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# **The Changing Strategies of Minority Government and Opposition during the Callaghan Administration, 1976-1979**

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**Submitted in fulfilment of the requirements for the  
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## **Abstract**

The 2010 General Election and subsequent coalition government brought groundbreaking changes to the conduct of UK politics, challenging recent British political history's encapsulation within the dominant paradigm of the majoritarian 'Westminster model', and raising the prospect of further indecisive elections, not least evident in the uncertainty surrounding the upcoming 2015 General Election. These developments have also encouraged a rereading of past British minority governments, previously relegated to a status of either inherent weakness or aberration. Seminal works in the study of minority governments (Kaare Strom, 1990, 2006) have tended to concentrate on international experience, and even more recent studies by the Constitution Unit in London which have sought to act as a guide to current political parties ('Making Minority Government Work' (2010)) have not considered past British administrations in any great depth.

This thesis provides a historico-political study of the two main parties' strategic response to minority government during the Callaghan Administration of 1976-1979. The twin conclusions of this work are that both the Labour Government and Conservative Opposition showed greater consideration of strategies for dealing with minority government than has previously been appreciated by scholars, and that their actions are indicative of a distinct British tradition of minority government hitherto relatively unrecognised.

The first two chapters establish the study's theoretical framework, chronological context of the Callaghan Government, and strategy-making process within the main parties.

Chapters 3-4 take in the alternative courses of action during Government formation and the changing approaches to managing legislative defeats, while Chapters 5-6 examine formal and informal interparty cooperation.

Chapters 7-8 consider strategies of electoral timing, as well as planning by both parties for future minority or coalition governments, while the remaining two chapters revisit the confidence vote that brought down the Government, and place Callaghan's Administration within a wider reconceptualising of British minority government history.

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# **Chapter 1: Introduction**

## Rationale

At a time when many countries are continuing to struggle with economic crises, many are also facing crises of government, even in long-established democracies; elections more regularly produce indecisive outcomes and have compelled political parties to form minority governments, being unable to construct majority coalition arrangements with other parties. Even traditional notions of Britain as a bastion of single-party majority government have been challenged by the Conservative-Liberal Democrat Coalition Government, formed at Westminster in 2010, as well as by the uncertainty and prospect of further minority or coalition government following future electoral results.

A recent British Minority Administration whose experience has been largely overlooked is that of the Callaghan Government between 1976 and 1979. Through its action or inaction, Callaghan's Administration laid the political groundwork acted upon by British governments over the last three decades, in areas ranging from Macroeconomic policy to Devolution. As will be outlined in this study, the influence of experiences gained by both Government and Opposition parties during the Callaghan Administration may be seen even in the formation of Britain's post-2010 Coalition Government. In the same way that the indecisive nature of the result in 2010 presented a situation not faced in a generation, the period of non-majority governance from 1976-79 compelled the main parties to adapt to a largely unfamiliar political environment, having become used to single party majority governance. Prior to the short-lived Wilson Minority Government (February-October 1974), Britain had last experienced minority governance more than forty-three years earlier in 1929-31 under Labour Prime Minister Ramsay MacDonald. In this respect, the experience of the 1976-79 Government provides perhaps one of the best comparators with the post-2010 Coalition in the UK Parliament.

The purpose of this study is to demonstrate two aspects of the Callaghan Government and Opposition that have received less scholarly interest. The first of these aspects is that the two main political parties within Britain showed greater strategic thinking than has previously been appreciated by scholars, and sought to adapt to the different challenges posed by minority government at a national level between 1976 and 1979. The second aspect is that these trends of attempted adaptation were reflective of a distinctively British tradition of minority government, in which the main participants sought primarily to adhere to a majoritarian political system, while contemplating and embracing pragmatic changes. This British tradition of minority government was also

reflected in seeking guidance for formulating strategy. Participants and papers on the subject in both main parties referenced Britain's own historic experience with minority administrations, rather than those more recently occurring in other countries. In addition to a rereading of late 1970s British politics, charting of the development of political strategy will provide: an insight into how parties adapt to new political circumstances; a greater understanding of the challenges facing future minority and coalition governments and how these may be confronted; and a framework for evaluating strategic developments of other minority, majority and coalition governments in Britain and internationally.

In spite of the many historical experiences of minority government, this area of research has been largely under-explored, particularly in Britain, with only a handful of recent works providing a corrective to this omission, domestic and international minority government scholarship being discussed below. Even in terms of a general overview, within a broader international context, minority government as a concept and practice has not been as widely studied as that of coalition government. Some other countries' experiences of minority government, primarily confined to article-length case-studies or subsumed into larger works, have also begun to be subject to more detailed examination.<sup>1</sup> Full monograph studies of the subject of minority government in its own right have only more recently been produced in certain cases, such as Russell's *Two Cheers for Minority Government*, which examines Canada's historic experience with minority administrations, or Nikolenyi's *The Puzzle of Elusive Majorities*, which charts minority governments in India.<sup>2</sup>

It is only more recently that this field has begun to garner greater scholarly attention in countries facing fresh experiences with minority administrations, in some cases for the first time ever at a national level. It is clear that minority government will be an increasingly prominent feature of national politics in democracies across the world in the years ahead. Continued trends of declining membership of, and identification with, traditional governing parties, the rise of new party movements challenging conventional notions of interparty cooperation, and the need to reconcile a myriad of political groups in newly emergent democracies, such as those of the Arab Spring, have led to more frequent occurrences of minority administrations. 2010 to 2011 saw the existence of a number of minority governments at a national level across three different continents. Several of these

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<sup>1</sup> For an example of a previous Canadian study which includes a useful discussion of different considerations relating to minority governments, see, for example, R. G. Landes, 'The Canadian General Election of 1980', *Parliamentary Affairs*, Vol. 34, No. 1 (1981), pp. 95-109. See *infra*, pp. 12-21.

<sup>2</sup> C. Nikolenyi, *Minority Governments in India: The Puzzle of Elusive Majorities* (Abingdon: Routledge, 2010); P. Russell, *Two Cheers for Minority Government: The Evolution of Canadian Parliamentary Democracy* (Toronto: Emond Montgomery, 2008). See *infra*, pp. 12-21.

examples, including, amongst others, Australia in 2010, had no recent experience of this form of government at a national level. Even countries with more deep-rooted traditions of minority government have had to meet new political challenges requiring changes to existing governing arrangements, which may be seen not least in the three minority coalition governments currently in office in 2015 in Norway, Sweden and Denmark.<sup>3</sup>

## Terminology

The first step will be to set out the assumptions and particular understandings of the concepts that are used in this study, seeking to avoid confusion in the terminological framing of the question. When referring to the position of the Callaghan Government after losing its majority in April 1976, the term ‘minority government’ will be used. Minority government occurs in a democracy when a political party forms a government, whose power is dependent upon controlling a legislative majority in a parliament, but does not itself have a majority of the parliamentary seats, thereby having to rely on the cooperation or abstention of other parties for survival. Prior to the late nineteenth century emergence of disciplined political parties in Britain, and of national elections acting as the decisive factor in establishing or changing governments, many, if not all governments, could be regarded more loosely as ‘minority’ governments. These governments were mainly concerned with managing executive governance independent of Parliament. Where parliamentary approval was required for a Budget or for legislation, it often resulted in the assembly of *ad hoc* agreements with individuals or groups of MPs, or else relied on the absence of a unified opposition.<sup>4</sup>

Minority governments since the late nineteenth century have thereby emerged as a contrast with what has been identified as the increasing ‘norm’ of single-party majority government. This is as distinct from the one or two other cases in which the term ‘minority government’ has sometimes been appropriated when referring to Britain, either as a discussion of class-based conflict between the citizenry and a ‘minority’ elite in political

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<sup>3</sup> B. E. Rasch, ‘Why Minority Governments? Executive-Legislative Relations in the Nordic Countries’, in T. Persson and M. Wiberg (eds), *Parliamentary Government in the Nordic Countries at a Crossroads. Coping with Challenges from Europeanisation and Presidentialisation* (Stockholm: Santérus Academic Press, 2011), pp. 1-31; T. Bergman, *Constitutional Rules and Party Goals in Coalition Formation: An Analysis of Winning Minority Governments in Sweden* (Department of Political Science: Umeå University, 1995). See *infra*, pp. 12-15.

<sup>4</sup> A. Blick & S. Wilks-Heeg, ‘Governing without Majorities: Coming to Terms with Balanced Parliaments in UK Politics’, *Democratic Audit General Election Briefing*, No.1 (2010), pp. 2-3; K. Strom, *Minority Government and Majority Rule* (Cambridge: Cambridge University Press, 1990), pp. 4-8; A. Beattie, ‘British Coalition Government Revisited’, *Government and Opposition*, Vol. 2, No. 1 (1966), pp. 4-6.

institutions, or as a reference to the electoral system, and the ability of a political party to achieve a majority of parliamentary seats on a ‘minority’ of the vote.<sup>5</sup>

The scope of the types of political systems which have allowed minority governments to exist has also been subject to debate. The term ‘minority government’ has sometimes been applied to Presidential or Semi-Presidential systems, in which a separately appointed Executive, such as a President, does not hold a corresponding majority in the country’s legislature. This definition is *sui generis* and creates possible confusion with the more widespread meaning of ‘minority government’ as usually occurring in a parliamentary system. While alternative terms such as ‘minority Presidential Government’ may serve as clarification, these are not currently widely used. For the purpose of this study, such a ‘minority’ state in any Presidential system will be identified using the conventional label of ‘cohabitation’ rather than ‘minority government’, ‘cohabitation’ being a situation in which two political powers within a country are elected under different mandates and are held by different opposing political parties. As a result of this institutional insulation, one of the critical dynamics of pure parliamentary minority government is removed, that of an Executive being totally dependent on their position in a parliament for the continuation of their office.<sup>6</sup>

The term for describing the state of a parliament without a majority has, in recent years, been subject to some debate. The commonly accepted lexicon of ‘hung parliament’, first widely used in response to the 1970s experience of minority governments in Britain, has recently been challenged by commentators because of its negative connotations; alternative terms advanced have included ‘no overall control’ and that of ‘a balanced parliament’. However, these labels are themselves indicative of a normative approach to politics, ‘balanced’ implying the absence of a single party majority as more favourable. There is also potential confusion with the term ‘balanced parliament’ being used by commentators to describe constitutional concepts such as the balance of powers between different parts of the legislature, referring to longstanding works on parliamentary democracy such as Walter Bagehot’s, *The English Constitution*. The phrase ‘minority government’ or ‘state of minority government’ will primarily be used as a factual descriptor of the institution. When referring to the particular participants of leaders and

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<sup>5</sup> H. J. Perkin, *The Third Revolution: Professional Elites in the Modern World* (London: Routledge, 1996), pp. 65-6; G. Dietze, *America’s Political Dilemma: From Limited to Unlimited Democracy* (London: University Press of America, 1985), p. 191.

<sup>6</sup> R. Elgie, *Semi-Presidentialism: Sub Types and Democratic Performance* (Oxford: Oxford University Press, 2011), pp. 179-82; J. A. Cheibub, *Presidentialism, Parliamentarism, and Democracy* (Cambridge: Cambridge University Press, 2007), pp. 5, 11-12, 60-2; K. Strom, W. C. Muller, and T. Bergman (eds), *Delegation and Accountability in Parliamentary Democracies* (Oxford: Oxford University Press, 2006), p. 328.

parties in the late 1970s, the terms used may include: ‘Callaghan Government’, ‘Government’, or ‘Labour’, when addressing the Labour Government of 1976-79, and ‘Thatcher’, ‘Opposition’, or ‘Conservatives’, when talking about the Official Opposition Conservative and Unionist Party. Others terms, including ‘hung parliament’ or ‘balanced parliament’, will be used in reference to their employment by contemporaries reflecting upon the situation which they faced.<sup>7</sup>

## Scholarship – 1970s British Political History

Although much space has been dedicated to the political history of late 1970s Britain, existing scholarship is subject to significant limitations, whether concerning the Government or the different political parties. Previous analyses of the Callaghan Government have ranged from scathing criticism of failures to praise for surviving in the face of adverse circumstances. The absence of a majority is seen as an important contributory factor, but it is only occasionally the focus for particular scrutiny in these works. Studies of the Callaghan era have also tended to be incorporated into larger meta-narratives reflecting contemporary political developments and projects. Conservatives, fighting to enact their policies in the face of opposition from both within and outside their party in the 1980s, sought to buttress their position through accounts of the late 1970s as a period of political weakness and failure. Politicians and activists on the Left wing of Labour, and those who later supported the modernising agenda of ‘New Labour’, also frequently criticised their political forebears when writing histories of the Callaghan Government, to add intellectual credence to their own political agendas to reshape the party, and to reposition it ideologically further to the left or right.<sup>8</sup>

Even where academic histories have sought to avoid being drawn in by these political agendas, the focus has often been on either the major extra-parliamentary events faced by the Callaghan Government, from the IMF crisis to the ‘Winter of Discontent’, or

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<sup>7</sup> ‘Balanced parliament: No need to rush’, *The Guardian*, 5 May 2010; A. Blick & S. Wilks-Heeg, ‘Governing without Majorities’, pp. 1-2; A. Brazier and S. Kalitowski (eds), *No Overall Control* (Hansard Society, 2008), pp. 1-4; W. Bagehot, *The English Constitution* (Brighton: Sussex Academic Press, 1997), p. ix.

<sup>8</sup> M. Pugh, *Speak for Britain!: A New History of the Labour Party* (London: Vintage, 2011), pp. 354, 389; G. Rosen, *Old Labour to New: The Dreams that Inspired, the Battles that Divided* (London: Politico’s, 2005), p. 383; P. Diamond, *New Labour's Old Roots: Revisionist Thinkers in Labour's History, 1931-97* (Exeter: Imprint Academic, 2004), pp. 4, 168; A. Seldon and K. Hickson (eds), *New Labour, Old Labour: The Wilson and Callaghan Governments* (London: Routledge, 2004), pp. i, 1, 321-2; P. Gould, ‘The Land that Labour Forgot’ in A. Chadwick, *The New Labour Reader* (Cambridge: Polity Press, 2003), pp. 39-42; P. Whitehead, *The Writing on the Wall: Britain in the Seventies* (London: Joseph, 1985); P. Whiteley, *The Labour Party in Crisis* (London: Methuen & Co., 1983), pp. 1-5, 129, 185, 207. See *infra*, pp. 7-12, 29-34.

on the Labour party's internal ideological conflicts, rather than on strategies of managing the absence of a parliamentary majority.<sup>9</sup>

One of the most comprehensive reflections on the actions and plans drawn up by political actors during the period remains that of Butler and Kavanagh's 1979-80 work on the 1979 General Election, and their account of activities during the preceding Parliament. Although many of their conclusions have become largely accepted as orthodox, Butler and Kavanagh's study suffers from obvious limitations in terms of source availability and the absence of critical distance.<sup>10</sup> Similarly, there are contemporary narratives and political commentaries, including quarterly reflections on preceding sessions of Parliament by John Beavan, occurring until 1977, which, although capturing day-to-day issues and political concerns across a whole year-long session during the Parliament, lack a holistic overview, and were based upon similarly limited sources.<sup>11</sup>

Some interesting insights into the experience of contemporary political actors may be found in the preponderance of biographies or personal reflections in the form of political diaries and memoirs. These works form an increasingly regular feature in British politics and have been much cited as supplementary sources for the period. While providing some interesting insights, however, their limitations (as with any personal reflection or biography) must be borne in mind. Particularly notable are their understandable lack of an overall specific focus on the minority government question, and their principal aim being to put into the public domain their recollections of the events, with the view sometimes being to revise popular perceptions of the author him/herself or that of his/her biographical subject.<sup>12</sup>

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<sup>9</sup> T. Martin-López, *The Winter of Discontent: Myth, Memory and History* (Liverpool: Liverpool University Press, 2014); J. Tomlinson, 'British Government and Popular Understanding of Inflation in the Mid-1970s', *Economic History Review*, Vol. 67, No. 3 (2014), pp. 750-768; C. Hay, 'The Winter of Discontent Thirty Years On', *The Political Quarterly*, Vol. 80, No. 4 (2009), pp. 545-552; A. Thorpe, *A History of the British Labour Party*, 3<sup>rd</sup> edition (London: Palgrave Macmillan, 2008), pp. 195-208; D. Hayter, *Fightback!: Labour's Traditional Right in the 1970s and 1980s* (Manchester: Manchester University Press, 2005); K. Hickson, *The IMF crisis of 1976 and British Politics* (London: I. B. Tauris & Co., 2005); S. Ludlam, 'The Gnomes of Washington: Four Myths of the 1976 IMF Crisis', *Political Studies*, Vol. 40, No. 4 (1992), pp. 713-27; W. Rodgers, 'Government under Stress. Britain's Winter of Discontent 1979', *The Political Quarterly*, Vol. 55, No. 2 (1984), pp. 171-9; A. Warde, *Consensus and Beyond: The Development of Labour Party Strategy since the Second World War* (Manchester: Manchester University Press, 1982), pp. 1-6.

<sup>10</sup> D. Butler and D. Kavanagh, *The British General Election of 1979* (London: Macmillan, 1980).

<sup>11</sup> For example: I. Burton, and G. Drewry, 'Public Legislation: A Survey of the Sessions 1977/8 and 1978/9', *Parliamentary Affairs*, Vol. 33, No. 1 (1979), pp. 173-209; J. Beavan, 'The Westminster Scene', *The Political Quarterly*, Vol. 47, No. 2 (1976), pp. 203-14.

<sup>12</sup> See, for example, C. Moore, *Margaret Thatcher: The Authorised Biography, Volume One: Not For Turning*, vol. i (London: Allen Lane, 2013); D. Torrance, *David Steel: Rising Hope to Elder Statesman* (London: Biteback Publishing, 2012); K. O. Morgan, *Michael Foot: A Life* (London: Harper Collins, 2007); R. Jenkins, *A Life at the Centre* (London: Politico's Publishing, 2006); B. Donoghue, *Downing Street Diary: With James Callaghan in No. 10*, vol. ii (London: Jonathan Cape, 2008); K. O. Morgan, *Callaghan: A Life* (Oxford: Oxford University Press, 1997); T. Benn, *Conflicts of Interest: Diaries, 1977-80* (London:

Academic scrutiny of the actions and plans of political leadership, which may be thought of as a traditional locus for strategy-making, do not give significant consideration to the state of minority government during this period. The several analyses that there have been of Callaghan as Prime Minister over the years have generally been particularly critical of his failures, or have praised his management with faint damns, suggesting that he did his best given the adverse circumstances. The concluding emphasis of both approaches often appears to be that Callaghan was an ‘unfortunate’ Prime Minister, at the mercy of events beyond his control. Although aspects of his management of certain crises are discussed, such as the IMF loan, and elements of the challenges he faced in Parliament woven in, there is no single work concentrating on Callaghan’s approach to the challenge of a minority government and his relations with Parliament. Philip Norton’s work on Parliament and MP rebellions during the 1970s addresses the parliamentary relations part of this question, albeit from a more statistical perspective. The Government’s parliamentary position and defeats on legislation have, as such, been considered more as an element within an historical narrative of events, or as part of more overarching quantitative analyses of the increasing rebelliousness of individual MPs during this period and subsequently.<sup>13</sup>

An important rereading of the Callaghan Government, drawing upon both recently released sources and scholarship, may be found in Andrew Thorpe’s *A History of the Labour Party*. Well-established events both within and outside Parliament are neatly encapsulated within the chapter dedicated to the 1970s, while at the same time providing new insights into long-established views of the Government. Understandably, given the overarching nature of the work, there is not the scope to consider in greater detail the Callaghan Government’s parliamentary situation as a minority government.<sup>14</sup>

The essays contained in Anthony Seldon and Kevin Hickson’s *New Labour, Old Labour*, published on the thirtieth anniversary of Wilson’s return to office in 1974, offer a particularly thorough reappraisal of these governments, from policies they enacted to their

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Arrow Books, 1991); M. Thatcher, *The Path to Power* (London: Harper Collins, 1995); D. Healey, *The Time of My Life* (London: Penguin Books, 1990); W. Whitelaw, *The Whitelaw Memoirs* (London: Aurum Press, 1989); J. Callaghan, *Time and Chance* (London: Harper Collins, 1987); J. Barnett, *Inside the Treasury* (London: André Deutsch Limited, 1982).

<sup>13</sup> J. Shepherd, ‘The Fall of the Callaghan Government, 1979’, in T. Heppell and K. Theakston (eds), *How Labour Governments Fall: From Ramsay Macdonald to Gordon Brown* (London: Palgrave Macmillan, 2013), pp. 113-41; P. Norton, ‘Parliament’ in A. Seldon and K. Hickson (eds), *New Labour, Old Labour*, pp. 190-206; P. Hennessy, *The Prime Minister: The Office and its Holders Since 1945* (London: Penguin Books, 2001), pp. 378, 386-9, 395-6; K. O. Morgan, *Britain Since 1945: The People’s Peace* (Oxford: Oxford University Press, 2001), pp. 382-4, 399-401, 422; D. Tanner, P. Thane and N. Tiratsoo, *Labour’s First Century* (Cambridge: Cambridge University Press, 2000), pp. 142, 233; P. Norton, *Dissension in the House of Commons: 1974-1979* (Oxford: Oxford University Press, 1980).

<sup>14</sup> A. Thorpe, *A History of the British Labour Party*, pp. 195-208.

position in Parliament. They also provide more detail on the efforts of the Callaghan Administration to overcome the state of minority government through actions in Parliament. However, while the publication of this work may be regarded as a benchmark in terms of revisionist accounts, it was published in 2004 and therefore by the editors' own admission, was intended to give a present state of knowledge at the time immediately preceding the release of Government and Opposition documents under the thirty-year rule. These recently released sources have, however, a significant bearing on understanding the strategic thinking within the Callaghan Government and Opposition, as will be seen in this study.<sup>15</sup>

Dominic Sandbrook's *Seasons in the Sun*, while providing some important insights through declassified sources and challenging some of the long-held premises regarding the Callaghan Government, similarly does not make the minority status of the Government a particular focus, but analyses the political dimension from within a wider socioeconomic and global background of life in Britain during the period.<sup>16</sup>

The Government's principal parliamentary counterparts, the Conservative Opposition in the late 1970s, led by Margaret Thatcher, have also suffered from limited scholarly consideration in terms of minority government. The subjects of Thatcher's rise to power and the Conservative Governments of the 1980s and 1990s have elicited considerable debate and study in both popular and academic fora, and, at present, continue to serve as provocative and highly relevant topics, in political campaigns from Scottish Devolution to Britain's place within the European Union. However, although the period of Conservative Opposition in the late 1970s is highlighted in many works, it is often perceived as a prologue, an *entr'acte* to the myriad of political battles and events that followed. As such, there are many aspects of this period of opposition, important as formative and preparatory experiences for future Conservative Administrations, which have received little, if any, significant analysis. In particular, the Conservatives' political approach to minority government has received limited attention.<sup>17</sup>

This gap in politico-historical scholarship is not isolated, but is rather a recurring trend in the study of Official Oppositions in the twentieth century, in which generally not much has been contributed to the single work or couple of works which are considered to be the original authoritative comment on the subject. While reflecting significant scholarly

<sup>15</sup> A. Seldon and K. Hickson (eds), *New Labour, Old Labour*, pp. 1-5, 190-206.

<sup>16</sup> D. Sandbrook, *Seasons in the Sun: The Battle for Britain, 1974-1979* (London: Penguin UK, 2012).

<sup>17</sup> J. Campbell, *Margaret Thatcher: Grocer's Daughter to Iron Lady* (London: Vintage, 2009), pp. 77-94; E. A. Reitan, *The Thatcher Revolution: Margaret Thatcher, John Major, Tony Blair, and the Transformation of Modern Britain, 1979-2001* (Oxford: Rowman and Littlefield, 2003), pp. 16-25, 241-2; R. Blake, *The Conservative Party: From Peel to Major* (London: Arrow Books, 1998), pp. 320-35.

contributions, these oppositional studies are necessarily limited, and have often been produced prior to the availability of official papers or internal party strategy documentation. Increasing interest in the study of Oppositions over the past few years has led to new light being shed upon the subject, not least reflected in the overarching reconsiderations of the experience of different postwar Opposition leaders in the 2012 book edited by Timothy Heppell, *Leaders of the Opposition: From Churchill to Cameron*. While this work includes a re-examination of the Conservative Opposition in the late 1970s by Philip Norton, its focus is, in line with the nature of the study as a whole, more on analysing Thatcher's party leadership, communication, and internal party divisions, rather than the minority government aspect.<sup>18</sup> It is also only in recent years that gaps in the study of individual periods of opposition have begun to be addressed, such as through the work carried out by Patrick Bell on a previously neglected period of Labour opposition in the early 1970s, and Stuart Ball's multiple works on the Conservative party in opposition throughout its history. A particularly interesting revisionist analysis of the opposition led by Thatcher in the late 1970s may be found in a chapter of Ball's work on *Recovering Power*. However, even this study only makes passing reference to the challenges of minority government.<sup>19</sup> The other particularly notable analysis of the Opposition during this period was the contemporary account of Behrens' *From Heath to Thatcher*. The work focuses more upon battles fought within the Conservative Party itself, as well as on reshaping its ideological outlook and policy, rather than on parliamentary strategy or Conservative MPs' efforts to bring down the Callaghan Government.<sup>20</sup> While the Callaghan Minority Government occurred when smaller political parties were increasing their parliamentary representation to new record highs in the postwar period, scholarship with regard to their contribution also suffers from substantial gaps. These smaller political parties, who each held between one and fourteen MPs in Parliament, assumed a critically important role by keeping the balance of power between Government and Official Opposition. This increased prominence helped to fuel greater academic interest in the parties involved, although this scholarship still does not rival that of the space dedicated to the two main political parties. Brief discussions of the pivotal role played by the smaller parties have featured in major histories of the period, and in studies looking at individual

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<sup>18</sup> T. Heppell (ed), *Leaders of the Opposition: From Churchill to Cameron* (Houndmills: Palgrave Macmillan, 2012), pp. 99-108.

