the power-control model.
During 1974-79, the dominant coalition was weak and divided, while the
environment was also weak. Then changed policies were a kind of
compromise between confronting tendencies within and outside the dominant
coaition, not to dissatisfy both of them.

Thus, findings in this dissertation showed that two models (environment
and power-control) suggested in the existing literature appeared in each of
the three opposition periods of the Conservative Party since 1945. It means
that unlike the assertion of the established studies, one model is not always
correct over the others. Each of the three (environmental, power-control,
and compromise) models can appear under a different combination of the
dominant coalition and environment.

2. Lessons from this study about 'How to Win'

In every election, politicians in the opposition party engage in a search for
ways of 'how to win' within their control. They seldom succeed in finding a
formula because too many things are involved and they do not know what
critically affects the election outcome.³ Despite this fact, this study implies
several tiny lessons as to 'how to win'.

³ It is certain that government's performance makes a decisive impact on the election
outcome, but it is outside the opposition party's control.
First, the Conservative Party in opposition, especially its dominant coalition, was very rational with regard to changing policies. Its rational behavior might positively work for winning the next election. Winning the next election is the highest goal of any opposition party in the democratic system. Then, party behavior for winning an election could be regarded as rational only when it was for winning an election. Election is decided by voters. Therefore, only efforts to attract voters are considered rational behavior. Political parties' two critical ways to attract voters are changing policies to satisfy voters and unifying the party to make its organization and members work together to win an election without dissension.

Since 1945, the Conservative Party in opposition certainly had tried to be rational. When the environmental pressure (demand from people) was very strong, the Conservative Party changed its policies to satisfy the people. When the environmental pressure was weak, the demand from the environment was weak. The Conservative Party changed its policies not to break the unity of the party for winning the election.

Second, it may be true that an accurate prediction of what issues are important to the electorate in the future can contributes positively to successful preparation for the next election. A considerably accurate prediction is possible in Britain because there has not been much difference in the type of the most urgent socio-economic issues to voters at different times. As illustrated in Table 6.1, issues of unemployment and cost of living (prices and inflation) were included in all three opposition periods (1945-51, 1964-70, and 1974-1979) of the Conservative Party; issues of labour relations and housing appeared as urgent in two periods (1964-70 and 1974-
out of three; only two issues, food shortages and pensions, were urgent to people in only one period (1945-51, 1964-70 each). This fact strongly implies that types of issues important to voters would be relatively fixed over time and political parties would be possibly meet quite similar types of socio-economic issues as urgent problems in the future.

Another kind of prediction of what are urgent issues to voters in the future is possible when we analyze Tables 1.1 and 1.2 in chapter 1. The prediction is about the relationship between social and economic policies. In 1964, when the national economy become relatively sound, three social issues and two economic issues were included in five most urgent issues to people. However, in 1974 and 1979 when the economic condition became far worse than in 1964, social issues disappeared as the most urgent issues in people's mind because when voters are concerned about economics, they tend not to think about anything else, such as social issues.

Third, active policy organs of the opposition party may contribute to the election outcome. An majority of scholars argued that policy-making of the opposition party has little impact on the election outcome. This study reveals that scholars' thinking is quite different than what the Conservative politicians had believed. As illustrated throughout this study, whenever the Conservative Party was defeated in the election, its leading leaders (Lord Butler in 1945, Edward Heath in 1964 and Margaret Thatcher in 1975) believed that it lost the election partly because of its wrong policies and changed policies in opposition led to a win in the next election. Thus, they invariably reopened or reorganized policy-making organs (Research Department in 1945, Advisory Committee on Policy in 1964 and 1974) and activated them to revise policies.
If the Conservative Politicians' thinking is correct, policy organs in opposition would contribute to winning the next election.

3. Implications for Further Studies and Limitation of this Study

This study has two implications for further study in the future. The first comes from a defect of this study that it does not include a case in which pressure from the environment on the dominant coalition is strong and the dominant coalition is strong and cohesive. Therefore, a case with strong environmental pressure and a strong, cohesive dominant coalition must be studied to complete this study and to make hypotheses of this study more persuasive.

The second implication for further study starts with the fact that this study was confined to only three or four urgent socio-economic policies in three opposition periods of the Conservative Party. It means that generalizations from this study are on a very low level. Further studies have to be done to raise the level of generalization argued in this study. For this, the hypotheses suggested in this study have to be tested with policies of the opposition parties in Britain (such as, the Labour Party in opposition) and in other political systems (political parties in the United States).

However, there should be a limitation in applying hypotheses and variables of this study to policy changes of other parties in Britain and political parties in other political systems. The limitation is mainly due to the fact that other

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4 Why there is difference in opinions between the Conservative Politicians and scholars about the impact of policy-making of the opposition party on the election outcome may be a research topic in the near future.
political parties are different from the Conservative Party in their power structures. For instance, the British Labour Party has a far less powerful party leader and Shadow Cabinet than the Conservative Party (whose policy-making power is concentrated to the Shadow Cabinet) because substantial policy-making power in the Labour Party belongs to the trade union leaders. Therefore, in applying the hypotheses of this study to the Labour Party's policy changes, we need to define clearly what the dominant coalition of the Labour Party is.

Two major political parties in the United States, the Republican Party and the Democratic Party, are also very much different from the Conservative Party in their power structures. These two American political parties have a very decentralized power structure, so they do not have a dominant coalition which can make policies for the next election. In fact, policies and organization for the next election are prepared by individual candidates and their followers, not by the political party. Thus, Herbert Asher described, "[American] Elections are viewed as the interplay between citizens and candidates..." For this reason, it is not easy to apply hypotheses and variables of this study to the policy-making of American political parties.

5 The trade union leaders are powerful because one fourths of party members are from the trade unions, and the Labour Party is heavily dependent on the trade unions for financial support. See Birch, *The British System Of Government*, p. 69.


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