<sup>19</sup> S. Ball and A. Seldon (eds), *Recovering Power: The Conservatives in Opposition Since 1867* (Houndmills: Palgrave Macmillan, 2005); P. Bell, *The Labour Party in Opposition, 1970-1974* (London: Routledge, 2004); J. D. Hoffman, *The Conservative Party in Opposition: 1945-51* (London: MacGibbon & Kee, 1964).

<sup>20</sup> R. Behrens, *The Conservative Party from Heath to Thatcher: Policies and Politics, 1974-1979* (Farnborough: Saxon House, 1980).

parties, albeit usually in the context of charting their political development over a prolonged timescale.<sup>21</sup>

As with Labour and the Conservatives, considerations of subsequent political developments have affected the writing of narratives concerning smaller political parties in the Parliament of the late 1970s, whether in terms of the Social Democratic Party/Alliance and formation of the Liberal Democrats, the Scottish National Party (SNP) and Plaid Cymru governing in the Devolved Parliaments of Scotland and Wales, or the development and resolution of political turmoil in Northern Ireland.<sup>22</sup>

There have not been many works dedicated specifically to interaction and cooperation between the different parties during the late 1970s. An exception to this may be found in discussion of the Lib-Lab Pact, an agreement between the Labour and Liberal parties which involved Liberal MPs supporting the Government on key votes between March 1977 and September 1978 in return for input into government policymaking. Nevertheless, academic study of interparty cooperation remains limited, with existing detailed analyses primarily consisting of contemporary political commentary or personal reflection. As of 2015, only two books have been published which focus solely on the subject of the Lib-Lab Pact, one of which was written prior to the 1979 election, while the other was written by the Liberal leader of the time David Steel, an architect of and major participant in the Pact. Mark Oaten's 2007 work *Coalition*, which examines the history of coalition in Britain since 1850 rather than that of minority government, has been one of the few works to revisit and reread the Lib-Lab Pact using more recently declassified papers. The most authoritative and in-depth rereading of the Pact to date has been given in Jonathan Kirkup's unpublished PhD thesis in 2012.<sup>23</sup>

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<sup>21</sup> D. Dutton, *A History of the Liberal Party Since 1900* (Houndmills: Palgrave Macmillan, 2013); D. Walter, *Strange Rebirth of Liberal England* (London: Politico's, 2003).

<sup>22</sup> G. Hassan, *The Modern SNP: From Protest to Power* (Edinburgh: Edinburgh University Press, 2010); R. Douglas, *Liberals: A History of the Liberal and Liberal Democratic Parties* (London: Hambledon and London, 2005), pp. 282, 304; A. Seldon and K. Hickson (eds), *New Labour, Old Labour*, pp. 240-5; J. Stevenson, *Third Party Politics Since 1945: Liberals, Alliance and Liberal Democrats* (Oxford: Blackwell Publishers, 1993), pp. 61-4.

<sup>23</sup> J. Kirkup (2012), 'The Parliamentary Agreement Between the Labour Party and the Liberal Party 1977-1978 'The Lib-Lab Pact''. PhD Thesis (unpublished). Cardiff University: UK; M. Oaten, *Coalition: The Politics and Personalities of Coalition Government from 1850* (Petersfield: Harriman House, 2007), pp. 174-96; R. Douglas, *Liberals*, pp. 281-2; I. Marsh, 'Liberal Priorities, The Lib-Lab Pact and the Requirements for Policy Influence', *Parliamentary Affairs*, Vol. 43, No. 3 (1990), pp. 292-321; V. Bogdanor, *The People and the Party System: The Referendum and Electoral Reform in British Politics* (Cambridge: Cambridge University Press, 1981), p. 163; P. Bartram, *David Steel: His Life and Politics* (London: W. H. Allen, 1981), pp. 140-78; D. Steel, *A House Divided: the Lib-Lab Pact and the Future of British Politics* (London: Weidenfeld and Nicolson, 1980); A. Michie and S. Hoggart, *The Pact: The Inside Story of the Lib-Lab Government, 1977-8* (London: Quartet Books, 1978). See *infra*, p. 99.

Similar literature, although smaller in quantity, dominates existing narratives of the other political parties. One of the most comprehensive accounts of SNP MPs' approach to parliamentary strategy during this period comes from reflections by a contemporary SNP parliamentarian, Gordon Wilson. Consideration of parties such as Plaid Cymru and the Ulster Unionist Party (UUP) is even less in evidence, being confined to a few pages in one or two books on their recent history.<sup>24</sup>

## Scholarship – Minority Government and Coalition

As highlighted above, the study of minority governments around the world has, comparatively speaking, received less scholarly attention from historians and political scientists as opposed to that afforded to coalitions or single-party majority governments. Earlier theoretical appraisals, rather than studying minority government as a phenomenon in itself, examined minority governments as 'deviant cases' of unfulfilled potential coalitions. Later works have sought to redress this imbalance, looking at minority administrations as the product of rational actors and not being inherently weaker than other forms of democratic government. The most detailed studies of minority government have been produced in countries with relatively commonplace experience of minority administrations, including, amongst others, Denmark and Canada. While there are similarities between minority governments in different countries, there are also significant variations and distinct national political cultures and institutions. Increased occurrences of minority governments around the world in recent years have promoted greater scholarly interest. However, as indicated above, the UK has been curiously neglected. Minority governments in Britain have received even less consideration in their own right than their counterparts in other countries, whether by scholars of political history or those working in the political science aspects of minority government.<sup>25</sup>

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<sup>24</sup> The 6 Ulster Unionist MPs were part of a larger electoral and parliamentary coalition of Northern Ireland parties, the United Ulster Unionist Council (UUUC). Following the break-up of the group in May 1977, the 6 MPs of the Ulster Unionist Party were referred to using different names. For these 6 MPs, led in the Westminster Parliament by James Molyneux, the terms Ulster Unionists or UUP will be used as the label. G. Wilson, *SNP: The Turbulent Years 1960-1990* (Stirling: Scots Independent, 2009); G. Walker, *A History of the Ulster Unionist Party: Protest, Pragmatism and Pessimism* (Manchester: Manchester University Press, 2004), p. 223; L. McAllister, *Plaid Cymru: The Emergence of a Political Party* (Bridgend: Seren Books, 2001).

<sup>25</sup> See, for example, J. Kaarbo, *Coalition Politics and Cabinet Decision Making: A Comparative Analysis of Foreign Policy Choices* (Ann Arbor, MI: University of Michigan Press, 2012); R. B. Andeweg, L. De Winter, and P. Dumont (eds), *Puzzles of Government Formation: Coalition Theory and Deviant Cases* (London: Routledge, 2011), pp. 9, 88-90, 112; G. Tsebelis, *Veto Players: How Political Institutions Work* (Princeton: Princeton University Press, 2011), pp. 93-9, 214-20; D. Arter, *Democracy in Scandinavia: Consensual, Majoritarian or Mixed?* (Manchester: Manchester University Press, 2006), pp. 8-11, 59, 98-9,

By looking through some of the developments in minority government theory over the past fifty years, it is possible to glimpse a particularly confusing picture. Orthodox theories have never fully been discredited, while revisionist and other subsequent theoretical considerations often provide only unsteady foundations that continue to be much contested by scholars. While it would be impractical to consider all the different aspects of this theoretical development, a brief overview will chart something of the debates, as well as highlighting aspects that will be relevant for consideration of the Callaghan Government and Conservative Opposition in subsequent chapters.

Early theorised approaches used game-theory models to analyse political leaders as rational actors, including the pioneering work of William Riker in the 1950s, *The Theory of Political Coalitions*, which established important foundations for coalition theory and what would become the orthodox view of minority governments. This orthodoxy, developed in subsequent studies, characterised minority governments in an almost completely negative light, in effect representing ‘failed’ coalitions: these are rare deviations from the ‘norm’ of majority governments; arising from crises, fractionalization of existing party systems, increased political polarization or unresolvable conflicts between parties; inherently weak and short-lived; political actors being primarily driven to seek office rather than other goals such as enactment of policies; and, as with coalition formation more generally, the view that any attempts to construct coalitions will always favour the smallest number of MPs/parties needed to get a majority (or ‘minimal-winning coalition’).<sup>26</sup> While ‘minimal winning’ has been much criticised or modified, not least to include the general preference for coalitions of ideologically similar parties, it continues to act as a powerful starting point for explaining political behaviour of what are still perceived to be ‘rational actors’. More recent revisionist scholarship, led by Kaare Strom’s articles in the 1980s and his seminal work *Minority Government and Majority Rule*, has largely accepted the game-theory approach, but challenged the above-cited causes and conclusions about minority governments, suggesting that: they are far more common across different countries; they may be the product of rational behaviour by political actors; they are not necessarily weaker or more short-lived than majority or coalition governments; and parties may pursue

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238-57; K. Strom, W. C. Muller, and T. Bergman (eds), *Delegation and Accountability in Parliamentary Democracies*, pp. 282, 291-3, 297-8, 430, 629; M. Laver and N. Schofield, *Multiparty Government: The Politics of Coalition in Europe* (Ann Arbor, MI: University of Michigan Press, 1998), pp. 6, 53, 72-81.

<sup>26</sup> W. Riker, *The Theory of Political Coalitions* (New Haven: Yale University Press, 1962), pp. 1-6, 47.

alternative goals to seeking office – including maximising votes or enactment of certain policies.<sup>27</sup>

Over the past few decades, these scholars have reinterpreted the previously listed causes of minority government, as well as looking to other factors that may influence the government formation process, a particularly important debate being over the effect of institutions on constraining or facilitating particular types of government formation. Some of these ideas were widely accepted, not least the notion that minority governments were more likely to form in cases of the ‘negative’ framing of parliamentary rules, supposedly the case in Britain, so that a new government did not have to win a parliamentary vote to establish itself, and could exist merely if tolerated by opposition parties. Even this idea has not gone unchallenged, however, an alternative being proposed by Lanny Martin and Randolph Stevenson in 2010, suggesting that the probability of a minority government forming does not depend on the presence or absence of a formal investiture rule, based upon a new data sample of different governments. Furthermore, this study, whose focus was on highlighting the importance of parties working together in the past as a guide to future cooperation, also serves to reflect the employment of other non-institutional factors, including decision-making by individual party leaders and local political history.<sup>28</sup>

Uncertainty over what constitutes a minority government in practice has led to theorists debating the boundaries between minority and majority governments, and how these governments should be defined. Taylor and Laver, amongst others, have argued that minority governments which ‘almost’ pass the majority threshold are more likely able to be able stay in power by relying on the votes of one or two parliamentarians from other parties, and even, in some cases, to function similarly to a majority government.<sup>29</sup> There have been a number of developments in recent years aiming to understand the greater complexity of political actors that shape minority government and coalition formation, not least, for example, Thomas Bergmann’s model of “multiple goals in multiple arenas”,

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<sup>27</sup> K. Strom, *Minority Government and Majority Rule*, pp. 17, 23-4, Chapters 4-6; ‘Minority Governments in Parliamentary Democracies: The Rationality of Nonwinning Cabinet Solutions’, *Comparative Political Studies*, Vol. 17, No. 2 (1984), pp. 199-227.

<sup>28</sup> L. W. Martin and R. T. Stevenson, ‘The Conditional Impact of Incumbency on Government Formation’, *American Political Science Review*, Vol. 104, No. 3 (2010), pp. 503-518.

<sup>29</sup> R. Hazell and A. Paun (eds), *Making Minority Government Work*, pp. 1-18, 45; D. Arter, *Democracy in Scandinavia: Consensual, Majoritarian or Mixed?*, pp. 8, 16-18, 99-105; C. Green-Pederson, ‘Minority Governments and Party Politics: The Political and Institutional Background to the “Danish Miracle”’, *Journal of Public Policy*, Vol. 21, No. 1 (2001), pp. 53-70; K. Strom, *Minority Government and Majority Rule*, pp. 60-3; V. Herman and J. Pope, ‘Minority Government in Western Democracies’, *British Journal of Political Science*, Vol. 3, No. 2 (1973), pp. 195, 198-201; M. Taylor and M. Laver, ‘Government Coalitions in Western Europe’, *European Journal of Political Research*, Vol. 1 (1973), pp. 229-33.

suggesting that different branches of the same party may seek different outcomes at a local or national level in terms of forming a minority or coalition government.<sup>30</sup>

Recent studies have also sought further to challenge well-established notions that would, on the face of it, appear to be long held self-evident truths of minority government, such as their desirability. One such example may be seen in Yannick Dufresne and Neil Nevitte's study of public perceptions of minority government in Canada going back over sixty years, suggesting that, contrary to "conventional wisdom", "substantial proportions of the Canadian public actually prefer minority rather than majority governments". Undoubtedly this is an area of investigation which may well be much explored and debated by scholars in the years ahead.<sup>31</sup>

Some theoretical observations of minority government behaviour also would initially appear rather paradoxical, such as those of Christoffer Green-Pederson, arguing that particularly contentious legislation in 1980s Denmark, including significant welfare reform and tax changes, could only be passed as a result of a minority rather than majority government, given the need for elements in different parties to cooperate with one another against legislators within their own parties and external pressure groups who would have otherwise blocked the measures. Regardless of which perspective is adopted, the absence of a guaranteed legislative majority undoubtedly presents the most significant set of strategic challenges which the leadership of a minority government has to overcome on a day-to-day basis.<sup>32</sup>

## Scholarship – British Minority Government

Works on minority government around the world, even those which are largely comparative and draw on experiences from many different countries, have not tended to give much attention to the British minority government experience. One of the best reflections of this is Strom's above-cited *Minority Government and Majority Rule*, in which Harold Wilson's 1974 experience of minority government is cited as the principal introductory example, but is given no more consideration throughout the entire book. Britain itself only features in further chapters of the work with passing references,

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<sup>30</sup> T. Bergman, *Constitutional Rules and Party Goals in Coalition Formation*, pp. 1-10, 167, 181. See *infra*, footnotes 27-9, 31-4.

<sup>31</sup> Y. Dufresne and N. Nevitte, 'Why do Publics Support Minority Governments? Three Tests', *Parliamentary Affairs*, Vol. 67, No. 4 (2014), pp. 825-840.

<sup>32</sup> C. Green-Pederson, 'Minority Governments and Party Politics', pp. 53-70; K. Strom, *Minority Government and Majority Rule*, pp. 4-5, 18-19. See *infra*, pp. 12-14.

primarily to its majoritarian political culture and the likelihood that this would produce minority as opposed to coalition governments.<sup>33</sup>

Where Britain does feature in the international literature of minority government theory, it tends to be as a briefly cited contrast with countries which experience minority and coalition government more frequently. One such example of this usage is Bergmann's 1993 consideration of the effect of institutions on minority government formation. This work emphasises that Britain and Canada are exceptions to the rules, possessing institutions seen as more likely to favour minority over coalition government but having fewer instances of minority administrations actually being formed than other countries.<sup>34</sup> In Arend Lijphart's famous categorisation of political systems as being that of majoritarian vs. consensual democracies, Britain is seen very much as a centralised state on the end of the spectrum where the political leadership controls a largely unchecked legislature (executive-dominated), single-party majority governments are the norm (majoritarian), and localities are subordinate to control of the centre (unitary). Even the post-2010 Coalition has not, so far, fundamentally changed Lijphart's conception of the British majoritarian system, as highlighted in the updated 2012 edition of *Patterns of Democracy*, something which will, no doubt, be a point of contention among scholars for years to come.<sup>35</sup>

Where British minority administrations have been considered by historians, these works have often been focused on recording and analysing their challenges and political achievements, chronicled in narrative histories, or as part of wider studies of the development of political parties over a longer period. Much has been written, for example, on the first Labour Government (a minority government) in 1924, although the emphasis has more often been placed on the groundbreaking achievement for organised labour or electoral strategy, with references to its minority status primarily indicating a hindrance to Government plans. Richard W. Lyman's authoritative 1957 work on the first Labour Government does feature a chapter entitled 'The Problems of Minority Government' which captures something of the strategies being employed by different political parties. However, most of the work concentrates on the years preceding 1924 and the aftermath of defeat in the December 1924 Election, placing the government within in a much wider framework of Labour Party history. Lyman also had to rely mainly on published rather than internal party sources. John Shepherd and Keith Laybourn's rereading of this

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<sup>33</sup> K. Strom, *Minority Government and Majority Rule*, pp. 1-4, 42, 90-1, 126. See *infra*, pp. 2-3.

<sup>34</sup> T. Bergmann, 'Formation Rules and Minority Governments', *European Journal of Political Research*, Vol. 23, No. 1 (1993), p. 60.

<sup>35</sup> A. Lijphart, *Patterns of Democracy: Government Forms and Performance in Thirty-Six Different Countries*, 2<sup>nd</sup> ed. (New Haven, CT: Yale University Press, 2012), pp. 5-6, 9-12.

Administration in 2006, which had access to a wide range of private papers amongst other sources, has produced a more comprehensive consideration of the implications of minority government during this period.<sup>36</sup> The second Labour Government in 1929, also a minority administration, has similarly recently been re-examined, not least in a 2011 volume edited by John Shepherd, Jonathan Davis, and Chris Wrigley, along with David Redvaldsen's article on the 1929 General Election.<sup>37</sup> Individual aspects of these different governments have also been subject to more recent reconsideration, including the collaborative work, *How Labour Governments Fall*, examining in detail the termination of Labour Governments historically, including the first two minority governments and the Callaghan Administration. While providing important insights, this work is necessarily limited in its focus to explaining the end of these governments, rather than their entire strategic life-cycle.<sup>38</sup>

One of the few contributions over the last thirty years which has specifically addressed the history of British minority governments on a national level, David Butler's *Dilemmas of a Hung Parliament*, has often been overlooked. Butler's work combines two major strands of thought through juxtaposing historical summaries of the experience of past British minority governments with discussions of constitutional implications of a potential minority parliament. However, in spite of its usefulness as a study of British minority government, Butler's work does not go into the historical experiences of any one minority government in significant detail, and was written without access to important sources for consideration of minority government strategy development during the 1970s, including official government files and internal party documentation, which had not at that time been released.<sup>39</sup>

Where there have been other more in-depth scholarly considerations of the minority status of an individual British government in the past, these have often focused upon constitutional questions raised, not least in terms of the role of the Sovereign in forming a government. While such questions are, of course, significantly important in terms of

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<sup>36</sup> M. Worley, *The Foundations of the British Labour Party: Identities, Cultures and Perspectives, 1900-39* (Farnham: Ashgate Publishing, 2009), pp. 4, 72; J. Shepherd & K. Laybourn, *Britain's First Labour Government* (Houndmills: Palgrave Macmillan, 2006); A. Warde, *Consensus and Beyond: The Development of Labour Party Strategy since the Second World War* (Manchester: Manchester University Press, 1982), p. 40; D. Tanner, P. Thane and N. Tiratsoo, *Labour's First Century*, pp. 3, 90-2, 157; R. W. Lyman, *The First Labour Government, 1924* (London: Chapman and Hall, 1957), pp. 230-48.

<sup>37</sup> J. Shepherd, J. Davis and C. Wrigley (eds), *Britain's Second Labour Government: A Reappraisal* (Manchester: Manchester University Press, 2011).

<sup>38</sup> T. Heppell and K. Theakston (eds), *How Labour Governments Fall*, pp. 14-60; D. Redvaldsen, '“Today is the Dawn”: The Labour Party and the 1929 General Election', *Parliamentary History*, Vol. 29, No. 3 (2010), pp. 395-415.

<sup>39</sup> D. Butler, *Governing Without a Majority: Dilemmas for Hung Parliaments in Britain* (London: Collins, 1983).

minority governance, a consequence of focusing on them is that such works have devoted much less space to examining the political aspects and the development of minority government strategy by political parties in Britain.<sup>40</sup>

The increased likelihood of a ‘hung parliament’ after 2005 fuelled added interest in the subject of minority government. Some works produced immediately prior to the 2010 General Election cited a range of different historical examples of ‘hung parliaments’, both from Britain and abroad, with notable contributions being the collaborative works of *No Overall Control*, edited by Alex Brazier and Susanna Kalitowski, on behalf of the Hansard Society, and *Making Minority Government Work*, edited by Roger Hazell and Akash Paun, who were, at the time, both serving at University College London’s Constitution Unit. Both are thoroughly researched and are very useful in terms of raising and analysing the implications of no party having a majority, as well as detailing possible responses which party leaders could take. However, the major concern in these works was to inform and influence decision-makers in the event of no party gaining a majority at the 2010 election and subsequent elections, highlighting particular historical examples in order to justify potential recommended actions to policymakers and to educate commentators about issues of minority and coalition government, rather than providing a more in-depth historical analysis of any one past British minority government’s experience, political approach or strategy.<sup>41</sup>

The UK Coalition Government which took office in 2010 prompted an increased interest in the study of coalitions in Britain, and a series of fresh considerations of the subject by political commentators and scholars, some of which have compared the Coalition with the past experience of the Callaghan Minority Government. Although some of these works have considered the prospect and implications of minority administrations while referencing British historical precedents, these are understandably short references

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<sup>40</sup> C. Turpin and A. Tomkins, *British Government and the Constitution: Text and Materials* (Cambridge: Cambridge University Press, 2007); V. Bogdanor, ‘The Constitution and the Party System in the Twentieth Century’, *Parliamentary Affairs*, Vol. 57, No. 4 (2004), pp. 717-733; J. Rasmussen, ‘Constitutional Aspects of Government Formation in a Hung Parliament’, *Parliamentary Affairs*, Vol. 40, No. 2 (1987), pp. 139-153; A. H. Birch, ‘Britain’s Impending Constitutional Dilemmas’, *Parliamentary Affairs*, Vol. 37, No. 1 (1984), pp. 97-101; V. Bogdanor, *Multi-Party Politics and the Constitution* (Cambridge: Cambridge University Press, 1983). Even case studies have tended to focus more upon overarching policy frameworks, particularly that of economics, see, for example: C. Rogers, ‘The Economic Consequences of a Hung Parliament: Lessons from February 1974’, *The Political Quarterly*, Vol. 81, No. 4 (2010), pp. 501-510.

<sup>41</sup> R. Blackburn *et al.*, ‘Who Governs? Forming a Coalition or a Minority Government in the event of a Hung Parliament’ (Hansard Society: Study of Parliament Group, 2010); A. Paun, *et al.*, ‘Hung Parliaments and the Challenges for Westminster and Whitehall: How to Make Minority and Multiparty Governance Work’, *The Political Quarterly*, Vol. 81, No. 2 (2010), pp. 213-227; R. Hazell and A. Paun (eds), *Making Minority Government Work: Hung Parliaments and the Challenges for Westminster and Whitehall* (London: UCL Constitution Unit, 2009); A. Brazier and S. Kalitowski (eds), *No Overall Control?*; A. Blick & S. Wilks-Heeg, ‘Governing without Majorities’, pp. 6-9.

with sparse details. The primary focus of such works has been on coalition and on understanding the Cameron-Clegg Government, rather than on the minority government aspects.<sup>42</sup> Some works considering the Coalition have highlighted the Callaghan Government and the interparty agreement aspects of the Lib-Lab Pact as precursors, but only through brief references, such as the volume edited by Simon Lee and Matt Beech on *The Cameron-Clegg Government*, or Andrew Gamble's 2015 article examining the Coalition's economic policy, 'Austerity as Statecraft'.<sup>43</sup> Other scholars have drawn upon international exemplars rather than the Pact or the 1970s British experiences of minority government, such as Tim Bale's 2012 article considering New Zealand coalition experience when calculating the survival prospects of the Conservative-Liberal Democrat Coalition.<sup>44</sup>

A chapter of Hennessy's *Distilling the Frenzy* provides some particularly interesting historico-political insights into changes in Britain's process of forming a minority government since the 1970s, and a useful contextual guide for considering some of the constitutional aspects of elections in 2015. Given the particular focus of the work, parliamentary strategy from the 1970s is not explored in detail.<sup>45</sup>

The recent proliferation of minority administrations in Britain's Devolved Parliaments and local councils has also received greater attention in the past few years, through such studies as Tom Lundberg's comparative analyses of Scotland and New Zealand, particularly in terms of institutional rules on the behaviour of MSPs, or Peter Cairney's work on the SNP minority government of 2007.<sup>46</sup> Steve Leach's multiple case study analysis provides an insight into the often overlooked area of minority local government administrations.<sup>47</sup> While most of these works act as useful case studies and reinforce the contemporary relevance of studying minority and coalition government, their

<sup>42</sup> R. Heyton, 'Conservative Party Statecraft and the Politics of Coalition', *Parliamentary Affairs*, Vol. 67, No. 1 (2013), pp. 6-24. See *infra*, footnotes 43-5, 48.

<sup>43</sup> A. Gamble, 'Austerity as Statecraft', *Parliamentary Affairs*, Vol. 68, No. 1 (2015), pp. 42-57; M. Beech and S. Lee (eds), *The Cameron-Clegg Government: Coalition Politics in an Age of Austerity* (Houndmills: Palgrave Macmillan, 2011), pp. 6, 23, 52, 69.

<sup>44</sup> T. Bale, 'The Black Widow Effect: Why Britain's Conservative-Liberal Democrat Coalition Might Have an Unhappy Ending', *Parliamentary Affairs*, Vol. 65, No. 2 (2012), pp. 323-337.

<sup>45</sup> P. Hennessy, *Distilling the Frenzy: Writing the History of One's Own Times* (London: Biteback Publishing, 2013), pp. 206-29.

<sup>46</sup> T. C. Lundberg, 'Tensions between Constituency and Regional Members of the Scottish Parliament under Mixed-member Proportional Representation: A Failure of the New Politics', *Parliamentary Affairs*, Vol. 67, No. 2 (2014), pp. 351-370; 'Politics is still an Adversarial Business: Minority Government and Mixed-member Proportional Representation in Scotland and in New Zealand', *British Journal of Politics and International Relations*, Vol. 15, No. 4 (2013), pp. 609-625; P. Cairney, 'Coalition and Minority Government in Scotland: Lessons for the United Kingdom?', *The Political Quarterly*, Vol. 82, No. 2 (2011), pp. 261-9.

<sup>47</sup> S. Leach, *The Changing Role of Local Politics in Britain* (Bristol: The Policy Press, 2006), pp. 1-22, 154-62.

positioning firmly within a framework of current events and very recent political history, however, necessarily limits potential detail in terms of accessibility to closed sources, and does not deal with more historic instances of British minority government in greater depth.<sup>48</sup>

The absence of work on interparty cooperation in Britain, both within the context of minority and coalition government, is not confined to the late 1970s. Prior to the 2010 Coalition being formed, discussions tracing overarching history and experiences of interparty agreements or coalitions in British history remained a relatively understudied field, with the main works by scholars including Andrew Thorpe, Phillip Williamson and Kevin Jefferys, focusing upon detailed case studies of the specific wartime coalitions and the cross-party National Governments of the 1930s.<sup>49</sup> More recent parliamentary and extra-parliamentary attempts at interparty cooperation have also been given some consideration by scholars, including the arrangements to the ‘Project’ in which Labour and the Liberal Democrats cooperated over drafting plans for constitutional reform in the 1990s. Some of these works have considered more long-term historical trends, including the Lib-Lab Pact, but, understandably given the focus and structure of their study, have not dedicated significant space to analysis of it.<sup>50</sup> Oaten’s 2007 work, *Coalition*, and Searle’s 1995 book, *Country Before Party*, are two of the few recent attempts to challenge prevailing notions of a postwar political system in which two-party competition and single-party majority rule were accepted as intellectually hegemonic concepts. Although focusing mainly on coalition rather than on minority government, these works highlighting the efforts between the main parties to fashion agreements with other parliamentary groups over the course of

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<sup>48</sup> T. Heppell and D. Seawright, *Cameron and the Conservatives: The Transition to Coalition Government* (London: Palgrave Macmillan, 2012), pp. 34, 209; R. Hazell and B. Yong, *The Politics of Coalition: How the Conservative-Liberal Democrat Government Works* (Oxford: Hart Publishing, 2012); J. Kaarbo, *Coalition Politics and Cabinet Decision Making*, pp. 241-5; A. Boulton and J. Jones, *Hung Together: The Cameron-Clegg Coalition* (London: Simon & Schuster, 2012), pp. 156-8; T. G. Otte and J. Black (eds), *Coalition Government in British Politics: From Glorious Revolution To Cameron-Clegg* (London: Social Affairs Unit, 2011), pp. 132-47. This trend follows on from studies in other countries with more experience of devolved minority governments over the previous few decades. See, for example, V. Lyon, ‘Minority Government in Ontario, 1975-81: An Assessment’, *Canadian Journal of Political Science/Revue canadienne de science politique*, Vol. 17, No. 4 (1984), pp. 685-705. See *infra*, footnotes 41-7.

<sup>49</sup> P. Williamson, *National Crisis and National Government: British Politics, The Economy and Empire, 1926-1932* (Cambridge: Cambridge University Press, 2003); K. Jefferys, *The Churchill Coalition and Wartime Politics, 1940-1945* (Manchester: Manchester University Press, 1995); A. Thorpe, *Parties at War: Political Organisation in Second World War Britain* (Oxford: Oxford University Press, 2009); *The British General Election of 1931* (Oxford: Oxford University Press, 1991). Following the 2010 Coalition there have also been studies re-examining some of these historic coalitions in terms of party political strategy, not least, for instance, R. Crowcroft, *Attlee’s War: World War II and the Making of a Labour Leader* (London: I. B. Tauris & Co., 2011).

<sup>50</sup> See, for example, D. Dutton, ‘Anticipating ‘the Project’: Lib-Lab Relations in the Era of Jo Grimond’, *Contemporary British History*, Vol. 20, No. 1 (2006), pp. 101-117; A. Russell and E. Fieldhouse, *Neither Left nor Right?: The Liberal Democrats and the Electorate* (Manchester: Manchester University Press, 2005), pp. 5, 10, 29-30, 39-44.

the twentieth century, right up until the 1980s and beyond, provide a counterpoint to existing scholarship. *Country Before Party* also offers some insight when studying the context and historical basis for the strategies the parties pursued in the late 1970s, in terms of interparty cooperation during a minority parliament.<sup>51</sup>

## Method

This study will be based on an interdisciplinary historico-political approach, encompassing empirical historical analysis within a theoretical political science framework. The particular focus is on highlighting the two main parties' development and implementation of political strategy, specifically in terms of confronting the exigencies of minority government. The site of these exigencies was the arena of Parliament, and specifically how far the main political parties were able to develop and successfully implement strategies to ensure or challenge government majority control of the House of Commons. The interdisciplinary dimension of the study will combine conventional empiricist historicism with political scientific investigations with regard to the strategic behaviour of parties when confronted with minority government. As highlighted in the above review of minority government literature, one of the problems in this area is that much theory is devoted to the formation rather than the maintenance of minority government. These theoretical models have tended to be based around more consensual European democracies, whose institutional structures and governing cultures are more inclined towards the possibility of minority government than Britain. Nevertheless, the underlying bases of such studies, considering rational choice behaviour by political actors, may be applied to the situation which is being considered here. Over the coming chapters, these theoretical perspectives and domestic or international exemplars of other minority governments will be used to assess the strategic developments in this field that were pursued by the Callaghan Government and Conservative Opposition, within a distinct British tradition of minority government. This British tradition is one of continued preference for single party majority governance, or, where necessary, minority rather than coalition government. The tradition, while embracing a level of pragmatic flexibility in terms of interparty cooperation, also sought the retention of majoritarian governance.<sup>52</sup>

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<sup>51</sup> M. Oaten, *Coalition*; G. R. Searle, *Country Before Party: Coalition and the Idea of 'National Government' in Modern Britain, 1885-1987* (London: Longman, 1995).

<sup>52</sup> See *infra*, pp. 2-3, 6, 12-15, 107-8, 189.

Traditional comparative approaches to the history of political strategy, such as Ball's juxtaposition of different periods of the Conservatives in Opposition over more than a century, or Alan Warde's charting of the trend of postwar Labour strategy development, have tended to focus on one party. Comparisons of different parties' historical experience and strategies have usually been between parties in different countries, such as Redvaldsen's studies of British and Norwegian Labour. Both such comparators are valuable scholarly undertakings, but, as distinct from the approach in this study, these do not allow for analysis of how different parties confront challenges specific to a single political system.<sup>53</sup>

Although the word 'strategy' often features in political histories, actual detailed considerations of political strategy relating to Parliament are less common. Most overt considerations of 'strategy' during the 1970s in Britain are concerned with either issues of policy development or implementation, particularly economic, or alternatively, on electoral strategy, and the goal of winning seats in Parliament at General Elections or By-elections.<sup>54</sup>

One of the few studies capturing the development of a political party's strategy specifically concerned with minority government and dealing with Parliament during this period is Roger Levy's 1986 article looking at the conduct of SNP Parliamentarians during 1974-79, which has a particular focus on their responses to Devolution legislation. By its defined scope, the application is necessarily narrowly confined.<sup>55</sup>

There are numerous challenges which confront attempts to reconstruct the political strategy development process during this period. In addition to common historical limitations of incomplete sources is the absence of detail in some of the recorded strategy discussions. It is also important to distinguish the extent to which particular paper 'strategies' were implemented, or indeed, how far implementation was the product of strategic management as opposed to individual initiative. Nevertheless, this study's combining of perspectives from traditional source bases of public records, such as the

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<sup>53</sup> D. Redvaldsen, *The Labour Party in Britain and Norway: Elections and the Pursuit of Power Between the World Wars* (London: I. B. Tauris & Co., 2011); S. Ball and A. Seldon (eds), *Recovering Power*; S. Ball, 'The Conservatives in Opposition, 1906-1979: A Comparative Analysis', in M. Garnett and P. Lynch (eds), *The Conservatives in Crisis* (Manchester: Manchester University Press, 2003), pp. 7-28; S. Berger, *The British Labour Party and the German Social Democrats, 1900-1931* (Oxford: Oxford University Press, 1994); A. Warde, *Consensus and Beyond*.

<sup>54</sup> P. Rose, 'The Wilson-Callaghan Government of 1974-79: By-elections (Eventually) Bring Down a Government' in C. Cook and J. Ramsden (eds), *By-elections in British Politics* (London: Routledge, 1997), pp. 215-27; M. Artis & D. Cobham, *Labour's Economic Policies 1974-1979* (Manchester: Manchester University Press, 1991); P. Whiteley, *The Labour Party in Crisis*, pp. 16-21, 51. See *infra*, footnotes 8-9, 13.

<sup>55</sup> R. Levy, 'The Search for a Rational Strategy: The Scottish National Party and Devolution 1974-79', *Political Studies*, Vol. 34, No. 2 (1986), pp. 236-248.

parliamentary proceedings of Hansard, with recently declassified government papers, internal party documentation, memoirs and reflections, allows for better reconstruction of strategy development. This public demonstration of the parties' actions will provide context for the recently declassified papers, ranging from minutes and papers of committees considering the development of strategy to private correspondence between those advising the leaders of both parties on strategy. While interviews with participants in the strategy-making process who are still alive may provide the potential for future development of studying the Callaghan Government, the particular emphasis of this study is on the development of minority government strategy as expressed by contemporaries in their newly released correspondence, meetings, and strategy papers, rather than from reflections made in the present which might well be affected by the post-2010 Coalition, and the experiences in the past few decades of minority government and interparty cooperation. In some cases, the sources reflect aspects of strategy that were partly influenced by the minority government situation, such as papers on the timing of a General Election, prepared at Callaghan's request by the No. 10 Policy Unit, or Conservative discussions over how to manage suspension of cooperation with the Government following a dispute over the Bill to nationalise large parts of the Aircraft and Shipbuilding Industries.<sup>56</sup> In other instances, the sources have, in fact, exceeded expectations in terms of directly highlighting the internal debates and development of party strategy relating to minority government, including more radical ideas that were considered but not enacted. Some such examples of unimplemented proposals included: a plan for Callaghan's Administration to recover their majority by inviting the Northern Ireland Social Democratic and Labour Party (SDLP) MP Gerry Fitt to join the Government in April 1976; for the Government deliberately to seek its own defeat on a major vote; and secret Conservative papers that were drawn up to provide contingency plans for running a future minority or coalition government in the event of an indecisive result in a prospective 1978-79 General Election.<sup>57</sup>

This research will be directed towards analysing the life-cycle of the minority government, from its formation in 1976 to its final termination in a no confidence vote and electoral defeat in 1979. Some of the questions to be asked of the minority government and

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<sup>56</sup> (The National Archives) TNA: PREM 16/1621, Bernard Donoughue to Prime Minister, 'Pre-Election Strategy – Prospects, Policies and Options for 1978/9', 22 December 1977; (Churchill Archive Centre) CAC: THCR/2/1/1/42A, Nigel Lawson to Margaret Thatcher, 30 May 1976; (Conservative Party Archive) CPA: LCC 1/3/11, 114<sup>th</sup> Meeting, 9 June 1976; 117<sup>th</sup> Meeting, 21 June 1976. See *infra*, pp. 70-2, 152-3.

<sup>57</sup> TNA: PREM 16/1045, Ken Stowe to Prime Minister, 8 April 1976; Merlyn Rees to Prime Minister, 26 April 1976; CAC: THCR 2/1/6/194: Appendix E, 'The Hung Parliament', 12 April 1978; CPA: CRD/L/4/46/6, 'The Hung Parliament Contingency', 16 March 1978. See *infra*, pp. 62-3, 93-6, 181-8.

opposition parties in this study will include: why was the government formed as a minority, as opposed to the calling of an election or formation of a coalition?; how was strategy-making in the two main parties affected by the state of minority government?; how was a parliamentary majority ensured for either party on particular legislation?; how were institutional tools used to help ensure or prevent a Government majority?; how were defeats handled?; how was the timing of a General Election approached?; what plans were made to end the state of minority government (whether in agreements with other parties or electoral timing)?; and, what plans were made for future minority or coalition government by the two main parties? The analysis of previously unpublished documents will lead to the revision of perceptions of both the main political parties and their leadership during this period. While the other parties present in Parliament during this period will be studied in so far as they relate to questions of minority government, the focus will be upon Labour and the Conservatives. Both main parties had to confront questions of participation in minority government from a similar perspective, either as incumbents or direct challengers for office with recent governmental experience, making their roles more readily comparable. Source availability for determining internal strategy is also a problem for some of the smaller parties, whether in terms of a lack of documentation, internal papers not being retained, or most files from the period still being closed to researchers at this time, as is the case with the UUP archives. Future research in this area may well examine the development of smaller party responses to minority government further, and perhaps over a longer time period, not least, for example, the SNP experience of minority government in the 2007-11 Administration in Holyrood.

Chapter 2 will outline the context of key events during the Callaghan Government which will be referred to in subsequent discussions, along with the strategy-making process in both main parties and how this was affected by the state of minority government. Thereafter Chapter 3 will re-examine the formation of the Callaghan Government, challenging pre-existing assumptions in terms of its inevitability, not least by showing that the Government considered the possibility of an interparty agreement with the SDLP to retain its parliamentary majority, and the role of the Opposition in seeking changes to parliamentary institutions.

Chapter 4 will look at how both Government and Opposition managed the issue of parliamentary defeats, from seeking to avoid or inflict defeat through institutional mechanisms and political management, to the consideration of more radical approaches, including the Government actively seeking its own defeat on certain issues, or selectively using tools such as motions of confidence to buttress its own position. Chapters 5-6 will

move further by looking at both parties' approaches to questions of formal and informal interparty cooperation to ensure their position, from hidden perspectives of the 1977-78 Pact between the Liberals and Labour and the Government's agreement with the Ulster Unionists, to the Conservatives' considerations of potential interparty agreements.

The uncertainty over electoral timing generated by the state of minority government will then be looked at in detail in Chapter 7, both in terms of re-examining strategic motivations behind the Government's timing and the preparations made by both parties in terms of forecasting potential dates and preparing for contingencies.

Chapter 8 will look at some of the two main parties' secret strategic considerations from this period that have not previously been appreciated, of both Labour's, and especially the Conservatives', embryonic plans for future minority or coalition governments in the event that an election in 1978/9 produced no overall majority for one party.

The penultimate chapter will re-examine the no confidence vote that brought down the Callaghan Government. While this is a well-trodden field, the availability of recently released sources allows for a fresh understanding of the effect of minority government on both major parties.

The final chapter will draw together the conclusions from this study: while in some cases reactive or unsuccessful in their approaches, both main parties were more strategic in their consideration of the problems of minority government than has previously been appreciated by scholars, and that their efforts were situated firmly within a distinctive British tradition of minority government. This chapter will also seek to set the Callaghan Government's experience into a broader context of the subsequent experiences of minority and coalition government in Britain at a national level, up to the post-2010 Coalition and future prospect of indecisive election results. This study provides a foundation for further research through a new historical minority government perspective which may lead to fresh insights into major aspects of British history that are currently the subject of much scholarly debate, from the domestic politics of World War One to fundamental notions of British traditions of majoritarian democracy throughout the nineteenth, twentieth, and early twenty-first centuries.

## **Chapter 2: Contextualising the Callaghan Government – History and Strategy-Making**

Having established the scholarly context and methodological approach for this study in the Introduction, this chapter will begin by setting out briefly the historical context of the Callaghan Government, in terms of the British experience of minority and coalition government up until 1974 and also the 1974-79 parliamentary term.

Following on from this foundation will be an examination of the strategy-making process within the two main parties during the Callaghan Government, identifying those who contributed and how the state of minority government affected their work and methods of operating. Study of these different areas will serve to identify contemporary actors' views of minority government as a distinctly different entity from majority governance. Consideration will also be given to how the strategy-making process reflected the British tradition of minority government as self-referencing, even when set against an international context of minority administrations.

## **British Minority/Coalition Government before 1974**

The British tradition of minority government particularly referenced examples from Britain's own history of minority government when seeking to determine political strategy, as illustrated by some of the papers produced during the Callaghan Administration, taking in both nineteenth- and twentieth-century precedents. One such paper, produced by the Conservatives, drew upon a 1961 textbook on Cabinet Government by Sir Ivor Jennings, which highlighted "no less than eleven cases of minority governments since the 1832 Reform Act".<sup>1</sup>

Although nineteenth-century Prime Minister Benjamin Disraeli's stricture that "England does not love coalitions" has been frequently drawn on when discussing the British system of government, political coalitions of different forms have, in fact, played significant roles in shaping both the historic experience of minority government and modern British politics. Labour and the Conservatives are themselves both historic interparty coalitions of the late nineteenth and early twentieth century: Labour was formed from the trade union movement and was (and still is) allied to the Co-operative party, while the Conservatives combined with different parties over time including the Liberal Unionists and later the National Liberals. Nevertheless, no new unions had occurred within the main parties after the Second World War up to the time of the Callaghan Government in 1976, other than the final merger between Conservatives and National Liberals in 1947,

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<sup>1</sup> CAC: THCR 2/1/6/194: Appendix E, 'The Hung Parliament', 12 April 1978. See *infra*, p. 189.

both parties already having been effectively operating as one entity for more than two decades.<sup>2</sup>

While it is debatable as to how far some of the earlier governments in the nineteenth century would be comparable as minority administrations to their twentieth-century counterparts, there is no question that by the late nineteenth century, the emergence of disciplined two-party competition, reduction of the monarch's role in choosing government leaders, and reforms including extension of the franchise by the 1867 Reform Act, significantly increased the importance of securing a legislative majority in order to govern. Recurrent features of these minority governments tended to include reliance upon tacit or more formalised cooperation with smaller parties and the Administrations often being brought down before the end of their term by no confidence votes. The twentieth-century British experience of minority governments up to the 1970s shared something of these traits, but tended to resolve more into forming coalition governments out of perceived emergency situations of wartime or economic crisis. These included the Liberal Minority Administration of 1910-15 (which relied tacitly on smaller party support before being turned into a wartime coalition) and the first two Labour Governments of 1924 and 1929-31 (the first brought down and the latter converted into a National Unity Government).<sup>3</sup>

During the late 1970s, political elites and the public were increasingly interested in interparty coalition government. However, there was also significant parliamentary opposition to formalised cooperation. In Labour and the Conservatives, this opposition was something of a deep-seated hostility, partly prompted by the above-cited historic experiences of coalition, such as that of the 1930s National Governments, which were still largely perceived as a betrayal by Labour MPs and party members. The wartime coalitions that had taken place were not usually raised as exemplars, being seen very much as exceptional products of necessity which were not comparable to governing in a time of peace. Hostility to interparty cooperation was also fostered by a negative view of coalitions in other European countries, which were considered to have produced weak governments. These countries were, and continue to be, regarded as more consensual than Britain in their political culture. While a postwar political consensus on certain issues had existed in

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<sup>2</sup> S. Ball and A. Seldon (eds), *Recovering Power*, pp. 23, 121, 183; G. R. Searle, *Country Before Party*, pp. 26-9, 221-2; A. Seldon (ed.), *UK Political Parties Since 1945* (Hemel Hempstead: Philip Allan, 1990), pp. 22-3; P. Adelman, *The Rise of the Labour Party 1880-1945*, second edition (New York: Longman, 1986), pp. 19-37, 90; R. McKibbin, *The Evolution of the Labour Party 1910-1924* (Oxford: Oxford University Press, 1974), pp. xv-2, 240-8.

<sup>3</sup> A. Thorpe, *A History of the British Labour Party*, pp. 1-2; G. R. Searle, *Country Before Party*, pp. 1-12, 70-1, 150-5. See *infra*, footnote 2.

Britain, by the 1970s, there was increasing political polarisation and antagonism between Labour and the Conservatives. Some of the smaller parties, including the SNP and Plaid Cymru, sought to overturn the existing form of governance in their given areas, born out of national opposition to the established parties. While the Northern Ireland Unionist parties had formed a coalition, this was primarily a platform to contest the 1974 elections, again in opposition to the policies of the established parties, with whom they did not wish to be seen doing formal deals. Even within the Liberals, the party perhaps most favourably disposed to formalised cooperation, there was opposition to interparty deals, expressed, not least, in attacks on a prospective deal with the Conservatives following the 1974 February General Election.<sup>4</sup>

## The Wilson and Callaghan Administrations 1974-79

It was particularly Labour's return to power in 1974 that established the context within which the Callaghan Minority Government and opposition parties operated. Edward Heath's Conservative Government of 1970-74 faced significant problems towards its final days in office, including the adverse economic effects of the oil crisis which had quadrupled prices in 1973, and the political crisis of trade unions striking against Government pay restraint policies aimed at curbing inflation. The most noticeable effects of the strike were that of limiting electricity supplies for homes and businesses to what infamously became known as the '3-day week'. Heath called an early General Election in February 1974 in an effort to buttress his authority to govern. The result was the first Westminster Parliament since 1929 in which no one party had an overall majority. This situation led to abortive coalition talks between the Conservatives and the smaller Liberal party, and, within four days, to the formation of a Labour Minority Government led by Harold Wilson.<sup>5</sup>

While limited in its ability to take action, the Government nevertheless evolved some strategies for coping with being in a minority. They were also able to achieve certain

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<sup>4</sup> Unsuccessful attempts at formalised interparty cooperation were made during the 1950s, which did lead to some informal electoral pacts operating at a local level. J. Kirkup, 'The Parliamentary Agreement', pp. 20-2, 34, 43-5; A. Seldon and K. Hickson (eds), *New Labour, Old Labour*, pp. 224-9, 254; G. Walker, *A History of the Ulster Unionist Party*, pp. 219-26; K. O. Morgan, *Britain Since 1945*, pp. 365-74; G. R. Searle, *Country Before Party*, pp. 245-59; P. Bartram, *David Steel*, pp. 137-9; D. Butler and D. Kavanagh, *The British General Election of 1979*, pp. 2-10, 423-4. See *infra*, pp. 12-15, 33, 118-21.

<sup>5</sup> A. Beckett, *When the Lights Went Out: What Really Happened to Britain in the Seventies* (London: Faber and Faber Ltd., 2009), pp. 128-34, 152-4; A. Thorpe, *A History of the British Labour Party*, pp. 191-2; P. Hennessy, *The Prime Minister*, pp. 354-9; J. Campbell, *Edward Heath: A Biography* (London: Jonathan Cape, 1993), pp. 598-9, 613.

successes in terms of negotiating an end to the strikes, passing some legislation favourable to their supporters, and setting out the plans a majority Labour Government would pursue. From the outset, Wilson and his advisers, both in Cabinet and in the No. 10 Policy Unit, had not regarded minority government as a workable long-term solution, and recognised the need for another early election in order to try to obtain a majority. An unprecedented number of parliamentary defeats for the Government before the summer recess, seventeen in the space of two months, further reinforced this imperative. The election, called by Wilson for October 1974, may only have given Labour a majority of three, but this proved sufficient to pass a significant amount of legislation over the course of the next two years, some of which continues to have significant impact upon present politics, such as the Health and Safety at Work Act 1974 or the Sex Discrimination Act 1975.<sup>6</sup> This period also marked changes in the leadership and composition of opposition parties. Thatcher replaced Heath as Conservative leader on 11 February 1975, while the emergence of scandals in 1975 forced Liberal leader Jeremy Thorpe to resign during the early days of Callaghan's Ministry on 9 May 1976, and to be replaced by Steel on 7 July. Growing dissatisfaction with the two main parties, the rise of nationalism in Scotland and Wales, and increased political and civil unrest in Northern Ireland, led to a substantial increase in parliamentary representation for smaller political parties, some of which gained seats for the first time in 1974. These parties held 38 out of the 650 seats, and influenced the options available to and challenges faced by the subsequent minority governments.<sup>7</sup>

A referendum in 1975 that Labour had promised to hold, concerning Britain's continued membership of the European Economic Community, posed a particular threat to the Government's parliamentary position, being an issue over which the Labour party was bitterly divided. Skilful management by Wilson, allowing Labour MPs to take different sides, and the support from members of other parties in campaigning, helped to secure a decisive victory in the referendum on 6 June 1975, approving Britain's remaining in the Community by more than a two thirds majority, while also holding the Government together.<sup>8</sup> The Government did suffer several parliamentary defeats through rebellions during this time, perhaps the most significant of which was on 10 March 1976, when a group of left-wing Labour MPs voted with opposition parties to defeat the White Paper

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<sup>6</sup> LHASC: Campaign Committee Paper, 15 May 1974, 'Party Strategy'; MS. Wilson, c. 1288, Confidential Meeting, 1 July 1974; D. Sandbrook, *Seasons in the Sun*, pp. 43-4, 152-3; A. Beckett, *When the Lights Went Out*, pp. 170-1, 230-1, 297; A. Thorpe, *A History of the British Labour Party*, pp. 193-4; A. Seldon and K. Hickson (eds), *New Labour, Old Labour*, pp. 191-2. See *infra*, footnote 5.

<sup>7</sup> C. Cook, *A Short History of the Liberal Party*, pp. 162-3; K. O. Morgan, *Britain Since 1945*, pp. 359-61.

<sup>8</sup> A. Thorpe, *A History of the British Labour Party*, pp. 193-4; A. Seldon and K. Hickson (eds), *New Labour, Old Labour*, pp. 139, 145-7; P. Hennessy, *The Prime Minister*, pp. 360, 365-9.

detailing the Government's Expenditure Plans. This defeat was considered as calling into question Labour's ability to govern, and was only settled after Wilson organised and successfully managed to win a subsequent confidence vote. Not long after this, Wilson shocked both colleagues and commentators by announcing his retirement, triggering a contest for a new Labour leader.<sup>9</sup>

Callaghan became Prime Minister on 5 April 1976, after winning this contest voted on by Labour MPs, defeating five other candidates over three ballots. Although new to the job, Callaghan could draw upon a wealth of experiences, moving from his humble beginnings in Portsmouth (born in 1912), joining the Inland Revenue aged seventeen as a clerk, working his way up to tax inspector, helping establish a trade union for tax inspectors, being employed as a full time union official from 1936, and serving in World War 2 in the Royal Navy. His experience within formal politics up until 1976 was also substantial, consisting of thirty years continuous service as a Labour MP, and a long ministerial career which had ranged across the whole spectrum of Government, as the only person to have held all three Great Offices of State (Chancellor, Home Secretary and Foreign Secretary) before becoming Prime Minister. The Government which he headed in 1976 was similarly very experienced, including Ministers who had served in the Wilson Governments of the 1960s and 1970s. From 1974 to 1976, Callaghan was also particularly involved with managing Government business and the passage of parliamentary legislation, not least through weekly meetings with Wilson and the Government Chief Whip.<sup>10</sup>

Within a day of Callaghan taking office, the defection of sitting Labour MP John Stonehouse removed the Government's *de facto* majority in Parliament. Although there were times thereafter when the Government was more secure than others, whether through political manoeuvring, its use of institutional powers, or its agreements with smaller parties, it would never again hold a majority in its own right for the remainder of the Parliament, up until its eventual defeat in the General Election of 3 May 1979.<sup>11</sup>

While summaries of the Callaghan Government have rightly discussed major economic or policy events with which leaders had to grapple, it is important always to juxtapose these with the precarious parliamentary situation. From April until December

<sup>9</sup> A. Seldon and K. Hickson (eds), *New Labour, Old Labour*, pp. 195-6; P. Hennessy, *The Prime Minister*, pp. 366-71; K. O. Morgan, *Britain Since 1945*, pp. 361, 364-8, 381.

<sup>10</sup> P. Hennessy, *The Prime Minister*, pp. 23, 358, 378-9; K. O. Morgan, *Callaghan: A Life*, pp. 469-83. For short chronological summaries of key events in the Wilson/Callaghan Governments, see, A. Seldon and K. Hickson (eds), *New Labour, Old Labour*, pp. xii-xvii; D. Butler and D. Kavanagh, *The British General Election of 1979*, pp. 19-22.

<sup>11</sup> A. Seldon and K. Hickson (eds), *New Labour, Old Labour*, pp. 192, 197; P. Hennessy, *The Prime Minister*, pp. 378, 393.

1976, the UK faced a worsening economic crisis through devaluation of the currency, culminating in Chancellor Denis Healey needing to apply to the International Monetary Fund for a bailout in September. Negotiation of the precise terms and a fear that the Government could split over the issue led to Callaghan devoting significant time and energy to talking the problem through in a marathon series of Cabinet meetings across two months. Although the emphasis was primarily extra-parliamentary, seeking a viable solution which would prevent the party from splitting, questions over whether an economic package would obtain the requisite parliamentary approval in light of the Government not having a majority did feature in these discussions.<sup>12</sup> In May 1976, the finely balanced situation in Parliament had led to the breaking of a Pairing agreement on a particularly contentious piece of legislation that sought to nationalise the aircraft and shipbuilding industries. The resulting breakdown of cooperation between Labour and Conservatives led to an environment of uncertainty, where MPs had constantly to be in attendance to avoid or attempt to ensure Government defeats in parliamentary votes. An agreement was eventually reached in July to restore normal relations. In spite of there not being many actual vote losses during this period, Government business had been significantly delayed, leading to further conflicts with opposing parties.<sup>13</sup>

Labour's unexpected loss of two by-elections in November heightened the Government's vulnerability to parliamentary defeat. Although significant legislation, including the Government's flagship Devolution Bill, had been passed successfully, the timetable motion for debates on the Devolution legislation, considered as essential to ensure it could be passed without using up what was regarded as too much parliamentary time, was defeated on 22 February 1977, effectively leading to the abandonment of the Bill.<sup>14</sup>

A further Government climb down over a vote on Child Benefits led to the Conservatives tabling a no confidence motion for 23 March. Facing the prospect of losing such a vote, and thereby being forced into an early election which would likely result in defeat, the Callaghan Government sought a more formal deal with other smaller parties in Parliament, establishing a Pact with the Liberals that would last until the middle of 1978, as well as a more informal and publicly denied understanding with some MPs from the

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<sup>12</sup> A. Thorpe, *A History of the British Labour Party*, pp. 199-201; P. Hennessy, *The Prime Minister*, pp. 382-9; K. O. Morgan, *Britain Since 1945*, pp. 383-6.

<sup>13</sup> D. Sandbrook, *Seasons in the Sun*, pp. 466-7. See *infra*, pp. 69-73.

<sup>14</sup> A. Thorpe, *A History of the British Labour Party*, p. 203; A. Seldon and K. Hickson (eds), *New Labour, Old Labour*, pp. 230-1.

UUP.<sup>15</sup> An internal row in May 1977 broke up the grouping of Northern Ireland Unionists (UUUC) into its constituent parties, the culmination of a series of internal divisions.<sup>16</sup>

The Lib-Lab Pact itself initially had a shaky start, not least in a conflict over increasing petrol duty in the Budget, but subsequently held together and allowed the Government to survive, not least in a no confidence vote in July. The Pact, initially agreed for only a few months, was renewed in the summer of 1977 for a further year. Increasingly over time some Liberal party MPs and members became frustrated with the apparent lack of Liberal successes within the Pact, other than perhaps that of a scheme to encourage profit sharing. These frustrations led to a Special Liberal Conference on 21 January 1978 which considered ending the Agreement with the Government, but ultimately supported Steel's desire to continue, with the caveat of a majority of the Government supporting a Proportional Representation system when deciding on how Direct Elections to the European Assembly would be conducted. The PR system was rejected on 26 January 1978 with a large number of Labour MPs voting against, albeit the Government fulfilling the letter of its commitment to consider the proposal. Partly as a result of this decision, the Liberals did not renew the Pact in May, and it ended in July 1978.<sup>17</sup>

The Pact had not completely protected the Government's legislative programme, which suffered a particularly bad spate of defeats during the early months of 1978 as a result of rebellions by Labour backbenchers, particularly on Devolution legislation. The most notable defeat was perhaps the amendment on 25 January, imposing a 40% minimum population turnout of those voting in favour in Scotland and Wales if the result were to be considered valid. Government attempts to overturn such changes were unsuccessful, and would ultimately wreck their plans for Devolution. In May, some further damaging Conservative amendments to the Finance Bill were successfully passed, including cuts to income tax and the raising of tax thresholds.<sup>18</sup>

Throughout 1977 to 1978 especially, both main parties sought to anticipate the possible date of an election, taking into account a variety of factors, including the state of the economy, local or national holidays, the implementation of politically desirable legislation, the proximity of other elections, whether local, European or the Devolution

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<sup>15</sup> R. Hazell and A. Paun (eds), *Making Minority Government Work*, pp. 20-1; C. Cook, *A Short History of the Liberal Party*, p. 163; A. Seldon and K. Hickson (eds), *New Labour, Old Labour*, pp. 200, 231; K. O. Morgan, *Britain Since 1945*, pp. 400-1. See *infra*, pp. 99-100, 109-10.

<sup>16</sup> J. Kirkup, 'The Parliamentary Agreement', pp. 80-1; G. Walker, *A History of the Ulster Unionist Party*, p. 226; A. Mitchie and S. Hoggart, *The Pact*, pp. 30-1.

<sup>17</sup> R. Hazell and A. Paun (eds), *Making Minority Government Work*, p. 23; C. Cook, *A Short History of the Liberal Party*, pp. 164-6; D. Butler, *Governing Without a Majority*, pp. 53-4.

<sup>18</sup> A. Seldon and K. Hickson (eds), *New Labour, Old Labour*, pp. 193-200, 231.

Referenda, and the effect of sporting events such as the Football World Cup in June 1978 (particularly the fear of SNP gains if Scotland were to be successful).<sup>19</sup>

A number of factors, including an improving economic situation through late 1977 into early 1978, the end of the Pact, and Labour gaining in the polls, suggested that Callaghan would call an autumn election. There was near universal shock among commentators and even within the Government itself when Callaghan went on television on 7 September to announce that there would be no autumn election. The Prime Minister's fear was that the best result would not bring Labour a clear Government majority, and that it was better to aim for an election in either spring or summer 1979, near the end of the five year Parliamentary term. There has been particularly intense speculative debate over whether or not Callaghan should have called the election at this point, and whether the result in autumn 1978 would have been more favourable to Labour, given the subsequent events of late 1978 to early 1979.<sup>20</sup>

What began as an unofficial strike by workers at the Ford Motor company factories in Britain on 22 September later became an official union-backed strike and eventually ended two months later with a 16.5% pay rise, far in excess of the recommended 5% guidelines published as part of the Government's Income Policy in July and originally stated by Callaghan as early as January. The Government's proposed response six days later, that of imposing sanctions on Ford and other companies who had broken the limit, was put to Parliament on 13 December and defeated, resulting in the public abandonment of sanctions as an option. Although sanctions may have been seen as questionable in their effectiveness, even by contemporaries, the parliamentary defeat and the example set by Ford and other firms opened the way for further industrial action by workers in the public and private sector, demanding settlements far above the Government's notional target. A series of strikes or threatened strikes from December 1978 to February 1979, described by contemporaries and encapsulated in popular folklore as the 'Winter of Discontent', had significant impact, compounded by harsh weather of snow drifts and blizzards across the country in what was the coldest winter for sixteen years. Official and unofficial strikes of professions whose work had particularly tangible impact on people's everyday lives – petrol tanker drivers, lorry drivers, ambulance drivers, grave diggers, refuse collectors, to

<sup>19</sup> See, for example, CPA: CRD/D/7/19, The General Election, 3 January 1978; CRD/L/4/46/4, Note of Research Department Meeting, 3 April 1978; LCC 1/3/14, 186<sup>th</sup> Meeting, 18 January 1978; 1/3/15, 208<sup>th</sup> Meeting, 7<sup>th</sup> June 1978; 1/3/16, 216<sup>th</sup> Meeting, 19 July 1978; 218<sup>th</sup> Meeting, 31 July 1978; B. Donoghue, *Downing Street Diaries*, vol. ii, pp. 304-5. See *infra*, pp. 150, 153, 160-1.

<sup>20</sup> D. Sandbrook, *Seasons in the Sun*, pp. 706-9, 803-4; A. Thorpe, *A History of the British Labour Party*, pp. 204-5; A. Seldon and K. Hickson (eds), *New Labour, Old Labour*, p. 96; K. O. Morgan, *Britain Since 1945*, pp. 416-17. See *infra*, pp. 154-60.

name but a few – and the Government's apparent inability to respond, served significantly to undermine Labour's political support. Even where these strikes were perhaps more localised, as with the Liverpool and Tameside grave diggers, media coverage gave them nationwide impact, such as the emotive television pictures of coffins remaining unburied. Although an agreement between Government and Unions was eventually reached by 14 February, it did not significantly help to regain voters' trust over the following months, with some strikes continuing to occur into April, not least, for example, those of gravediggers in Lewisham, which only served to reinforce notions of the Government's powerlessness.<sup>21</sup>

Against such a backdrop, the Devolution Referenda were conducted on 1 March, leading as was widely expected to a No Vote in Wales, but, perhaps surprisingly given hostility to the Government and Callaghan, whose image had been widely used in the campaign, a small majority Yes Vote in Scotland. Nevertheless, this result was insufficient to reach the 40% turnout criteria established by backbench Labour rebels, requiring the Government to repeal the Act. Attempts by Government leaders to talk with other parties and to find some way of continuing to bring in Scottish Devolution were not considered satisfactory by the SNP, who subsequently ceased their support for the Government, leaving Labour without a majority, and called for a vote of no confidence. The Conservatives quickly followed in tabling their own no confidence motion which was to be debated first.<sup>22</sup>

The resulting vote came on 28 March 1979, preceded by frantic efforts of the Opposition to marshal their supporters and by Government Ministers and Whips attempting to make last-minute deals that would stave off defeat. In the end, the Government lost by one vote, 311 to 310, becoming the first Administration since the Labour Minority Government of 1924 to lose a vote of no confidence and thereby be forced out of office. After what has been described as a largely uneventful election campaign, the Conservative Opposition won the General Election on 3 May 1979 with what was regarded by contemporaries as a substantial majority of forty three.<sup>23</sup>

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<sup>21</sup> D. Sandbrook, *Seasons in the Sun*, pp. 718-21, 753-9; A. Seldon and K. Hickson (eds), *New Labour, Old Labour*, pp. xvi-xvii, 96-7, 286-7; K. O. Morgan, *Britain Since 1945*, pp. 418-20; D. Butler and D. Kavanagh, *The British General Election of 1979*, p. 29.

<sup>22</sup> A. Seldon and K. Hickson (eds), *New Labour, Old Labour*, pp. 233-4; K. O. Morgan, *Britain Since 1945*, pp. 410-11.

<sup>23</sup> D. Sandbrook, *Seasons in the Sun*, pp. 769-81; J. Campbell, *Margaret Thatcher*, pp. 107-112; K. O. Morgan, *Britain Since 1945*, pp. 421-2. See *infra*, footnote 22.

## **Strategy-Making Process**

### Labour and the Conservatives

It is against this backdrop of the Government's lifecycle as a minority that this study seeks to consider the development of strategy. In many cases, parties developed responses or methods for dealing with given parliamentary situations that were never codified, or there are instances of written strategy papers which remained unimplemented or even unconsidered by a party's leadership. The myriad of different individuals and organisations within both parties participating in the formulation of plans and policies also serves sometimes to confuse studies of strategy.

Nevertheless, by examining the strategy development processes and responses to the Callaghan Minority Government, this study will demonstrate that both main parties did, in fact, attempt to develop more formalised strategies to deal with the state of no one party having a majority.

The implementation of parliamentary strategies and electoral planning were largely centred upon the leadership of the respective parties. While the discussion below will detail the different decision-making bodies in both main parties, a few individuals or groups will be singled out as the primary directors of parliamentary strategy and those considering the issues surrounding minority government. This is not to disparage the important work done by other individuals and groups in the two parties during this period, but rather to concentrate upon the particular minority government focus of this study. There were a number of other political actors providing significant input into the process of forming strategy for coping with particular aspects of minority government, but not necessarily other areas, who will be referred to either in the discussion below or in subsequent chapters. In addition, there were groups who also sometimes advanced competing strategies within the two main parties, but who primarily were either not involved directly in deciding upon Parliamentary strategy, or else did not have their strategies used by the respective party leaderships. This study will seek to highlight some of these approaches where they served as a counterpoint to the more established strategic discourse, and, in some cases, influenced the strategies pursued.

Given the 1974 experience of minority government in Britain, it is worth briefly considering the impact of this and other above-cited events in terms of the formulation of strategy during the Callaghan Administration. The 1974 Wilson Government, the first minority government in Britain for more than forty-five years, had presented both Labour

and the Conservatives with significant gaps in terms of their own recent experience, and a comparatively sparse theoretical scholarship to draw on. To some extent, these experiences and investigations provided a useful foundation for those working during the Callaghan Administration. It is, however, difficult to ascertain precisely how much of the material developed during 1974 was made use of from 1976 onwards. Some of the leading figures on both sides who had confronted questions of strategy in 1974 had retired or been replaced in the interim, including both party leaders, the Government Chief Whip, the Leader of the House of Commons, both Party Chairmen and figures from the different internal party strategy-making bodies. Significant differences in the formation and parliamentary experiences of the Wilson and Callaghan Governments further limited the possibility for strategic crossover. While occasional references were made to the experience of 1974 decision-makers, there are only one or two citations of previous papers being directly consulted when formulating minority government strategy.<sup>24</sup>

One of the methods typically used by political parties to adapt strategically to a new situation has been the tasking of an individual or formation of a committee or unit to aid with planning responses, such as the establishment of the Conservatives' Tactical Staff Committee in 1947, following Labour's historic landslide electoral victory of 1945. In spite of the prolonged period of minority government in the Callaghan Administration, there is no evidence to suggest that either main party established any special unit that was dedicated specifically to addressing questions of minority government. The only instance of a body being established which most closely approaches this model is that of the Conservative 'Party Strategy Group', created by Heath during 1974. The stated aim of the group was to facilitate consideration of longer-term political issues, considering, amongst other things, minority government questions and radical ideas of interparty cooperation with the Liberals, such as through establishing an electoral pact. The group was disbanded for largely political reasons shortly after Thatcher became leader in 1975.<sup>25</sup>

On the Government side in 1976, the overall direction of parliamentary strategy was decided upon by the Prime Minister in consultation with Cabinet ministers, either on an individual or small committee basis, or in regular meetings of the full Cabinet. As Leader of the House of Commons, Michael Foot was principally responsible for formulating the details of the Government's legislative programme, which would then be

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<sup>24</sup> TNA: CAB 128/54, 1<sup>st</sup> Meeting, 5 March 1974; 2<sup>nd</sup> Meeting, 7 March 1974; B. Donoughue, *Downing Street Diary*, vol. i, pp. 68-73; P. Bell, *The Labour Party in Opposition, 1970-1974*, p. 237; T. Benn, *Against the Tide: 1973-76* (London: Arrow Books, 1990), p. 116; B. Castle, *The Castle Diaries 1974 – 1976* (London: Weidenfeld and Nicolson, 1980), pp. 41-5; H. Wilson, *Final Term: The Labour Government 1974-1976* (London: Weidenfeld and Nicolson, 1979), pp. 13, 39. See *infra*, pp. 152-3.

<sup>25</sup> CPA: CCO 20/68/2, 1<sup>st</sup> Meeting, 20 May 1974. See *infra*, p. 175.

approved by the Cabinet. Foot then also helped to set and manage the timetable of legislation in Parliament, along with the Government's Chief Whip, Michael Cocks. The party Whips were largely responsible for ensuring the implementation of the Government's legislative programme, through communication with and monitoring of the activities of MPs and opposition parties. Other individuals and groups had particular input into the strategic process through providing advice to Government leaders; including the then recently formalised incorporation of Special Advisers for Ministers.<sup>26</sup>

There were a number of innovations relating to these traditional strategy-making arrangements, changing the way in which they operated to accommodate the exigencies of minority government. While the setting up of some of these groups and arrangements predated the Callaghan Administration and were significantly influenced by other factors, their operation in the strategy-making process was conditioned, altered by, and often concerned with, the problems posed by minority government. Cabinet discussions spent an increasing amount of time considering parliamentary strategy, and how to approach the problems of minority government, something of which is captured by the recording of debates in minutes and memoranda, as well as by contemporary recollections, such as a 1976 entry in the diary of the Head of the No. 10 Policy Unit, Dr Bernard Donoughue:

*"Thursday, 24 June 1976*

Cabinet, mainly on 'Parliamentary Business'. It is quite striking how, compared to two years ago, this item has expanded in Cabinet business. Discussing how to manage our Commons minority now sometimes takes over an hour."<sup>27</sup>

Foot's formulation of the parliamentary legislative programme included chairing discussions of the Government's Future Legislation Committee, which assumed an increasingly important role in considering how to tailor the legislative programme to the problems of not having a majority. Alongside the traditional liaison between Government leaders and the Chief Whip, a series of direct meetings were set up between Callaghan and the Whips to discuss strategies for maintaining a majority. The possibility of these meetings had already been discussed under Wilson in 1975, but were first realised under Callaghan and assumed increasing importance in the situation of minority government, also taking in wider aspects of strategy, such as electoral timing. When Special Advisers were first introduced in 1974, the Government leadership was particularly hostile to their

<sup>26</sup> D. Sandbrook, *Seasons in the Sun*, p. 464; K. O. Morgan, *Michael Foot: A Life*, pp. 332-7; A. Seldon and K. Hickson (eds), *New Labour, Old Labour*, pp. 175-186, 207-10; B. Donoughue, *Prime Minister: The Conduct of Policy under Harold Wilson & James Callaghan* (London: Jonathan Cape, 1987), pp. 20-9, 36-7. See *infra*, pp. 84-8.

<sup>27</sup> B. Donoughue, *Downing Street Diaries*, vol. ii, pp. 43-4.

participation in policymaking outwith their respective Departments. In stark contrast, the latter stages of the Callaghan Government saw the establishment of formal meetings between the Special Advisers to Ministers from all Departments, chaired by Foot, in order to discuss, amongst other matters, broader questions of Government strategy, including aspects relating to minority government and electoral timing. In addition, Callaghan made significant use of the No. 10 Policy Unit, introduced under Wilson in 1974 as a group of Government-appointed experts, who continued to produce papers for the Prime Minister on issues facing the Government, including on questions of policy and strategy. Being created at the inauguration of the 1974 Wilson Minority Government, the Policy Unit had been put to work on maintaining a Government majority and on the particulars of legislative strategy. A number of the papers that were produced by the Unit under Callaghan sought to address questions posed by minority government, such as the prospect of greater interparty cooperation and the forecasting of the likely future survival of the Government. An important illustration of the work on minority government done by the Policy Unit is given by one of its members, David Lipsey, who had previously served as a Government Special Adviser until mid-1977. His papers for the Prime Minister included analysing the possible implications of the Lib-Lab Pact, as well as considering potential courses of action following a further indecisive General Election.<sup>28</sup>

It is sometimes difficult precisely to differentiate between the traditional civil service role of providing non-political advice to the Government and what effectively amounts to political strategy. This has become something of an issue among commentators, not least when considering Britain's 2010 coalition formation. The Prime Minister's support from the civil service in 1976 was most notably that from Kenneth Stowe, the Cabinet Secretary, and John Hunt, Callaghan's Principal Private Secretary. For the most part, the advice provided by Stowe and Hunt represented the traditional setting out of options in a non-political way, rather than specifically becoming involved in political strategy. At the same time, both give a window into the strategy development process for minority government, not least through the recording of conversations and meetings, such as those between Callaghan and Steel during the Lib-Lab Pact, or in discussions about the minority situation with Callaghan themselves.<sup>29</sup> Another body of civil servants which had a particular contribution was the Central Policy Review Staff (CPRS), created by Heath in 1971. Callaghan found the CPRS to be particularly useful in

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<sup>28</sup> K. O. Morgan, *Michael Foot: A Life*, pp. 332-7; A. Seldon and K. Hickson (eds), *New Labour, Old Labour*, pp. 173-84. See *infra*, pp. 106-8, 115-16, 151-4, 177-8.

<sup>29</sup> See *infra*, pp. 134, 156.

terms of producing long-term and detailed considerations of issues and potential policies, not least responses to the economic crisis in 1976. However, while the work of the CPRS was affected by the state of minority government, their contribution towards what was specifically political strategy was limited. In one of the few instances where a CPRS paper discussed future questions that had implications for minority government strategy, considered in Chapter 5, it was largely passed over by the Cabinet.<sup>30</sup>

The main alternative strategy-making body in the Labour party was that of the National Executive Committee, elected by the party membership, whose duties included monitoring policymaking and drawing up the manifesto. During this period, the frequent conflicts between the Labour Government leadership and the NEC over issues of policy and party management led to the emergence of alternative strategies in a number of different areas. For the most part, the Government leadership pursued its own strategies in terms of parliamentary management and the NEC's emphasis was on policy implementation rather than minority government. In spite of this focus, the NEC and its subcommittees, particularly Labour's International Department, did spend some time considering questions of minority government, although, as discussed further below, they did not tend to apply work done on minority governments in other countries to the UK situation.<sup>31</sup>

There were also bodies within or attached to the Labour Party, which, in addition to serving as alternative sources of power or sometimes conflict with the leadership, acted as focal points for strategy-making. While these groups were primarily concerned more with policymaking and implementation, questions relating to minority government were sometimes raised. These groups included bodies formally constituted by Labour, including the Backbench Liaison Committee and TUC-Liaison Committee involving trade union leaders, as well as groups of MPs pursuing the implementation of a particular ideological agenda within the Labour party, including the more long-established left-wing Tribune Group and more right-wing Manifesto Group (which was set up in December 1974 following Wilson's Minority Government). The membership of these different groups also sometimes overlapped with that of decision-makers in other bodies more directly involved in minority government strategy, including Cabinet Ministers. Weekly meetings of all the Parliamentary Labour Party MPs served to provide a forum for groups within the party to air their respective strategic approaches to minority government. There are one or two insights that may be gained from these discussions, although often contributions were more

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<sup>30</sup> See *infra*, p. 115.

<sup>31</sup> A. Seldon and K. Hickson (eds), *New Labour, Old Labour*, pp. 73-4, 261-70. See *infra*, pp. 44-6, 129-30.

as expressions of frustration with legislative concessions made to other parties, or with decisions over Government policy that fitted into wider pre-existing divisions and conflicts over philosophy, rather than necessarily arising from the minority government situation.<sup>32</sup>

While the Party Conference and affiliated Trade Unions had an important role and provided significant input into Government policymaking, their contributions did not normally address minority government questions beyond general endorsement or criticism of the Government's approach, along with the desire for implementation of particular policies. Labour's Research Department similarly concentrated largely on policymaking and did not apparently consider strategic questions of minority government.<sup>33</sup>

After the inauguration of the Lib-Lab Pact in 1977, Government strategy-making also had to incorporate the Consultative Committee, bilateral meetings between ministers and Liberal spokespersons, and the private meetings between the party leaders Callaghan and Steel, some of which considered the issues of minority government in much greater depth.<sup>34</sup>

Although the Conservative Opposition did not face the same challenges of attempting to get legislation passed, the state of minority government posed unique challenges which also served to affect their process of strategy formation. Conservative leaders typically had fewer formal restrictions placed upon their conduct than that of the institutions faced by Labour party leaders. Nevertheless, there were a number of different groups and organisations within and outside the Conservative Party that contributed to the formulation of strategy.

When first confronted with the new reality of minority government in 1974, the Conservative Research Department (CRD) and other individuals had been tasked to search for academic literature on the subject of minority government. Very few useful guides were found by these individuals, the most relevant identified within a month as being an article published in 1973 on Canadian minority government, which does not appear to have featured thereafter in subsequent planning. Alongside this, the earliest meetings of the new Steering Committee sought to consider strategic questions ranging from whether or not to stress the minority nature of the government, the balancing of backbench Conservative desire for confrontation with a public mood of giving the Government 'a chance to govern', and comparable historical precedents. The resulting approach was one of mainly

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<sup>32</sup> A. Seldon and K. Hickson (eds), *New Labour, Old Labour*, pp. 7-8, 72-3; G. R. Searle, *Country Before Party*, pp. 247-8; See *infra*, pp. 119-20.

<sup>33</sup> A. Seldon and K. Hickson (eds), *New Labour, Old Labour*, pp. 70-103, 322-7. See *infra*, pp. 155-6.

<sup>34</sup> D. Torrance, *David Steel*, pp. 90-131; C. Cook, *A Short History of the Liberal Party*, pp. 163-4; D. Steel, *A House Divided*, pp. 36-7, 43-8. See *infra*, pp. 118-25, 157-8.

opposing through speeches and avoiding voting against the government, building on the withdrawal from confrontation over the Queen's Speech.<sup>35</sup>

In 1976, there does not appear to have been the same initial search for a minority government strategy. Thatcher largely shaped the direction of overall parliamentary strategy, in discussion with small numbers of parliamentary colleagues or in the full Shadow Cabinet (formally known as the Leaders Consultative Committee while in Opposition) on a weekly or more regular basis. In addition, there was a formalised Leader's Steering Committee, something of an inner Shadow Cabinet, that also included other figures from within the Conservative leadership, and met to consider wider questions of strategy, addressing such issues as how to respond to specific Government policy decisions, studying internal briefing papers, and deciding on the focus of campaigns and publicity. The CRD contributed significant work to the strategy-making process, both in terms of the detail of policymaking and papers on broader strategy. Although it was largely staffed by those loyal to the previous Administration and distrusted by the Thatcher leadership, the CRD continued to play an important role during the Conservatives' time in opposition in the late 1970s. Prior to Conservative electoral victory, Thatcher's hold on the party remained tenuous, and her own pragmatic style limited far-reaching organisational changes in the early stages. As a result, CRD input to strategy-making could still prove important in certain areas, not least in providing briefing in terms of parliamentary strategy, and establishing frameworks for Shadow Cabinet discussions. There were, in addition, other committees within the Conservative Party, whose work came to involve aspects of minority government strategy, including that of the Directors' meetings and the Party Chairman's committee.<sup>36</sup>

As with the Government, a number of additional groups were also formed or re-formed during this period in the Conservatives, including the Co-ordinating Committee chaired by Thatcher's close ally Keith Joseph. Although not specifically created to deal with minority government, this committee was tasked to examine, amongst other things, Conservative contingency plans in the event of a future 'hung parliament' and possibilities for minority government or coalition.<sup>37</sup>

Other bodies from outside the Conservative Party that were more ideologically aligned with Thatcher, including the Centre for Policy Studies, particularly instrumental in

<sup>35</sup> CPA: CCO 20/8/17, Correspondence between Heath and Geoffrey Howe, 11-23 April 1974; LCC 1/3/1, 3<sup>rd</sup> Meeting, 18 March 1974; SC 12 (2), 2<sup>nd</sup> Meeting, 25 March 1974.

<sup>36</sup> CPA: SC 14, 42<sup>nd</sup> Meeting, 3 May 1976; 45<sup>th</sup> Meeting, 13 December 1976; R. Behrens, *The Conservative Party from Heath to Thatcher*, pp. 48-9, 60, 62-3. See *infra*, pp. 60-2, 161-4, 180-87.

<sup>37</sup> R. Behrens, *The Conservative Party from Heath to Thatcher*, p. 52. See *infra*, pp. 181-2.

formulating future Conservative policymaking, were not involved so much in day-to-day parliamentary management, although some of their contributions had relevance to planning for a future minority government.<sup>38</sup>

Some Labour Party bodies and internal groupings were mirrored within the Conservative Party. These groups similarly did not tend to address questions of minority government directly, focusing more on policies and electoral success, whether in terms of the Party Conference, or internal groupings of MPs pursuing the fulfilment of particular political programmes. The regular meetings of the powerful Conservative 1922 committee, containing all the party's backbenchers, may similarly be regarded as a counterpart to PLP meetings, in terms of expressing views regarding party management, while not necessarily focusing particularly on the minority government question. The committee did, however, have added influence in terms of the contacts maintained with the Conservative leadership by its proactive executive members. The largely undocumented nature of these contacts makes it more difficult to assess their contribution to the strategy-making process.<sup>39</sup>

Both main political parties' strategies for dealing with minority government were also affected by the smaller parties with MPs in Parliament. Although the emphasis of this study is on the strategy-making of the two main parties, these other parties play an integral role in the following chapters, particularly those on interparty cooperation and plans for future minority or coalition government. Some of these parties did themselves engage in significant discussion and codification of strategies relating to minority and coalition government, particularly the Liberals, which has to some extent been explored by scholars examining the history of the Liberal Party as a whole or the history of coalition government in the UK. At the same time, for some of these parties, who had only gained parliamentary seats in the 1970s, strategy-making processes were still very much in their early stages of development, lacking the resources for the same record-making and keeping of the major parties. Where such records are available, these do not necessarily examine the question of minority government as a distinct entity. More detailed examination of these parties' strategy-making across modern British political history, and their approach to minority and coalition governance, is an important area which merits further study.<sup>40</sup>

<sup>38</sup> R. Behrens, *The Conservative Party from Heath to Thatcher*, p. 62. See *infra*, p. 188.

<sup>39</sup> Division and conflict between these groups was not on the same scale as within Labour during this period. S. Ball (ed.), *The Conservative Party Since 1945* (Manchester: Manchester University Press, 1998), pp. 5, 8, 21, 54-5; R. Behrens, *The Conservative Party from Heath to Thatcher*, pp. 23-4, 28-9. See *infra*, p. 141.

<sup>40</sup> M. Oaten, *Coalition*, pp. 174-96; R. Douglas, *Liberals*, pp. 281-2, 304; G. R. Searle, *Country Before Party*, pp. 254-7; P. Bartram, *David Steel: His Life and Politics*, pp. 140-78; D. Steel, *A House Divided*; A. Michie and S. Hoggart, *The Pact*. See *infra*, pp. 120, 123, 191-2.

### International inspiration

While both main parties during the Callaghan Administration had greater interaction with their international counterparts than their predecessors, and conducted greater observation of minority governments in other countries than is commonly recognised, the records of their discussions concerning how to cope with the minority government situation appear only to have drawn upon their own recent history and past British experiences when formulating strategy.

In other countries, a state of minority or coalition government has frequently pushed parties to draw upon the history of their country's previous traditions and experiences of minority or coalition administrations as a source of precedents and to provide lessons for strategy formulation. Where such a tradition has not previously existed or is not considered relevant to present circumstances, party leaders or strategists may try to examine comparable recent experiences in the politics of other countries. There was certainly no shortage of instances of centre-left minority governments occurring in the early 1970s which may have served as potential exemplars, from that of Trygve Bratteli's minority Labour Governments in Norway between 1971-72, and 1973-76, to that of Pierre Trudeau's Liberal Canadian Administration in 1974.<sup>41</sup>

Both Labour and the Conservatives had well-established International Departments within their party bureaucracies which monitored political developments in other countries and produced reports. Tom McNally, who served as Callaghan's political adviser and head of the Political Office in No. 10, was himself a former head of Labour's International Department. There were also many instances during this period in which party leaders and those advising them met with their counterparts from other countries. The 1970s witnessed a period of growing cooperation among parties internationally, partly facilitated by the reduced costs of interaction through increasing advancements in air travel and telecommunications, as well as the growing importance of transnational bodies including the European Economic Community. Both Labour and the Conservatives were important participants in the setting up or maintaining of party organisations in this context, whether within the European Parliament or at an extra-parliamentary level globally. However, while there are some recorded instances of the Government and Opposition leaders raising

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<sup>41</sup> There are passing references to the Trudeau Government's fall in 1974 in the recollections and papers of Labour Cabinet Ministers, but there is no apparent acknowledgement of this in contemporary strategic discussions. J. Bickerton and A. Gagnon (eds), *Canadian Politics*, 5<sup>th</sup> edition (Plymouth: University of Toronto Press, 2009), pp. 134-41; P. H. Russell, *Two Cheers for Minority Government*, pp. 33-5; K. Strom, *Minority Government and Majority Rule*, pp. 210, 225; T. Benn, *Against the Tide*, p. 150; V. Herman and J. Pope, 'Minority Government in Western Democracies', pp. 192-8. See *infra*, pp. 15-21, 69-70, 149.

the question of minority government in their discussion or correspondence with their international counterparts, these show little more than acknowledgement of the situation, rather than indicating any desire to seek or to engage in strategic exchange. In spite of occasional references in Government and Opposition official papers and diaries which recognised some of the above-cited minority governments in other countries, there is no indication that these translated into any significant impact on their subsequent contributions to strategy-making. There were some instances recorded of parties seeking greater cooperation with their counterparts in terms of strategy-making, whether in the European Parliament or globally, but, again, there is no direct indication of these interactions providing input into the process of strategy-making for domestic minority government. Such examples are conspicuously absent from strategy papers dealing directly with questions of minority government. In these cases, almost all examples drawn upon are of previous British experiences during the twentieth century.<sup>42</sup>

When Labour and the Conservatives considered facilitating transnational cooperation with ideologically similar parties, discussions were always framed as distinct and separate from the interparty cooperative dimension of domestic politics. A possible reason for this division may have been the fear that drawing comparisons with other political systems where minority or coalition governments were an accepted norm would give greater legitimacy to such alternative governing arrangements in Britain.<sup>43</sup> One such example of this mindset may be seen during the Lib-Lab Pact in April 1977. While debating plans for Direct Elections to the European Parliament, initial notions of the Government making a positive recommendation of PR for these elections were shelved, not least reflecting the fear of some Cabinet members that:

“Substantial Liberal representation in the Assembly would greatly strengthen the pressure for proportional representation in our national elections”<sup>44</sup>

Such fears were further elaborated at a subsequent meeting:

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<sup>42</sup> See, for example, CAC (Churchill Archives Centre): THCR 2/1/6/194: Appendix E, ‘The Hung Parliament’, 12 April 1978; CPA: CRD/L/4/46/6, ‘The Hung Parliament Contingency’, 16 March 1978; LCC 1/3/15, 200<sup>th</sup> Meeting, 19 April 1978; Callaghan Papers, Box 19, 2737: Lab/Elec: 78-79, David Lipsey to the Prime Minister, 2 May 1979; ‘In the Event of Deadlock’, 2 May 1979; A. Brazier, and S. Kalitowski (eds), *No Overall Control?*, pp. 83-93; N. J. Crowson, *The Conservative Party and European Integration Since 1945: At the Heart of Europe* (London: Routledge, 2006), pp. 125, 192-4; A. Seldon and K. Hickson (eds), *New Labour, Old Labour*, pp. 176-7; T. Benn, *Against the Tide*, p. 150. See *infra*, pp. 107, 141.

<sup>43</sup> TNA: CAB 128/61, 5<sup>th</sup> Meeting, 10 February 1977; 8<sup>th</sup> Meeting, 25 February 1977; G. R. Searle, *Country Before Party*, pp. 251-4, 259. See *infra*, pp. 46, 93.

<sup>44</sup> TNA: CAB 17<sup>th</sup> Meeting, 28 April 1977.

“a recommendation in favour of proportional representation for European Assembly elections would inevitably be regarded as foreshadowing proportional representation at Westminster. It would accordingly provoke united opposition from opponents of the system and from opponents of our membership of the Community, and it would be seen as gravely damaging to the interests of the Labour Party. It would transform the British Party system paving the way for coalitions and the undermining of the legitimacy of Governments. These consequences were too high a price to pay for Liberal support”.<sup>45</sup>

It is noteworthy that the term ‘hung parliament’, often adopted as a descriptor or title of the relevant internal party papers concerning strategy, was first created and used during the 1970s in response to the Wilson and Callaghan Minority Governments, as a derogatory reference to the perceived powerlessness and weakness of these Administrations. It is also worth noting that those parties, including the Liberals, who most favoured the idea of ‘hung’ or, as they described them ‘balanced’ parliaments, were also the ones who were unafraid to draw upon and acknowledge international examples in their internal strategy papers and in their public statements on the subject of minority government.<sup>46</sup>

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The Wilson Minority Government of 1974 compelled both main parties to confront the challenges of non-majority governance, as well as establishing the only recent British experience available to the Callaghan Administration and Opposition. The events of 1974-76 further set up the overarching political and economic conditions within which the Callaghan Government was formed and which affected their planning. The subsequent life cycle of the Callaghan Government cited above, provides the structure for the subsequent chapters of this study, from the Government’s formation in 1976 to its dissolution in 1979.

While the existence of minority government from 1976 onwards did not lead to the establishment of new dedicated strategy-making bodies in the two main parties, it contributed to the methods of operation for other newly established strategy-making groups and had a significant effect on long-established groups when considering strategic questions.

Although utilising the experience of international political counterparts and seeking to facilitate greater transnational cooperation, both Labour and the Conservatives showed a continued reluctance during this period to draw comparisons with, and experience from,

<sup>45</sup> TNA: CAB 128/62, 23<sup>rd</sup> Meeting, 23 June 1977. See *infra*, p. 124.

<sup>46</sup> ‘Balanced parliament: No need to rush’, *The Guardian*, 5 May 2010; A. Blick and S. Wilks-Heeg, ‘Governing without Majorities’, pp. 1-2; A. Brazier and S. Kalitowski (eds), *No Overall Control?*, pp. 1-4. See *infra*, pp. 41, 123, 191-2.

other political systems when framing their responses to strategic questions of minority or coalition government, possibly fearing the idea of these then being legitimised as norms in the British system. As such, Government and Opposition tended to draw upon examples exclusively, whether consciously or subconsciously, from the British tradition of minority government when presenting their papers to decision-makers, encapsulating an understanding of the British experience and political system as being exceptional and distinct in its form of operation from that of other countries.

## **Chapter 3: Assumptions of Government Formation**

Several assumptions across the academic literature concerning 1970s British politics have affected the understanding of the unique British experience of minority government. Three assumptions in particular have served to shape analysis of Callaghan's Minority Administration of 1976-79:

- Labour's continuing in office as a minority government was inevitable after first losing their majority in April 1976;
- some of the preceding Labour majority governments during the 1960s and 1970s were essentially similar to minority administrations because of their small majorities and internal party divisions;
- there was a general absence of strategy-making by Labour and the Conservatives for dealing with the state of minority government.

Even some of the more recent works that have given greater recognition to the importance of the minority status of the Callaghan Government do not engage in significant analysis of the government formation process, nor do they consider potential alternative outcomes.<sup>1</sup>

Having established the context for this study in the two preceding chapters, it is important to begin by interrogating and correcting the assumptions set out in the bullet points above regarding the formation of the Callaghan Government. In this analysis, contrary to first impressions, Callaghan's Administration actually does not fit neatly either into either orthodox or revisionist theoretical models of minority government. The Callaghan Government is, therefore, an important case study in its own right, highlighting the often unrecognised and unique British tradition of minority government. The chapter will consider in detail the process of the Callaghan Government's formation in April 1976 and possible alternative outcomes to a minority government.<sup>2</sup>

Confusion over the precise dates of Callaghan's Administration as a Minority Government, both in theory and in practice, has contributed to the notion of the inevitability with regard to its formation: Stonehouse's defection on 7 April 1976 is often identified as the formal beginning of the Minority Government, while other scholars cite Labour's actual loss of a working majority as resulting from defeats in by-elections during December 1976. However, the formal entry into a state of minority began on 7 April 1976,

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<sup>1</sup> C. Moore, *Margaret Thatcher: The Authorized Biography*, pp. 334-6; M. Pugh, *Speak for Britain!: A New History of the Labour Party*, pp. 354-60; R. Hazell and A. Paun (eds), *Making Minority Government Work*, pp. 10-19; A. Seldon and K. Hickson (eds), *New Labour, Old Labour*, pp. 190-2; P. Whitehead, 'The Labour Governments: 1974-1979', in P. Hennessy and A. Seldon (eds), *Ruling Performance: British Governments from Attlee to Thatcher* (Oxford: Basil Blackwell, 1989), pp. 241-2, 256; D. Butler and D. Kavanagh, *The British General Election of 1979*; J. Beavan, 'The Westminster Scene', *The Political Quarterly*, Vol. 47, No. 2 (1976), pp. 203-14. See *infra*, pp. 31-5, 50.

<sup>2</sup> Hennessy's work includes insight into previous Civil Service contingency plans for potential hung parliaments, such as following the 1964 General Election, see P. Hennessy, *The Prime Minister*, pp. 21-35.

and remained thereafter until the fall of the Government in a confidence vote on 28 March 1979 and subsequent defeat in the General Election on 3 May 1979. As such, this study will take the defection of Stonehouse as the starting point, because it is the first moment when the Government was identified by opposition parties as having lost the parliamentary majority that it previously had, on paper, and in the minds of contemporary commentators. Although the Government was able to command a majority through opposition parties' disunity, the non-voting of certain MPs, or interparty deals including the Lib-Lab Pact, none of these arrangements, in practice, altered the Government's position of being substantively in a minority in Parliament.<sup>3</sup>

## Forming the Callaghan Government

The above-cited assumptions have helped negate analysis of the important process of government formation, beyond considering Callaghan's election as party leader, his character, and some of the aspects of his early days as the new Prime Minister. Analysis of these early days has included such areas as reshuffling ministerial portfolios, particularly those of the Cabinet, and dealing with an emerging economic crisis. While more recent works have given some greater recognition to Callaghan's loss of a parliamentary majority, the formation process is still unquestioningly regarded as inevitable.<sup>4</sup>

In part, this scholarly omission understandably reflects the greater focus on the change of government leader immediately preceding the loss of a government majority, the surprise resignation of Wilson and the politics of the fiercely contested Labour party leadership election which followed. The omission is also reflective of a perception of there being little real difference between a government with a very slim majority and a government lacking a theoretical or working majority by only a handful of seats. Labour's governing experiences in 1964-66 and 1974-76 would appear to lend credence to this idea; a majority of up to only four seats in the House of Commons, along with arguments within the Government which had, on several occasions, led to defeat or the prospect of defeat on major policies.<sup>5</sup>

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<sup>3</sup> See *infra*, pp. 32-5, 103-4.

<sup>4</sup> D. Sandbrook, *Seasons in the Sun*, pp. 459-68; A. Thorpe, *A History of the British Labour Party*, pp. 195-6; A. Seldon and K. Hickson (eds), *New Labour, Old Labour*, pp. 1-2, 173-80; P. Hennessy, *The Prime Minister*, pp. 376-81; K. O. Morgan, *Britain Since 1945*, pp. 381-3, 399. See *infra*, footnote 1.

<sup>5</sup> A. Seldon and K. Hickson (eds), *New Labour, Old Labour*, pp. 190-2; M. Taylor and M. Laver, 'Government Coalitions in Western Europe', *European Journal of Political Research*, Vol. 1, No. 3 (1973), pp. 229-33. Other commentators have highlighted a clear difference, D. Sandbrook, *Seasons in the Sun*, pp. 163, 466. See *infra*, pp. 29-31.

Testing Callaghan's Administration against both the Riker-led orthodox and Strom-led revisionist scholarship established in the Introductory Chapter, would, at first glance, appear to confirm the idea that Labour's continuation as a minority government was inevitable. The Government appeared to fulfil conditions set out in these theoretical approaches that predisposed it toward minority administration rather than any alternative form of government such as a coalition.<sup>6</sup> In many ways the Callaghan Government and political system within which it operated reflected the orthodox position on minority administrations, not least that of representing an unusual (deviant) case in a country which had normally produced single-party majority governments over the preceding decades. Decision-makers in the main parties also did not regard themselves as having any established British tradition of coalition formation outside of wartime. Indeed, the only reference made by an MP in Parliament to a possible British coalition government in April 1976 was in Conservative backbencher Sir Raymond Gower's denial that he was advocating one in the face of economic turmoil.<sup>7</sup> Britain's one major instance of peacetime coalition up until that point, responding to economic emergency through a National Government in the 1930s, was frequently cited by contemporary policymakers in both main parties as an experience to avoid repeating. Britain also appeared to fit the criteria of party fractionalization, smaller parties seeking to challenge the established political settlement, having gained a significant number of seats in Parliament after the 1974 elections. When trying to secure a parliamentary majority for passing legislation, whether on a vote-by-vote basis or in formation of the Lib-Lab Pact, the Callaghan Government mindset appears to have been one of securing a rational choice 'minimal winning' position, even on legislation of major constitutional importance.<sup>8</sup>

At the same time, the Callaghan Government's formation also clearly shared some characteristics identified by more revisionist theoreticians of minority government. In many cases, minority governments formed in other countries may be a significant number of seats short of having a legislative majority, possessing only 40% of parliamentary seats, or, even, in some cases, as little as 15-20%.<sup>9</sup> By contrast, Labour in 1976 was only, at

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<sup>6</sup> See *infra*, pp. 12-21.

<sup>7</sup> HC Hansard, Vol. 909, cols 303-4 (6 April 1976).

<sup>8</sup> D. Sandbrook, *Seasons in the Sun*, pp. 459-60; R. W. Andrew, L. De Vinter, and Patrick Dumont (eds), *Government Formation*, pp. 1-10, 98-104, 112-13, 195-6; A. Seldon and K. Hickson (eds), *New Labour, Old Labour*, pp. 192-3; P. Hennessy, *The Prime Minister*, p. 385; K. Strom, *Minority Government and Majority Rule*, pp. 7-16, 56-92. See *infra*, pp. 28-9, 49.

<sup>9</sup> One of the smallest Minority Administrations in terms of seat numbers was the 1973-75 Danish Government of Poul Hartling, which had only 22 seats out of 179 in Parliament (12.3%). Minority governments' capacity to govern effectively, as opposed to merely surviving, is another matter – it continues to be subjected to much scholarly debate. See *infra*, pp. 12-15, 52-4.

most, a few seats short of an overall majority in a Parliament of 635 members, echoing Taylor and Laver's theory of being 'almost a majority government' in practice.<sup>10</sup>

Other structural aspects of the revisionist models were also present. The opposition in the British Parliaments of the 1970s was divided between Conservatives, Liberals, and a combination of parties including nationalists from Scotland and Wales, and unionists and republicans from Northern Ireland, making it less likely to be able to form an alternative coalition to the government. Britain's institutional setups would also appear to have favoured minority rather than coalition government in the case of indecisive electoral results. The negative framing of investiture rules allowed for a government to exist merely if tolerated by the opposition, while *de facto* near-absolute government control over timetabling business in the House of Commons, committee appointments, the absence of independent bodies capable of vetoing policies, and significant administrative powers granted to Ministers through the crown prerogative, strengthened the Government's capacity to stay in power in spite of not having a legislative majority.<sup>11</sup>

## Callaghan Government – A Special Case

However, while all these factors had an important influence, they by no means inevitably determined the formation and operation of the Government. Callaghan's Administration actually differed significantly from these theoretical norms and even from previous British experience of minority governments, making it particularly important as a case study, not only for British history, but also for the study of wider minority government theory and the formation of minority administrations internationally. Unlike most administrations considered throughout minority government theory, Callaghan's Administration formed after losing its majority during a parliamentary term through by-elections and the defection of MPs, rather than as a result of a General Election or coalition break-up. The Government's formation actually ran contrary to twentieth-century British precedents, all four instances of minority governments up until 1976 having been formed in the period immediately following General Elections, whereas the formation of a new Government mid-way through a parliamentary term had, on five occasions, resulted in coalitions, in

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<sup>10</sup> See *infra*, pp. 14, 31-2.

<sup>11</sup> R. Rogers and R. Walters, *How Parliament Works*, 6<sup>th</sup> ed. (London: Routledge, 2013), pp. 43, 56-7, 93-4; A. Seldon and K. Hickson (eds), *New Labour, Old Labour*, pp. 192-4; G. Tsebelis, *Veto Players: How Political Institutions Work*, pp. 97-8, 184; T. Bergman, *Constitutional Rules and Party Goals in Coalition Formation*, pp. 45, 162-3; K. Strom, *Minority Government and Majority Rule*, pp. 1-2, 8-14, 65, 90-1. See *infra*, pp. 27-9.

spite of certain sections of the main political parties standing opposed to such an outcome. Much theoretical discussion has concentrated purely on the political leadership, considering parties as united actors, with an assumed high level of homogeneity. Party leaderships acted as the main coordinators of parliamentary strategy during this period, and, as such, will be the primary focus of this study. At the same time, however, parties represented in Parliament during the Callaghan Administration, whether in Government or opposition, suffered from deep-seated divisions which frequently manifested themselves, and served to influence the power dynamics and political interactions. The approaches pursued thereby did not necessarily represent the rational considerations of a single political actor, but were rather the end product of a complex series of negotiations between actors within the same party pursuing their own particular set of objectives. Different actors also considered alternative strategies which, even if not enacted, formed part of the debate and remained as potential options in the event of the situation changing.<sup>12</sup>

Labour's continuance as a minority government in April 1976 was the most likely course of action, but was not inevitable. A number of alternatives existed, some of which were given greater consideration by the Government while others were rejected. These potential alternatives included that of Callaghan calling an early election, an agreement between opposition parties to bring down the Government in a confidence vote or even to form an alternative government, or the formation of a coalition by the incumbent Government to retain their majority. Examining why these courses of action were not pursued will give something of an insight into the formulation of strategy, and establish the context within which subsequent responses to the situation of minority government were developed by both main parties.

### Early Election

Minority governments in other countries have often pursued the escape route of calling an early election, when their strategists calculate there to be an opportunity to win a legislative majority, whether or not this actually turns out to be the case. Alternatively, the loss of a majority may compel a government to seek an early election, if it leaves them unable to continue passing the legislation necessary in order to govern. While it is certainly

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<sup>12</sup> R. Hazell and A. Paun (eds), *Making Minority Government Work*, pp. 18-19; C. Nikolenyi, *Minority Governments in India*, pp. 1-24, 90-6; A. Seldon and K. Hickson (eds), *New Labour, Old Labour*, pp. 190-204; P. Hennessy, *The Prime Minister*, pp. 386-8, 393-4; W. C. Müller and K. Strom, *Policy, Office, or Votes?: How Political Parties in Western Europe Make Hard Decisions* (Cambridge: Cambridge University Press, 1999), pp. 1-35, 55, 63-6; K. Strom, *Minority Government and Majority Rule*, pp. 1-16, 89-92. See *infra*, pp. 12-21, 27-9.

the case that governments with small majorities in postwar Britain tended to experience difficulties in passing controversial legislation and facing the prospect of early General Elections, minority government as experienced in 1976 was recognised as a different entity, reflected in both the perceptions and practices of contemporary political actors. The minority government definition was initially resisted by the Government, who continued largely to adhere to majoritarian principles, as discussed further in the chapter on ‘Defeats and Legislative Management’. However, Government leaders were forced to acknowledge the changed situation. These perceptions of a distinct difference appear not only in the public language of parliamentary debates or press releases from early April 1976 onwards, but also in the subsequent private correspondence between Callaghan and other world leaders, the Prime Minister having to explain the loss of the Government’s majority, as well as in Cabinet and Shadow Cabinet discussions beginning in April 1976 of how to deal with the ‘new’ minority situation.<sup>13</sup> When faced with difficulties of getting a major piece of legislation through in June, the Cabinet emphasised that “the first need was to restore the Government’s majority”. A Cabinet Memorandum in May by Foot on the Government’s Legislative Programme recognised that the absence of a majority would make it more difficult to get certain legislation passed, providing detailed charts that prioritised some Bills, while also providing an assessment of some possible compromises that could be made.<sup>14</sup>

Callaghan’s message upon entering office did not, contrary to some perceptions, completely reject the possibility of an early election, although it was framed very much within a traditional British majoritarian view of the parliamentary system, emphasising the Government’s relative strength over opposing parties and mandate to govern. Callaghan’s public address to Labour MPs on becoming Prime Minister on 6 April 1976 included highlighting that, in spite of their overall majority being small, their position relative to the main opposition party was strong, possessing “a majority over the Tories of 40” and “We can and we shall continue to govern”.<sup>15</sup> On 8 April, in a debate following the defection which had taken away Labour’s majority, Callaghan responded to an interruption in his

<sup>13</sup> Callaghan Papers, 118, Prime Minister’s Third Carbons: April 1976, Letter to Henry Kissinger, 28 April 1976; TNA: PREM 16/1045, PM’s Talk with Chancellor Schmidt [extract], 28 April 1976.

<sup>14</sup> TNA (The National Archives): CAB 128/59, 1<sup>st</sup> Meeting, 13 April 1976; 2<sup>nd</sup> Meeting, 29 April 1976; 5<sup>th</sup> Meeting, 18 May 1976; 6<sup>th</sup> Meeting, 17 June 1976; 12<sup>th</sup> Meeting, 1 July 1976; 128/89, Legislative Programme 1976-77, 14 May 1976; PREM 16/2214, ‘Note of a Meeting Held at [...] No. 10 Downing Street’, 16 June 1976; George Clark, Political Correspondent. “Mr Stonehouse resigns and leaves Labour in a minority of two.” *The Times* [London, England] 8 April 1976 [accessed 15 January 2014]; B. Donoughue, *Downing Street Diaries*, vol. ii, pp. 43-4. See *infra*, p. 74.

<sup>15</sup> George Clark and Michael Hatfield, “No Need for early election, Mr Callaghan tells party.” *The Times* [London, England], 6 April 1976 [accessed 16 January 2014].

answer to a question by baiting the Opposition with an ambiguous jibe about their fears of his calling an early election.<sup>16</sup> Answering a further question on 29 April, Callaghan's apparent denial of a possible early election was not emphatic, but rather made conditional on the Government's ability to continue to get its legislation passed. These statements and others were not a categorical rejection of an early poll, certainly not when contrasted with Callaghan's clear message two years later which ended speculation of an election in the autumn of 1978. Callaghan's public acknowledgement of the conditional state of governance, albeit in a manner aiming for the greatest room for manoeuvre, showed recognition of changes in the political reality and the possible need for contingency planning in light of his precarious parliamentary situation. Although most among the Government leadership leaned away from embarking upon an early election, some were considering the possibility in April 1976, weighing up a number of different factors. Foot's remarks to a local election rally on 5 May 1976, seeking an early election "as speedily as we can get it sensibly, in which we can get a full and proper majority in the House of Commons", prompted calls by the Opposition for an early election and a denial by the Prime Minister two days later.<sup>17</sup> It is difficult to ascertain whether this was a genuine reflection of Foot's view, or a remark taken out of context. As cited above, Foot was already recognising and emphasising potential challenges when discussing legislative strategy in April and May Cabinet meetings, and bore great responsibility for dealing with these issues, not least in his role managing the already difficult passage of legislation which had been compounded by the absence of a majority.<sup>18</sup>

When considering electoral timing in more detail, as shall be seen in a subsequent chapter, those formulating strategy in both parties tended to attach particular weight to recent British political history, which, in April 1976, offered something of a mixed set of results for governments calling early elections. Wilson had successfully used early dissolutions to bolster his majority in 1966 and to transform a minority government into a majority in October 1974, but, equally, had lost after going early in 1970, as had Heath after an early election in February 1974 (albeit as much on account of the Government's handling of the industrial crisis as the earliness of the election itself).<sup>19</sup> Although the loss of the Government majority was from the outset portrayed by opposition parties as a sign of

<sup>16</sup> HC Hansard, Vol. 909, cols 634-5 (8 April 1976); Vol. 910, cols 552-3 (29 April 1976).

<sup>17</sup> Our parliamentary correspondent. "Prime Minister rejects call by Mrs Thatcher for an early General Election." *The Times* [London, England], 7 May 1976 [accessed 23 January 2014].

<sup>18</sup> See *infra*, pp. 54, 116.

<sup>19</sup> R. Hazell and A. Paun (eds), *Making Minority Government Work*, pp. 7, 30-1; A. Smith, *Election Timing* (Cambridge: Cambridge University Press, 2004), pp. 88-90; W. C. Müller and K. Strom (eds), *Coalition Governments in Western Europe* (Oxford: Oxford University Press, 2000), pp. 258-61.

failure, Labour's leadership election and Callaghan's recent takeover as Prime Minister had been greeted as a positive change, and potentially provided both a momentum for a campaign and a legitimate reason for an election. Eden had sought an immediate election upon becoming Prime Minister in 1955, albeit later on in the parliamentary term and already possessing a sizeable majority. Nevertheless, this precedent was cited by contemporary commentators when considering the possibility, not least in speculation by *The Times* political editor about potential outcomes of the Labour leadership contest. A new leader deciding to seek the legitimacy of a fresh mandate in such an instance could have perhaps been regarded as showing both statesmanship and political strength, and, as acknowledged by the Government themselves, a large proportion of legislation promised by the October 1974 manifesto had already been passed into law. There appeared to be a temporary lull in the emerging economic crises of 1975 and 1976. There had been a Conservative poll lead in the preceding months, but this was by no means assured of surviving an electoral campaign, the Opposition particularly suffering continued questions of internal divisions and problems over policy for Thatcher, the then relatively new leader. In fact, following Callaghan being selected as leader, Labour briefly enjoyed a lead of 6% to 7%, as highlighted in an Ipsos Mori poll of 8-9 April 1976.<sup>20</sup>

However, the change to a minority in April did not lead the Callaghan Government to give any serious consideration to an immediate election in their formal meetings considering strategy. The above-indicated brief poll lead was not sustained in subsequent soundings of public opinion, and did not provide a solid enough basis for the Government to risk an election. Callaghan's fear of winning an election but not achieving an overall majority was perhaps one of the strongest reasons for not seeking a snap dissolution, which would also dominate his decision-making over future electoral timing, as will be seen in a subsequent chapter.<sup>21</sup> A particularly interesting insight into Callaghan's mindset in the early stages of his Government may be gained from a transcribed extract of a call held with German Chancellor Helmut Schmidt on 28 April 1976. Schmidt had heard about the loss of the Government's majority and asked Callaghan "does it mean anything?". Callaghan

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<sup>20</sup> David Wood. Political Editor. "17 vote victory for Government in confidence challenge." *The Times* [London, England] 12 March 1976 [accessed 20 January 2014]; "Mr Callaghan likely successor after shock decision by Mr Wilson." *The Times* [London, England], 17 March 1976 [accessed 20 January 2014]; George Clark, "New Prime Minister warns Labour factions to get into line." *The Times* [London, England], 6 April 1976 [accessed 16 January 2014]; George Hutchinson, "The 90 days that could make or break the Tories." *The Times* [London, England] 1 May 1976 [accessed 23 January 2014]; Ipsos MORI, Voting Intentions in Great Britain 1976-1987: <https://www.ipsos-mori.com/researchpublications/researcharchive/2449/Voting-Intentions-in-Great-Britain-19761987.aspx#1976> [accessed 15 January 2015]. See *infra*, footnote 19.

<sup>21</sup> See *infra*, pp. 154-8.

not only restated his public pronouncements about having a party majority of 40 over the Conservatives, but also indicated more clearly his position on not needing an early election, as well as forecasting the potential lifespan of the Government:

“My view is unless we lose by-elections and have obviously lost the confidence of the people we can carry on for a couple of years if we want to. [...] there’s no need for me to feel that I’ve got to rush to the country in order to try and do something. I want a period of steady government if we can get it”.<sup>22</sup>

Other reasons for the Government fearing an early election at this stage included concerns over electoral fatigue among both the populace in terms of lack of interest, and the party in terms of exhausted resources, having fought two General Elections and a nationwide referendum campaign in the space of the previous two years. Although much legislation had been passed, there were significant manifesto commitments which had not been realised and difficult unresolved political questions including Devolution, which, it was calculated, could lead to significant Labour losses in any elections in Scotland and Wales. In spite of making calls for an early election and enjoying greater polling success, the Opposition were similarly not expecting a dissolution at this stage, and were still working on their own manifesto and strategic preparations for such a contest.<sup>23</sup>

### Opposition coalition/election

In some cases, the loss of a government majority or attempted formation of a minority government following an election has led opposing parties to respond either by vigorous attempts to defeat the government in the legislature, and thereby force its dismissal through an election, or even to establish an alternative majority or minority coalition of opposition parties and replace the incumbent government without the need for an election. The latter approach occurred in Germany in 1982, following the collapse of a centre-left Social Democrat/Free Democrat coalition and replacement of the resulting Social Democrat Minority Government with a centre-right governing coalition of opposition parties.<sup>24</sup> In contrast to some of the more consensual democracies, the traditional adversarial approach

<sup>22</sup> TNA: PREM 16/1045, PM’s Talk with Chancellor Schmidt [extract], 28 April 1976.

<sup>23</sup> TNA: CAB 128/59, 1<sup>st</sup> Meeting, 13 April 1976; 2<sup>nd</sup> Meeting, 29 April 1976; PREM 16/2214, ‘Note of a Meeting Held at [...] No. 10 Downing Street’, 16 June 1976; “The Context Of The Choice.” *The Times* [London, England] 19 March 1976 [Accessed 20 January 2014]; “An Early Election? Probably Not.” *The Times* [London, England] 22 April 1976 [Accessed 23 January 2014]; B. Donoghue, *Downing Street Diaries*, vol. ii, pp. 13-27. See *infra*, pp. 151-2.

<sup>24</sup> K. H. Cerny, *Germany at the Polls: The Bundestag Elections of the 1980s* (Durham, NC: Duke University Press, 1990), pp. 28-32.

characterising British politics has led to an Official Opposition which generally desires to defeat the Government in parliamentary votes and ultimately to replace it in office. Stonehouse, whose defection gave the opposition parties a majority in April 1976, followed his change of party with calls for an immediate election. The Opposition had, in the preceding month, been particularly vociferous in their calls for the Government's resignation and for a General Election. These calls were further encouraged in March 1976 by Labour rebels inflicting a significant defeat on the Government over public expenditure when it still had an overall majority. This defeat was subsequently reversed by Labour's winning of a confidence vote. Thatcher continued to call for an early election, with particular emphasis upon the resignation of the Prime Minister, and, later on in May, as a reaction to sentiments expressed from within the Government, primarily in response to the previously cited suggestion put forward by Foot. However, while publicly critical of Labour's loss of a majority in April 1976 as removing their legitimacy to govern, and periodically calling publicly for an early election, the Conservatives did not consider preventing the minority government from taking office by forcing their defeat over a confidence vote and subsequent General Election at this stage. Although there were one or two public comments from Opposition MPs mentioning the prospect of an early election, the Conservatives' internal strategic discourse in April was focused much more upon immediate parliamentary considerations in terms of trying to change party representation on committees.<sup>25</sup> In the first Shadow Cabinet that followed the loss of the Government majority on 7 April, the main response to the Stonehouse defection was "pressing for an Opposition majority of one on all Standing Committees which were set up on future Bills" to reflect the new political balance of the House of Commons. While removal of the Government majority formed an important consideration, this was only one topic of the meeting, other discussions focusing on local government, how to respond to aspects of the Budget, and to the Government publishing its Devolution proposals in June. No indication was made during the meeting of any notion of trying to force an early election.<sup>26</sup>

Shadow Cabinet references to a possible early election only occurred in July 1976, and even these were speculative, "in the event of an election this Autumn", rather than as a result of any initiative to force an election on the part of the Opposition. The Conservatives were still revising policy throughout 1976, and making preparations for a future campaign, not least through the reporting of policy groups so as to enable the acceleration of electoral

<sup>25</sup> HC Hansard, Vol. 907, cols 565-75 (10 March 1976); cols 634-758 (11 March 1976); Vol. 909, cols 779-81, 798-800 (9 April 1976); C. Moore, *Margaret Thatcher: The Authorized Biography*, pp. 334-7; See *infra*, pp. 76-8.

<sup>26</sup> CPA: LCC 1/3/10, 106<sup>th</sup> Meeting, 7 April 1976.

preparations if necessary. Correspondence between Patten and other researchers considered an autumn election as a remote possibility, but not sufficient to warrant any significant acceleration of preparations, such as the rapid production and regular updating of emergency manifestos, as had been the case during 1974.<sup>27</sup> Although votes were tabled against the Government, no single issue presented itself as likely to unite opposition parties and enable them to force an early election through a no confidence vote.<sup>28</sup>

Additionally, there was no indication that the Conservatives in April 1976 thought that it would be appropriate to form any kind of voting agreement with other parties in Parliament toward defeating and/or replacing the Government without an election. Indeed, it is unlikely that such an alliance would have been possible, having to rely on a disparate mix of opposition parties, including Liberals, different nationalist parties, republicans, unionists, and independent socialists, as well as potential Labour rebels, there being significant lines of division between these groups. There have been cases in the past of so-called ‘rainbow coalitions’ formed in other countries which incorporate counterintuitive groupings of parties across the political spectrum. However, these instances tend to occur only when there is no alternative, and rely to some degree on the different parties accepting certain pre-existing norms of coalition in their domestic political culture. Britain’s experience of such Unity governments has, up until 2015 at least, been limited to cross-party coalitions during the two World Wars, and those of the National Governments during the economic crisis of the 1930s. There have also been two (depending on the definition used) more recent unsuccessful attempts to form particularly broadly-based coalition governments. The first was that of a proposed coalition between Welsh nationalists Plaid Cymru, the Conservatives and the Liberal Democrats in the Welsh Assmby following the 2007 election, while the second was an attempt at a Labour-Liberal Democrat coalition including nationalist and Green MPs, following the 2010 General Election.<sup>29</sup> While the confidence vote which eventually brought down the Callaghan Government in 1979 did involve many of the different opposition groups voting on the same side, this situation was a case of parties choosing for different reasons to oppose the Labour Administration, rather

<sup>27</sup> CPA: CRD/D/7/20, Chris Patten to Angus Maude, 29 October 1976; /21, Charles Bellaire to Chris Patten, 23 July 1976; LCC 1/3/11, 122<sup>nd</sup> Meeting, 7 July 1976; 1/3/11-12, 123<sup>rd</sup> Meeting, 12 July 1976; OG 52: 50<sup>th</sup> Meeting, 21 March 1974; 51<sup>st</sup> Meeting, 4 April 1974; OG74/145, ‘Preparing for a June Election: Notes towards a new part I’, 19 April 1974; 52<sup>nd</sup> Meeting, 25 April 1974; MF: Reel 95, 00211-30, Letter from Michael Fraser to Heath, 23 April 1974.

<sup>28</sup> CPA LCC 1/3/11, 113<sup>th</sup> Meeting, 7 June 1976. See *infra*, footnotes 25-7.

<sup>29</sup> A. Boulton & J. Jones, *Hung Together*, pp. 168-9, 230-1, 242-3; R. B. Andeweg, L. De Winter, and P. Dumont (eds), *Puzzles of Government Formation*, pp. 131-6, 143-4, 165-6; J. Osmond, *Crossing the Rubicon: Coalition Politics Welsh Style* (Cardiff: Institute of Welsh Affairs, 2007), pp. 27-42; D. Arter, *Democracy in Scandinavia: Consensual, Majoritarian or Mixed?*, pp. 26-7, 96-7; G. R. Searle, *Country Before Party*, pp. 242-5; K. Strom, *Minority Government and Majority Rule*, p. 91. See *infra*, pp. 27-31.

than as a result of actively cooperating with one another. The 1979 confidence vote defeat of the Government was only brought about by a specific set of conditions not yet present in 1976. Although some of the smaller parties appeared more willing to challenge the Government, others were in politically unfavourable positions in April 1976 in terms of their electoral prospects, not least the Liberals, their ongoing poll ratings falling to around half their of previous electoral result, and with the then recent revelation of scandals surrounding their leader Thorpe.<sup>30</sup> There is no evidence to suggest that negotiating an alternative Opposition coalition government was even being contemplated by the Conservatives following Callaghan's loss of a majority.<sup>31</sup> The Conservative Steering Committee had briefly considered the coalition question over a couple of meetings almost a year earlier in May 1975, suggesting that "if the Government were ready to drop damaging measures such as nationalisation, a basis for discussing the possibility of a coalition might exist". Conservative Chair Lord Thorneycroft had also suggested that facing any crisis election, the best plan would be to campaign for a "Doctor's Mandate", along the lines of the National Governments in the 1930s.<sup>32</sup> The CRD was tasked to prepare a paper on the possible 'crisis scenarios' for the Steering Committee meetings which helped to inform the discussion. It was written by Patten, and raised a number of potential questions to be considered, as well as courses of action for the Opposition in the event that the economic crisis forced the Government to seek Conservative support, including:

- “(i) to abstain – this would probably not be politically possible or desirable;
- (ii) to support the Government on their terms – unless we take an initiative ourselves we may be driven into this position;
- (iii) to bargain our support in return for dropping the nationalisation programme [...]
- (iv) to insist on a General Election – but could we govern if we won? And do we really want to do all the dirty work on our own?
- (v) to seek to bring about a coalition or national government”<sup>33</sup>

The discussion at these meetings was, however, not concerned with formulating a strategy for minority or coalition government, but rather was framed against the perceived

<sup>30</sup> David Leigh: "SNP hopeful of an early election." *The Times* [London, England], 31 May 1976 [accessed 22 January 2014]; D. Torrance, *David Steel*, pp. 77-81, 126-9; C. Cook, *A Short History of the Liberal Party: The Road Back to Power* (Houndmills: Palgrave Macmillan, 2010), pp. 161-2. See *infra*, footnote 7.

<sup>31</sup> CPA: LCC 1/3/10, 7 April 1976; SC 14, 41<sup>st</sup> Meeting, 29 March 1976; 42<sup>nd</sup> Meeting, 3 May 1976; Our parliamentary correspondent. "Prime Minister rejects call by Mrs Thatcher for an early General Election." *The Times* [London, England], 7 May 1976 [accessed 23 January 2014].

<sup>32</sup> See *infra*, footnote 31.

<sup>33</sup> CPA: SC 14, 'The Present Crisis – Some Scenarios and Questions': Note by the Research Department, 13 May 1975.

escalating financial crisis in mid-1975 to early 1976, parallels being drawn with the emergence of a National Unity Government during the financial and political crises of the 1930s. The discussion was therefore very much one of considering the worst-case scenario, if, as seemed possible, the Labour Party were to split, and how the Conservatives would respond. The Steering Committee were not ruling out becoming part of a Unity Government in these circumstances, but considered it as very much something to be avoided if possible.

Discussions in late 1975 also considered a prospective minority government caused by a by-election/defection of one or two Government MPs, and whether or not this would prompt a General Election. When such a prospect was raised at the Conservative Steering Committee in November 1975, it was viewed as very unlikely to lead to an early poll, citing ongoing economic conditions as unfavourable to the Government. In response to concern about a possible election, Thorneycroft suggested that the Conservatives could “move into General Election gear at short notice if necessary”. Other preparations during this time included the July production of a supplement to the standard campaign guide for candidates, which, it was suggested, could rapidly be sent by photocopy to candidates if required (though even at this stage caution was urged).<sup>34</sup>

The Government’s successful navigating through the European Referendum in early June 1975 without lasting internal divisions helped to reduce the perceived threat of a Labour split and need for any Unity Government. In this context, the June meeting of the Steering Committee was particularly critical of the role of Labour moderates in supporting the policies of their more radical colleagues, along with Thatcher subsequently seeking to deny leaked newspaper reports of these discussions on coalition ever having occurred, fearing that they would do damage to the party’s primary goal of electoral victory.<sup>35</sup>

By contrast, in the Steering Committee meeting in May 1976, following the loss of the Callaghan Government’s majority, the primary parliamentary concern was the battle over achieving greater Opposition representation on Committees in Parliament. There was no discussion of coalition, nor a call for any paper similar to that of the 1975 ‘crisis scenarios’, the Conservative emphasis clearly being upon seeking to follow the traditional role of opposing the Government where appropriate, as well as making the policy and campaign preparations necessary to win an outright victory at a subsequent election.<sup>36</sup>

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<sup>34</sup> CPA: CRD/D/7/16, Letter from Humphrey Atkins to Chris Patten, 13 June 1975; CRD/D/7/20, ‘State of Readiness for an Election’, 25 April 1975; CRD/D/7/20, Chris Patten to Angus Maude, 26 July 1976; LCC 1/3/15, 199<sup>th</sup> Meeting, 17 April 1978; SC 14, 35<sup>th</sup> Meeting, 3 November 1975.

<sup>35</sup> CPA: SC 14, 26<sup>th</sup> Meeting, 12 May 1975; 27<sup>th</sup> Meeting, 13 May 1975; 28<sup>th</sup> Meeting, 9 June 1975.

<sup>36</sup> CPA: SC 14, 42<sup>nd</sup> Meeting, 3 May 1976. See *infra*, footnote 35.

### Government Coalition/Interparty Agreement

An alternative strategy which Governments have frequently pursued to avoid a minority government is that of forming a coalition or making agreements with other parties.<sup>37</sup> While ultimately ruling out an early election, and not facing an opposition coalition, the use of interparty cooperation to secure a majority was given some consideration from the outset by the Callaghan Government, although it did not ultimately yield any substantive results. The only seriously considered proposal was that of inviting Gerry Fitt MP (Leader of the SDLP) to take the Labour whip, and, in effect, be counted as part of the Government. Such a move would have addressed the one seat gap needed for a majority, and theoretically secured the Government's position in confidence votes, as well as the retention of Government majorities in the composition of legislative committees. In one sense, this initiative was more a search for psychological legitimacy than an attempt at an interparty voting agreement or coalition: Fitt already either abstained on many votes, or tended to vote with the Government. No mention was made of any negotiations, formal or informal, nor any specific incentives to be offered other than general commitment to continued informal consultation between the SDLP and Labour. This action would appear very much in line with the traditional theoretical position of minority governments seeking a 'minimal winning' position, the smallest number of MPs required to secure a majority, in return for the least amount of political concessions to other parties. However, this plan was never brought before the Cabinet, being ultimately rejected by the Government leadership. The idea was particularly opposed by the then Northern Ireland Secretary, Merlyn Rees, who feared that the costs of the move would outweigh the benefits:

“for the Labour Party to be dependent on the SDLP at Westminster would put us in the Catholic camp in Northern Ireland [...] Our stance in Northern Ireland must be that of a party which is not sectarian but socialist”

It was also feared that alignment with what was regarded by some voters as an ostensibly Catholic party could have undermined efforts to resolve the then ongoing problems of security and governance in Northern Ireland. The initiative would, in addition, be perceived badly in the country as a whole, as being a deceitful backroom deal on the part of the Government, thereby diminishing rather than reinforcing any sense of legitimacy

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<sup>37</sup> R. Hazell and A. Paun (eds), *Making Minority Government Work*, pp. 13-14. See *infra*, pp. 99-100.

Any perceived coalition with the SDLP would probably have led to greater opposition to legislation by the eleven UUUC MPs. Rees was, to some extent, also thinking of long-term potential political gains, positing the possibility “that one day we will have a strong Labour Party in Northern Ireland”, although this appears as much to have been an aspiration, part of a plea to avoid Labour reducing their political funding to the very small associated Northern Ireland Labour Party (NILP), which had no parliamentary seats, rather than specifically a strategic argument that seriously considered seat gains as being likely in the immediate future.<sup>38</sup>

The particular political culture and history within the Labour Party helped to discourage other suggestions of interparty cooperation. The experience of the leading political figures during the Callaghan Administration was shaped not only, as has often been identified, by the Wilson and Heath Governments of the mid-1960s to 1970s, but also by the previous experiences of minority government in the 1920s, which they had either lived through, or else were very much aware of because of their place in the history of the Labour Party in its first experiences of government. Although few of the direct participants from the 1920s remained in leading political positions fifty years later, there is no doubt that the impression made by those early governments on their 1970s political counterparts was significant. This contributed not only to both main political parties’ views of minority government as weak and unstable, but also to a distrust of interparty cooperation. Labour’s First Minority Government in 1924 was brought down by a no confidence vote, in spite of having survived initially by relying on Liberal support, while the Second Labour Minority Government in 1929-31 ultimately ended in a major disagreement which split the Party and was compounded by leader Ramsay MacDonald’s subsequent decision to form a coalition with Conservatives and elements of the Liberals. MacDonald’s perceived ‘treachery’ made him one of the most reviled figures within the party when accounts were written of Labour’s history during this period. That this view continued to be prevalent throughout the political system in the 1970s is evident not least from the wording of a Labour Party Conference Motion in 1973 that was passed as a condemnation of forming any future coalition, alongside the private references made regarding the event in the meetings and papers of party leaders, who feared emulating the coalition approach.<sup>39</sup> In

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<sup>38</sup> TNA: PREM 16/1045, Ken Stowe to Prime Minister, 8 April 1976; Merlyn Rees to Prime Minister, 26 April 1976.

<sup>39</sup> LHASC (Labour History Archive Study Centre): NEC Minutes, 23 January-6 March 1974, various meetings; MS. Wilson, c. 1336, loose papers and articles on the Liberals in 1973-4; B. Donoughue, *Downing Street Diary: With Harold Wilson in No. 10*, vol. i (London: Pimlico, 2006), pp. 22-4, 32, 36-7, 41; G. R. Searle, *Country Before Party*, pp. 245-6, 251, 259; A. Morgan, *Harold Wilson* (London: Pluto Press, 1992), p. 434.

both Labour and Conservative strategy papers during this period that considered questions of minority and coalition government, there are references to MacDonald's experience as providing both an example and a warning to the Labour leadership.<sup>40</sup>

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In contrast to previous academic assumptions, the Callaghan Government's transition to a minority status marked a fundamental change from that of a majority administration. This change was recognised by leaders of the Labour Government and Conservative Opposition, even where this was not expressed in their public discourse, as well as by contemporary political commentators. The continuation of the Callaghan Administration as a minority government was the most likely outcome, but was by no means the only option, historical precedents favouring coalition, and alternative courses of action being considered from the outset by some within the Government in April 1976, including the prospect of an interparty agreement with the SDLP to maintain a parliamentary majority. The Conservatives, having considered the option of a coalition in 1975 did not revisit this possibility in April 1976 as a means to unseat the Callaghan Minority Government. The Opposition similarly did not view an early election as either desirable or likely to occur at this point, not taking action to attempt to force the Government from office in a no confidence vote. The government formation process in April 1976 raised questions and potential governmental alternatives for contemporaries which would influence their thinking from 1976 onwards when facing further challenges imposed by the state of minority government.

The Callaghan Government's formation is an atypical case, not fitting neatly into existing theoretical models of minority governance, not least in terms of its beginning mid-way through a parliamentary term as opposed to following an election, and not resulting from any coalition break-up. This minority government embodied some of the orthodox notions of being formed against a background of economic crises and constituting 'almost a majority'. However, at the same time, as will be seen in subsequent chapters, the Government also displayed traits belonging to some of the models put forward by revisionist scholarship, arising from rational choices made by decision-makers consciously choosing an alternative to coalition, seeking to capitalise upon a divided opposition, and using institutional resources to maintain control of a parliamentary majority. In its formation, it acted very much as an embodiment of the British tradition of minority

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<sup>40</sup> See *infra*, pp. 107-8, 181.

government, seeking to adhere to a majoritarian mindset and practices, while simultaneously contemplating, and, where necessary, adopting, pragmatic changes to adapt to not having an overall majority.

## **Chapter 4: Defeats and Legislative Management**

Passing legislation through a parliamentary chamber and handling the problems posed by legislative defeats represent crucial strategic tests for the survival of any democratic government, particularly one lacking a parliamentary majority. The Callaghan Government has often been characterised as weak and lacking strategic vision in its approach to minority government, not least on account of having suffered a large number of parliamentary defeats. This view has significantly influenced the wider British understanding of minority government as an ineffectual model of governance. This dismissal in historical studies of the Government situates the Callaghan Administration within the pre-1970s orthodox theoretical model of weak minority government referred to in Chapter 1. A more recent interpretation has been to accept these weaknesses as endemic to the Callaghan Government, but to acknowledge, more in line with revisionist views of minority government, the circumstantial nature of most parliamentary defeats, which occurred despite divisions within the Official Opposition and between other opposition parties.<sup>1</sup>

The circumstantial factors and prominence of Labour backbench rebels in defeating the Government cannot be overlooked. However, this chapter will demonstrate that both the Government and Opposition were far more strategically proactive than has previously been recognised in terms of considering the legislative aspects of minority government. In fact, both grasped some of the particular exigencies of minority government on the legislative process, evolving strategies for passing or opposing Bills over the course of the Parliament, with varying degrees of success. Furthermore, while both parties' strategic doctrine was largely influenced by and framed within the context of previous British experience, strategies were considered which, however consciously assimilated, reflected aspects that are features of minority government elsewhere. As has been seen in Chapter 3, the Callaghan Government and Conservative Opposition actually resist strict categorisation within the different theoretical models formulated before and after their operation. These two facets once again demonstrate the British tradition of minority government, in which the precedents invoked by participants making parliamentary strategy were drawn almost exclusively from historic British minority governments, and where pragmatic adaptation was coupled with a refusal to countenance actions that would break away completely from a majoritarian political culture. This chapter will focus on the management of parliamentary defeats by the Government and Opposition, and their use of methods that did

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<sup>1</sup> A. Thorpe, *A History of the British Labour Party*, pp. 207-8; A. Seldon and K. Hickson (eds), *New Labour, Old Labour*, pp. 190-4; P. Hennessy & A. Seldon (eds), *Ruling Performance*, pp. 241-2, 256. See *infra*, pp. 6-9, 15-18, 49-50.

not involve direct cooperation or negotiation with the MPs of other political parties. Such instances of interparty cooperation will be discussed in Chapters 5-6.<sup>2</sup>

The Government's handling of legislation, and of defeats in the House of Commons, shows something of a more rationally calculating minority government than has typically been identified by scholars, and that, for the most part, came to accept and adapt to the minority situation.<sup>3</sup> Labour considered and adopted some approaches much deployed by minority governments elsewhere, in terms of accepting certain parliamentary defeats, overturning some, and circumventing others. At the same time, some other, more radical tactics were contemplated but ultimately not adopted, including that of actively seeking parliamentary defeats and widespread reform of Parliament. The Opposition and other parties also faced a complex and novel situation of parliamentary management, in which Government defeats could prove to be problematic for them, raising the possible dangers of appearing obstructionist or even forcing an election on unfavourable terms. Moreover, even the threat of defeat, or else the use of institutional mechanisms to filibuster or delay legislation, had to be selectively applied to achieve greatest impact. Conflicts between Government and Opposition over traditional institutional arrangements helped to shape, and were shaped by, the strategies and interactions of both parties.<sup>4</sup>

## Daring defeat

One of the simplest ways for a minority government to function is to act as if the situation is no different from that of a majority government, making full use of institutional powers, putting forward controversial legislation without amendment or accommodation of other parties and daring the opposition to vote against it. Rather than seeking defeat, the goal is to pass legislation and to continue to survive as a government. Variations of the approach may incorporate institutional tools discussed below, such as making particular votes matters of confidence in the Government. This approach has historically been widely used by minority governments in other countries, either selectively, applied to a particular piece of legislation, or as the general approach of a government, to varying degrees of success. Joe Clark's 1979 minority Government in Canada operated in a constant state of daring opposition parties to defeat it, and, as a consequence, survived for less than 7 months (most of which time was a parliamentary recess). In Britain, the Wilson Minority Government of

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<sup>2</sup> See *infra*, footnote 1.

<sup>3</sup> See *infra*, footnote 1.

<sup>4</sup> See *infra*, pp. 73-96.

early 1974 was very much inclined toward acting along these lines, which worked initially because of Conservative fears over appearing unnecessarily obstructionist or of triggering an early election. Later in the year, the Opposition became less reserved about attempting to defeat the Government, but this did not prevent Wilson from being able successfully to gain a majority in the subsequent autumn 1974 election. In the early stages of Callaghan's Government, far-reaching and contentious Bills over policies including nationalisation were still brought forward, and an especially heavy programme of legislation tabled, seemingly no different from operations under a majority government. However, Callaghan faced an Opposition which did not have these same reservations about trying to defeat the Government, a factor that would prove important throughout the life of his Administration.<sup>5</sup>

Often the dynamics of how a minority government is to operate are determined during its formative stages. In Wilson's experience, a successful confrontation with the Opposition over the Queen's Speech in March 1974 set the tone for subsequent interactions. Callaghan, by contrast, faced a confrontation in the early months of his minority government which, although not much discussed by commentators, had a significant impact upon subsequent Government and Opposition strategy-making.<sup>6</sup>

## Whipping System (Disruption of the Usual Channels)

An essential component of day-to-day legislative management and timetabling of parliamentary business occurs through informal discussion and contacts between Government and Opposition Whips, referred to as the 'usual channels'. This mechanism enabled pairing agreements for MPs to be absent from specific votes, so as to negate the need for a constant full turnout of MPs from all sides. This institution may be used by Governments in order to maintain their existing majority, or, in a state of minority government, to help secure a day-to-day majority, such as through pairing members not

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<sup>5</sup> Canada's Harper Government of 2008-11 also acted more along the lines of daring defeat, converting a minority into a majority government at the subsequent election. R. Hazell and A. Paun (eds), *Making Minority Government Work*, pp. 31-2; P. H. Russell, *Two Cheers for Minority Government*, pp. 35-8; A. Paun and R. Hazell, 'Hung Parliaments and the Challenges for Westminster and Whitehall: How to Make Minority and Multiparty Governance Work', *The Political Quarterly*, Vol. 81, No. 2 (2010), pp. 216-17, 223; A. Seldon and K. Hickson (eds), *New Labour, Old Labour*, pp. 190-3, 198; V. Bogdanor, *Coalition Government in Western Europe* (London: Heinemann, 1983), pp. 5-7; I. Burton and G. Drewry, 'Public Legislation: A Survey of the Session 1974', *Parliamentary Affairs*, Vol. 29, No. 2 (1976), p. 155; D. Butler and D. Kavanagh, *The British General Election of October 1974* (London: Macmillan, 1975), pp. 18-19.

<sup>6</sup> CPA: SC (located in LCC 1/3/1), 1<sup>st</sup> Meeting, 18 March 1974; MS. Wilson, c. 1322; c. 1436, loose papers; TNA: CAB 128/54, 3<sup>rd</sup> Meeting, 14 March 1974; B. Castle, *The Castle Diaries*, pp. 41-3; H. Wilson, *Final Term*, pp. 15-16.

normally voting because of illness or serving as officers of the House (i.e. Deputy Speaker). Even now, pairing arrangements continue to be a source of both strength and controversy for minority governments in other countries, most recently perhaps in Australia between 2010 and 2013.<sup>7</sup>

The Callaghan Government's minority status helped provoke an incident during parliamentary votes in May 1976 on the controversial Bill to nationalise large parts of the Aircraft and Shipbuilding Industries. This largely overlooked conflict served significantly to shape the interaction between the political parties and the conflicts over institutional arrangements for the remainder of the Parliament. On 27 May, the Government won an important parliamentary division on the Bill by one vote, on a motion already anticipated as likely to be close. It later transpired that the Government victory resulted from a pairing arrangement being broken, a Labour MP voting when it had been previously agreed that both he and his Conservative counterpart would abstain.<sup>8</sup>

While such rows over voting procedures have happened under a majority government, the exigencies of not having a majority, and the pressure placed on Whips to ensure passage of important legislation increased the possibility. Although arguments have continued in political memoirs, it is difficult to find evidence of either the Government breaking a pair or the Opposition's subsequent withdrawal of cooperation as being anything other than reactive and unplanned.<sup>9</sup> Some members of the Opposition did later seek to capitalise on what they considered to be success in delaying Government business, raising the matter in strategy meetings. Thatcher was encouraged deliberately to extend the tactic for as long as possible in a way that was manageable for the Opposition, such as advocated by Nigel Lawson in his letter of 30 May:

“Provided it is accepted that, on all except essential business, our people can – within reason – register as ‘absent unpaired’, this will inconvenience the Government infinitely more than [...] the Opposition; whereas not to implement the threat would, I suspect, be seen as a sign of weakness”.<sup>10</sup>

<sup>7</sup> R. Rogers and R. Walters, *How Parliament Works*, pp. 73-4, 95-101; M. Simms and J. Wanna, *Julia 2010: The Caretaker Election* (Canberra: ANU E Press, 2012), pp. 365-6.

<sup>8</sup> TNA: CAB 128/59, 7<sup>th</sup> Meeting, 25 May 1976; Although highlighted, the incident has not often been discussed in great detail by commentaries, which concentrate on events after the debate, when Conservative spokesman Michael Heseltine picked up the ceremonial mace in response to the taunts and singing of Labour backbenchers. While this incident may serve as an amusing anecdote, it also illustrated the seriousness of tensions between Government and Opposition. See J. Aitken, *Margaret Thatcher: Power and Personality* (A&C Black, 2013); C. Moore, *Margaret Thatcher: The Authorised Biography*, p. 336; J. Campbell, *Margaret Thatcher: The Grocer's Daughter*, pp. 320-1; K. O. Morgan, *Michael Foot: A Life*, p. 340; A. Seldon and K. Hickson (eds), *New Labour, Old Labour*, p. 193.

<sup>9</sup> M. Thatcher, *The Path to Power*, pp. 313-14. See *infra*, footnotes 8, 10-12.

<sup>10</sup> CAC: THCR/2/1/1/42A, Nigel Lawson to Margaret Thatcher, 30 May 1976; CPA: LCC 1/3/11, 114<sup>th</sup> Meeting, 9 June 1976; 117<sup>th</sup> Meeting, 21 June 1976.

The success of this Opposition tactic is debatable. A vote of censure called by the Opposition on 9 June 1976 was defeated by a clear majority and only one Government defeat occurred in the House of Commons during the breakdown, that of 28 June 1976, when the Government abstained on a motion of adjournment, fearing defeat in any case from a likely rebellion of its own backbenchers. The vote on the controversial Aircraft and Shipbuilding Bill was retaken at the request of the Opposition, along with amendments.<sup>11</sup>

There was also a perception expressed in Government and Opposition strategy meetings that Labour's likely victory in an upcoming by-election would restore a situation in which the Government could effectively operate as if they possessed a majority. The Conservative leadership did not extend the tactic indefinitely, recognising that such a situation was, in the long term, as unsustainable for Opposition MPs as for those of the Government, and that Government attempts to portray them as being unnecessarily obstructionist could cause more damage to the Conservatives politically. Withdrawal of cooperation prevented the prospect of traditional Opposition influence or input into Government legislation through negotiation. The absence of communication with the Government meant the withholding of information normally provided about the schedule for parliamentary business, forcing the Opposition to guess what the timetable for upcoming legislation would be and to manage the attendance of their MPs accordingly. Although the threat of cooperation being withdrawn remained an option and continued to be discussed at various points by the leadership through the autumn of 1976, it was not acted upon during the remainder of the Parliament. There were occasional selective refusals to provide pairs for particularly important votes, but this was very much in line with existing procedures. When it appeared not long after the resumption of cooperation that the Government were seeking to extend the length of time the House of Commons would sit, in order to give more time for passing legislation, the Shadow Cabinet decided that any attempt to prolong the session, or to force through controversial legislation using allocation of time (Guillotine) motions to curtail debates, would be met by a fresh withdrawal of all cooperation. In spite of the session extending into August and the Government use of Guillotines to pass certain Bills, it does not appear that further withdrawal of cooperation was either implemented by the Opposition or, if implemented, had significant impact. The Government were able to pass their Guillotines successfully,

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<sup>11</sup> HC Hansard, Vol. 916, cols 977-8, 1037, 1047, 1051, 1057 (29 July 1976); B. Donoghue, *Downing Street Diaries*, vol. ii, pp. 37, 60-1; Further technical and political complications when the Bill reached the House of Lords did give the Opposition a partial victory. See *infra*, footnote 12.

and, of the six divisions that occurred in the first week of August, only one, on an Opposition motion, had an almost full turnout of MPs, being comfortably won by the Government.<sup>12</sup>

The closest thing to a further breakdown was the Opposition's cancelling of the pairing of ill members in a series of important votes on the Shipbuilding Industry on 29 July 1976, leading to the bringing in of a number of seriously ill MPs for the purposes of ensuring passage of these votes. The particular approach on this occasion backfired somewhat for the Opposition, the presence of the ill members enabling the Government to win the vote and to be able to characterise their opponents as unnecessarily obstructionist. There is no record of this tactic being discussed in the Shadow Cabinet meetings over the preceding days. In part, the failure of this move may account for hesitation over pressing the Government further in the August sitting.<sup>13</sup>

However, the withdrawal of cooperation also had more of a detrimental impact on the Government than might otherwise have been expected. While such a breakdown in relations could have caused significant difficulties either for majority or minority governments, the absence of a majority made it particularly damaging for Callaghan. Although the number of defeats was small, the ever-present possibility of defeat meant that a sizeable number of Labour MPs had to be permanently in attendance at Parliament, increasing their workload, and making it more difficult to undertake either constituency or Government-related business away from Westminster. The Government, as had been the case during the 1974 Minority Administration, did adopt a rota for its MPs, to keep the requisite numbers in attendance. There were other factors which compounded the long-term impact of the Opposition approach. Government concern at not being able reliably to get business passed served to delay important legislation, making it more difficult to enact Bills in what was already a crowded legislative schedule. The summer heatwave and drought of 1976, combined with the requisite late-night sittings in Parliament, served to wear out Government members. The withdrawal of cooperation also showed the Government how far the Opposition were willing to go in order to challenge perceived changes or alterations to existing practices. Although the Government were able to pass some Guillotine motions and to extend the session, the conflict had set the tone for subsequent relations between Government and Opposition. Difficulties over pairing, and

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<sup>12</sup> CPA: LCC 1/3/11, 119<sup>th</sup> Meeting, 30 June 1976; 122<sup>nd</sup> Meeting, 7 July 1976; 1/3/12, 124<sup>th</sup> Meeting, 14 July 1976; 1/3/14, 168<sup>th</sup> Meeting, 6 July 1977; 187<sup>th</sup> Meeting, 25 January 1978; SC 14, 42<sup>nd</sup> Meeting, 3 May 1976; HC Hansard, Vol. 915, cols 1661-71 (20 July 1976); Vol. 916, cols 1217-20, 1344-51 (2 August 1976); TNA: CAB 128/59, 8<sup>th</sup> Meeting, 10 June 1976; 16<sup>th</sup> Meeting, 19 July 1976.

<sup>13</sup> CPA: LCC 1/3/13, 129<sup>th</sup> Meeting, 28 July 1976; 131<sup>st</sup> Meeting, 4 August 1976; HC Hansard, Vol. 916, cols 1252-3 (2 August 1976); B. Donoghue, *Downing Street Diaries*, vol. ii, pp. 54, 58-62.

the Government's not learning the lessons of minority governance at this early stage, made it more problematic for them to carry major legislation in subsequent parliamentary sessions.<sup>14</sup>

While a quasi-majoritarian and directly confrontational approach was adopted in the early and lattermost stages of the Callaghan Administration, its success was limited, similar to the experiences of other minority governments. The breakdown of the usual channels in 1976 had caused significant disruption of Government business, leading some within the Government to re-evaluate their approach thereafter. For the most part, the Government now sought other methods to handle both the serious prospect and the reality of Parliamentary defeats.

## **Minority Government - Methods of Handling defeat**

There are three principal ways, other than cooperating with other parties or daring defeat, in which a minority government can seek to manage legislative defeats. The first method, and arguably the most appealing, is that of avoiding defeat – either by not putting forward or withdrawing legislation considered unlikely to succeed, or using institutional mechanisms of control to enable the passage of legislation that would otherwise fail. The second method, accepting defeat, involves reacting to legislative losses or opposition amendments by endeavouring to accommodate the changes in policy, and possibly planning or publicly indicating that these would be reversed by the government if it won a majority at a subsequent General Election. The third method is that of a government actively seeking its own defeat, putting forward legislation known to have no chance of success and maybe even deliberately encouraging the opposition to block it as part of a political strategy.

### Avoiding/Preventing Defeat

In some cases, the simplest way for a minority Government to avoid being defeated, other than through compromise or discussion with other parties, is not to put forward legislation which is known to be particularly contentious, or unable to command a majority. This

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<sup>14</sup> CPA LCC 1/3/12, 124<sup>th</sup> Meeting, 14 July 1976; TNA: CAB 128/59, 22<sup>nd</sup> Meeting, 3 August 1976; B. Donoghue, *Downing Street Diaries*, vol. ii, pp. 43-4, 48-9, 51.

practice is consistent with many instances of both minority and majority governments around the world, including those in Britain.<sup>15</sup>

While the Government showed private recognition from the outset that the passage of some Bills could no longer be assured, and contemplated adapting their programme accordingly, they largely continued to press ahead with some controversial legislation in the early stages. In spite of Foot's Cabinet report in May 1976 prioritising some Bills and indicating possible compromises, it was only later on in the Parliament that the Government began seriously to scale back its legislative programme. The abandoning of prospective legislation, discussed in greater depth below and in the chapter on interparty cooperation, caused significant internal strategic debates within the Government. One of the greatest fears expressed was that the absence of politically important legislation would depress Labour supporters and undermine subsequent electoral campaigns. The absence of controversial legislation was not merely a hindrance to the Government, but also to the Opposition. In a notable Shadow Cabinet discussion, concern was expressed that the legislation being put through Parliament did not allow for major points of disagreement between the two main parties, thereby depriving the Opposition of ammunition for subsequent political campaigns against the Government.<sup>16</sup>

Where the decision was made to pursue legislation which could prove to be controversial, the Government relied in the first instance on its considerable institutional powers in order to attempt to get Bills through Parliament. The UK Government leadership has historically enjoyed very substantial control over setting the agenda for parliamentary business. It has more recently been argued by Tsebelis that minority governments generally seek to make greater use of the institutional mechanisms available to control the agenda and force Parliament to comply with their will. Such experiences are consistent with minority governments internationally, notably in Canada. The UK Government of the period, perhaps even more so at present, possessed considerable institutional control over Parliament when compared to both European and American counterparts. Governments over the last few decades, whether in a majority or minority, have increasingly resorted to more frequent use of institutional devices to strengthen their control over Parliament. However, the Callaghan Government's use of powers over Parliament to manage the

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<sup>15</sup> R. Hazell and A. Paun (eds), *Making Minority Government Work*, p. 60.

<sup>16</sup> TNA: CAB 129/189, 'Legislative Programme 1976-77 – Memorandum by the Lord President of the Council', 14 May 1976. See *infra*, pp. 72-3, 80, 134-5.

legislative process was significantly affected in unique ways by the minority government situation.<sup>17</sup>

Some of these institutions affected included the composition of parliamentary committees that considered and amended legislation, and devices affecting the timing and amount of legislation that could be passed, including Guillotine Votes or timetable motions, as well as the length of parliamentary recesses. The state of minority government also presented the Callaghan Administration with additional challenges, and indeed opportunities, through the device of votes of confidence and no confidence, as well as from the House of Lords, and the prospective use of the Parliament Act.

### Voting arrangements

The institution of a strong party Whip system to manage MPs served as the Callaghan Government's first main method of controlling Parliament. Changes to established voting arrangements for MPs were considered by the Government as one means of securing their majority. One change considered was that of altering pairing agreements. In September 1976, the Government Chief Whip raised the possibility with his counterpart of pairing ill members of Parliament who were unable to attend, of which Labour had at that time a greater number, with Opposition members even if they were in good health. Such a procedure would have changed the existing practice of only pairing ill MPs with others who were ill. Opposition Chief Whip Humphrey Atkins' preliminary memorandum was very much against, arguing that it was unreasonable for an MP in good health to have to "justify [their] actions to [their] constituents" for choosing not to vote on an important issue when their counterpart's health restricted them from voting, and that it would be difficult for a party leader "to enforce it". As such, this potential alteration was not pursued further. The question of proxy voting also arose, specifically that of allowing either ill members or Ministers who were absent on Government business to cast a vote. This would have marked a significant departure from established practice, and was likewise rejected.<sup>18</sup> The only form of proxy already allowed at the time was the 'nodding through' of ill members who were within the Palace of Westminster but physically unable to walk through the division lobby. This concession led to the infamous scenes of several ambulances being parked outside Parliament, so that the MPs within them could have their

<sup>17</sup> G. Tsebelis, *Veto Players*, p. 98.

<sup>18</sup> CAC: THCR/2/6/1/191, Humphrey Atkins to Thatcher, 4 October 1976; Humphrey Atkins to Michael Cocks, and attached Memorandum: 'The Recording of Votes by Members who are ill – Some thoughts for discussion', 2 September 1976. See *infra*, pp. 69-72.

votes counted. The Government's continued reliance on the votes of these members, even in its latter stages after the end of the Lib-Lab Pact, shows something of a continued majoritarian mindset and desire to avoid interparty cooperation where possible.<sup>19</sup>

### Committee Composition

Some parliamentary systems afford greater influence to opposition parties through the composition and powers of parliamentary committees. These committees' roles can include the oversight of Government departments, approval of appointments, and, particularly, the examining, amending and even delaying of legislation. Their composition is, in many cases, determined by party strength in a Parliament, and thereby may come to play an increasingly important role during periods when a government is in the minority.<sup>20</sup>

Legislative committee composition was one of the first issues confronting Callaghan following Stonehouse's defection on 7 April 1976. The system of parliamentary committees served as an integral part of the legislative process, all Bills having to pass through individual Standing Committees of MPs, assembled on an *ad hoc* basis, which examined legislation and could amend it.<sup>21</sup> Since committee composition normally reflected the political strength of parties in the House of Commons, names being supplied by the Whips, the absence of a Government majority led to calls by both Conservative and Liberal Press releases for committees, then dominated by Labour, to have additional members assigned to reflect the new 'majority' of opposition MPs.<sup>22</sup>

The Government's first instincts were to resist any changes to committee composition, in the knowledge that it would make it more difficult in the future to avoid amendments or delays to legislation at the committee stage, which could prevent the passage of important Bills. In the Cabinet meeting of 29 April, there was even the suggestion by Foot that the Government was not, in fact, in a minority, attempting to count "Mr Robertson and Mr Sillars" and "the two Northern Ireland members who regularly voted with the Government" as not part of the opposition, and even perhaps constituting

<sup>19</sup> R. Rogers and R. Walters, *How Parliament Works*, pp. 53, 172-6.

<sup>20</sup> R. Rogers and R. Walters, *How Parliament Works*, p. 132; R. Hazell and A. Paun (eds), *Making Minority Government Work*, pp. 33, 50-1; K. Strom, *Minority Government and Majority Rule*, pp. 42-4, 152-3.

<sup>21</sup> R. Rogers and R. Walters, *How Parliament Works*, pp. 100, 354-5, 360.

<sup>22</sup> CAC: THCR/2/1/1/54, 'Statement by the Rt. Hon. Humphrey Atkins, M.P., Opposition Chief Whip', 7 April 1976; 'Statement from Alan Beith, MP, the Liberal Chief Whip', 7 April 1976. There were two main types of MPs Committees in the House of Commons, Select Committees (permanent, designed to monitor the work of government departments) and Standing Committees (formed on an *ad hoc* basis to study and provide amendments to Bills prior to their third reading in the House of Commons). These latter committees were re-formed into General/Public Bill Committees as of 2006; *House of Commons Information Office: General Committees*, Factsheet L6 Legislative Series, pp. 2-3.

part of the Government's own total.<sup>23</sup> This seeming unwillingness to acknowledge minority status is a further reflection of the continued majoritarian mindset of members of the Callaghan Cabinet in its early stages. The Committee of Selection, a body of MPs whose role it was formally to put forward any appointments to committees, and itself with a Labour majority of five members to four, initially ruled that there should be no changes to new Standing Committees. Nevertheless, the Government, recognising the constraints of not having a majority and seeking to avoid providing political ammunition to their opponents, subsequently recognised opposition demands by conceding that the composition of any newly formed Standing Committees for future legislation would reflect the change. This approach was in line with that of the previous Labour Minority Government of 1974, which had similarly conceded the question of Standing Committee composition. It was suggested that the addition of extra committee members from among the smaller parties might be strategically used by the Government Whips, presumably through allocating members more likely to be sympathetic to Labour on to committees regarded as particularly important. Maintaining the status quo on existing committees was also thought likely to help limit the number of adverse effects on Government policy. The Cabinet also considered possible ways to circumvent the changes, such as through the suggestion, first raised on 29 April and discussed at greater length on 6 May, that the composition of Standing Committees "reflect the majority for that Bill on Second Reading, rather than the composition of the House". This method was rejected, however, in terms of strategy: it was feared that Opposition MPs would be encouraged either into more vigorous resistance and "to vote against the Second Readings of Bills", or even, to vote for a Bill and then claim extra places on a committee, representing themselves as constituting part of the Bill's majority, but would then "not necessarily support the Government when voting on amendments" in the committee. Cabinet discussions concluded that, in light of the "present parliamentary circumstances", it would not be practical to implement any change and that such a measure would be fiercely resisted by all opposition parties.<sup>24</sup>

As with the withdrawal of pairing arrangements, the Opposition's first approach to demanding the change in Committee appointments was purely reactive. However, although less high profile, there were some instances in which the Opposition consciously judged that it would be better to allow Bills to proceed rather than oppose them in the Commons, but then possibly to attempt to amend the legislation at the committee stage. Although

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<sup>23</sup> TNA: CAB 128/59, 2<sup>nd</sup> Meeting, 29 April 1976.

<sup>24</sup> TNA: CAB 128/59, 3<sup>rd</sup> Meeting, 6 May 1976; PREM 16/1045, Ken Stowe to Prime Minister, 8 April 1976; Meeting held in the Prime Minister's Office, 26 April 1976. See *infra*, footnote 23.

defeats for the Government at the committee stage were not given the same high profile as Parliamentary losses, and, in some ways, the Opposition were merely following established practices, the lack of a Commons majority prevented the usual response of a Government overturning some of the more damaging amendments in a meeting of the full House of Commons. Often the Government expressed fears that while legislation was expected to pass through Parliament, it could suffer significant amendment at the committee stage.<sup>25</sup> A possible means of countering this threat was putting legislation to a committee of the entire House (a standard practice on constitutional legislation), where it was potentially easier for the Government to achieve majorities through such tactics as dividing the larger numbers of opposing MPs. Time pressures and the dangers of further delays or more damaging backbench amendments being brought forward limited the extent to which such an approach could be implemented successfully.<sup>26</sup>

### Timing

The process of getting a Bill through Parliament typically occupies a significant amount of time, going through three readings and a committee stage in both Houses. Technically, the Government controls the timetabling of the House of Commons, and does not currently have to answer to any all-party committee as is the case with many of their European counterparts. In spite of this, in practice, the institutional set-up of Parliament provides some accommodation to opposition parties in terms of time for debates. Both majority and minority governments have had to face time constraints when introducing legislation, significant proportions of parliamentary time already being allocated for various essential items including the annual Budget and Queen's Speech, Questions, General Debates, and days given to opposition parties and individual MPs. In other countries, minority government has significantly effected legislative timing, compelling longer periods for the consideration of Bills, reducing the amount of legislation put forward by a government, or even changing the allocation of parliamentary time further to accommodate opposition parties.<sup>27</sup>

During the Callaghan Minority Government, neither side considered pushing for a fundamental alteration of existing arrangements regarding Government control over

<sup>25</sup> CPA: LCC 1/3/15, 198<sup>th</sup> Meeting, 12 April 1978; SC 14, 42<sup>nd</sup> Meeting, 3 May 1976. See *infra*, pp. 58-61.

<sup>26</sup> J. Brand, *British Parliamentary Parties: Policy and Power* (Oxford: Oxford University Press, 1992), pp. 101, 292-3, 343.

<sup>27</sup> R. Rogers and R. Walters, *How Parliament Works*, pp. 189-229; R. Hazell and A. Paun (eds), *Making Minority Government Work*, pp. 58-9; 25% more time was allocated to opposition parties under the SNP minority government of 2007-11. See *infra*, pp. 172-3.

legislative timetabling. Any question of removing parliamentary time allocated to opposition parties and individual MPs was similarly not entertained as a viable option, the Government fearing that the Opposition would break off all cooperation and voters would see the move as being inherently unfair. As in the case of Whipping arrangements, Government attempts to use institutional mechanisms to overcome timing problems were very much shaped by the minority government situation.<sup>28</sup>

One method which had already been in place during periods of majority government was that of combining pieces of legislation that would otherwise have been considered as separate Bills. Although Bills were also combined for administrative or legislative clarity, strategic reasons did play an important part in discussions within the Callaghan Government, particularly on politically sensitive measures. There were, of course, limits as to how far such a tactic could be employed. The approach could make it more difficult to ensure passage of the legislation, whether through uniting opposition parties and government rebels who objected to different parts of the Bill, as in the case of the Scotland and Wales Bill in 1976-77, or legislation being more susceptible to failing because of a technicality, such as in the Aircraft and Shipbuilding Bill. The prospect of further combining of Bills to save time was considered by the Government occasionally, particularly in late 1976, such as in the case of those concerning Conspiracy and Criminal Justice (which were combined), or two Post Office Bills on industrial democracy and borrowing powers (which were not). The practice does not, however, appear to have been widely used.<sup>29</sup>

Another institutional device increasingly used by postwar Governments to pack more legislation into a crowded schedule has been that of votes designed to shorten the amount of time spent debating legislation, establishing a timetable, or Guillotine Votes, to set limits on the amount of parliamentary time to be allocated to a debate or piece of legislation, or to end an ongoing debate on a particular issue and compel a vote. The Callaghan Government had sought to use these devices in order to continue with a heavy legislative programme through late 1976 and into 1977 (in part making up for delays during the breakdown in cooperation with the Opposition). However, the exigencies of minority government restricted the occasions on which such votes could be successfully employed, often being fiercely resisted not only by opposition parties, but also by some backbench government MPs who resented the practice. While the Scotland and Wales Bill

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<sup>28</sup> See *infra*, footnotes 29-32.

<sup>29</sup> TNA: CAB 128/59, 5<sup>th</sup> Meeting, 18 May 1976; 128/61, 9<sup>th</sup> Meeting, 3 March 1977; 128/62, 27<sup>th</sup> Meeting, 21 July 1977; A. Seldon and K. Hickson (eds), *New Labour, Old Labour*, pp. 198, 227. See *infra*, pp. 133-4.

of 1976-77 was never defeated in the Commons, the loss of a timetable motion setting out the limits for debate was effectively regarded as having prevented its passage. Although the Government could have allocated more time to what was essentially an important piece of constitutional legislation, this would have required the dropping of other legislation regarded as politically important. The principal aim of Devolution legislation was to address increased support for the nationalist parties in both Scotland and Wales, which posed a threat to Labour at a subsequent General Election. Labour MPs were bitterly divided over the issue, some of those from Scotland and Wales being particularly vociferous opponents of the legislation. Whereas there had initially been reluctance by the Government to drop legislation in order to find the necessary time to complete passage of the rest of the legislative programme, some prospective Bills were dropped by the Government from 1977-78 onwards.<sup>30</sup> This change reflected, in part, the increased difficulty of ensuring the passing of Guillotines or timetable motions after the failure of the Scotland and Wales Bill. In spite of this, paradoxically, the Government still made use of some timetable motions and Guillotines in order to curtail debate and get through parts of the Government's legislative programme, although their use remained controversial, primarily arising on matters where the major parties suffered internal divisions, such as over the European Elections Bill in early 1978. Alternatively, Guillotines were used after negotiation, with the backing of the Opposition. Guillotines also continued to be used on major legislation such as Devolution, helping contribute to legislative defeats through increasing the intransigent resistance of opposing MPs both within and outside the Government.<sup>31</sup>

### Recesses

The question of minority government dictated the Government approach to their control of the length of parliamentary recesses, raising significant questions and prompting internal disagreements. An important difference of opinion was over the issue of whether to shorten the length of recesses and thereby provide more time for Parliament to pass legislation, or to increase the length of recesses and thereby reduce the time of having to deal with prospective parliamentary defeats. Other concerns raised regarding shorter recesses included the greater physical pressure on Labour MPs, and that the parliamentary party had

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<sup>30</sup> TNA: CAB 128/62, 27<sup>th</sup> Meeting, 21 July 1977; 128/64, 21<sup>st</sup> Meeting, 8 June 1978. See *infra*, footnote 31.

<sup>31</sup> TNA: CAB 128/61, 2<sup>nd</sup> Meeting, 20 January 1977; 4<sup>th</sup> Meeting, 3 February 1977; 6<sup>th</sup> Meeting, 17 February 1977; 7<sup>th</sup> Meeting, 24 February 1977; 11<sup>th</sup> Meeting, 17 March 1977; 128/63, 1<sup>st</sup> Meeting, 19 January 1978; 2<sup>nd</sup> Meeting, 26 January 1978; 10<sup>th</sup> Meeting, 16 March 1978.

been under a particular strain over the previous three years in Government. An alternative suggestion of holding more late night sessions, requiring that over 100 Labour MPs be kept at Westminster during these to ensure a sufficient majority for closure motions, was met with similar arguments. Such considerations would very much seem to be a continuation of decisions faced by the Wilson Minority Government in 1974, where the long summer recess served as relief from parliamentary defeats in June, and provided a platform from which the Government could gain added coverage and launch an October election campaign without having to meet Parliament again. Discussions both in Cabinet, and in the Cabinet Future Legislation Committee, particularly on 10 March 1977, highlight the Callaghan Government's changing approach over time. Initially, the preference in 1976 until early 1977 was to reduce the length of recesses in order to accommodate more Bills. By March 1977, however, the Government were clearly moving in favour of maintaining and even lengthening the amount of time when Parliament was not in session, partly as a response to the increasing instances of legislative defeats.<sup>32</sup>

### Referenda

In some parliamentary systems, constitutional arrangements provide for the possibility of appealing directly to the population to settle a particularly contentious political issue or seek support for a major policy through a referendum. A referendum can potentially be used by a minority government that desires to get an important policy through a deadlocked legislature but is unwilling to call an election, as was the case with the successful Danish referendum in 1986 over ratification of the Single European Act. This prospective use of referenda is, of course, conditioned by particular institutional and political constraints, such as where there is a requirement for a referendum proposal to be approved by a parliamentary majority.<sup>33</sup>

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<sup>32</sup> A closure motion may be called by any MP to end a debate and vote, requiring a majority voting in favour that consists of at least 100 MPs; Callaghan Papers, 2741: PP/Lib-Lab: 77, Report to the Prime Minister – 'Government Business during the rest of the 1976/77 Session', 14 March 1977; TNA: CAB 128/60, 28<sup>th</sup> Meeting, 26 October 1976; 128/61, 9<sup>th</sup> Meeting, 3 March 1977; 11<sup>th</sup> Meeting, 17 March 1977; 128/63, 10<sup>th</sup> Meeting, 16 March 1978; K. Jefferys, *The Labour Party Since 1945* (London: Macmillan, 2002), p. 89; D. Butler, *Governing Without a Majority*, pp. 30-2; M. Holmes, *The Labour Government, 1974-79: Political Aims and Economic Reality* (London: Macmillan, 1985), pp. 15-18; D. Butler and D. Kavanagh, *The British General Election of October 1974*, pp. 97-100. See *infra*, pp. 33-4, 162.

<sup>33</sup> It is also worth noting that referenda on constitutional changes are a codified part of the Danish political system. S. Tierney, *Constitutional Referendums: The Theory and Practice of Republican Deliberation* (Oxford: Oxford University Press, 2012), pp. 117, 126, 146, 156-7; M. Setälä and T. Schiller (eds), *Referendums and Representative Democracy: Responsiveness, Accountability and Deliberation* (London: Routledge, 2009), pp. 6, 87-91, 111, 218; R. Hazell, K. Donnelly, and N. Smith, *Report of the Commission on the Conduct of Referendums* (London: UCL Constitution Unit, 1996), pp. 30, 37-40, 43, 73. Pre-

The need for parliamentary approval would appear to make such a device inappropriate for British minority governments, although there are situations in which opposition parties may sometimes be less inclined to oppose referenda for fear of the adverse political consequences of denying the population a vote on a particular issue. Britain had also had recent experience of a nationwide referendum through the EEC vote in 1975. After parliamentary defeats on the Devolution Timetable motion in early 1977, Callaghan's Government briefly considered holding pre-legislative national referenda, in order to secure an additional mandate and pressure MPs not to block Devolution legislation. In not pursuing this approach, a number of justifications were brought forward in Cabinet which reflected strategic assessments that continued to be weighed against established majoritarian principles, believing that: the legislation for any such move would be unlikely to pass without a secure government majority; even if referenda legislation were passed, there was no guarantee of a positive referendum result when voters did not know what a finalised Bill would contain; and that even a positive result could not guarantee majority support in Parliament for Government Devolution proposals. Labour's concession of referenda over Devolution in Scotland and Wales, held in 1979, were, as has often been identified, principally seen as a means of defusing opposition to the legislation in Parliament.<sup>34</sup>

Considerations of using referenda to reinforce particular policies were not restricted to the Government. During the early stages of the Parliament, and even latterly, the Conservative leadership contemplated the acceptance of referenda proposed by others, albeit reluctantly, or even the initiation of referenda themselves, both in terms of Devolution, and in order to buttress support for the passage of potentially controversial legislation concerning the restriction of trade union power. Although this device was ultimately unused, discussion surrounding it illustrates something of the Opposition mindset. Some concerns were raised when an Opposition committee was formed to consider the matter. When discussing the matter in the Shadow Cabinet in relation to a prospective manifesto pledge, some of these arguments were raised, including that of creating a "two-tier" system of legislation, where laws backed by referenda could acquire greater legitimacy than those that had only been passed by Parliament, and that the use of referenda to entrench legislation could challenge the established notion of one British Parliament not binding its successor. It would appear that the Shadow Cabinet feared that

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legislative referenda were subsequently used in 1998 by Tony Blair's Labour Government to strengthen the case for subsequent Devolution legislation. A. McDonald (ed.), *Reinventing Britain: Constitutional Change Under New Labour* (London: University of California Press, 2007), pp. 6, 38, 49.

<sup>34</sup> TNA: CAB 128/61, 7<sup>th</sup> Meeting, 24 February 1977.

their acceptance of referenda would also enable Labour Governments “to secure popular endorsement for certain superficially appealing socialist measures”. It was agreed at this stage to include a passage on the usefulness of referenda in the manifesto, and there were further references made by the Opposition to the prospect of referenda being used in order to pass popular legislation “resisted by a minority”, although this was conceived of more as a response to widespread industrial action, rather than as a remedy to a minority government situation.<sup>35</sup>

### House of Lords

Another institutional challenge which the Government faced was that of the legislative defeats inflicted by the House of Lords, which were much more numerous during this period than those in the House of Commons. In part, the situation was also exacerbated by the practical difficulties imposed by the heavy legislative timetable and associated Government pressure to get Bills passed, which led to late nights and increased opposition from the Lords.<sup>36</sup> While the Lords had previously been more inclined to vote against certain measures, and Labour Governments permanently lacked any majority in the upper house, traditionally the second chamber had accepted the will of the government in the Commons, especially over manifesto commitments. The absence of a Commons majority made it much more difficult to overturn reasoned amendments made by the Lords. Theoretically, there were several institutional approaches which might have helped the Government to overcome its difficulties with the second chamber, including some particularly radical options. One such sanction was the creation or threatened creation of enough new peers to achieve a Government majority or reform of the second chamber to reduce its powers. The former threat had been used historically to enable the passage of the first Parliament Act in 1911 that limited the power of the Lords, and reform had been seriously considered by Governments into the 1960s and 1970s.<sup>37</sup> While reform proposals were being worked on by Labour during this period, implementation of such policies as arbitrary creation of new peers or rapid changes to established procedures were not pursued as solutions to the immediate day-to-day problems of Parliamentary majorities. It

<sup>35</sup> CPA: LCC 1/3/13, 132<sup>nd</sup> Meeting, 28 September 1976; 1/3/14, 177<sup>th</sup> Meeting, 2 November 1977; 1/3/16, 230<sup>th</sup> Meeting, 29 January 1979.

<sup>36</sup> See, for example, TNA: CAB 128/60, 27<sup>th</sup> Meeting, 21 October 1976.

<sup>37</sup> R. Rogers and R. Walters, *How Parliament Works*, pp. 139-42, 187, 240-2, 266; M. Minogue (ed.), *Documents on Contemporary British Government: Volume 1, British Government and Constitutional Change* (Cambridge: Cambridge University Press, 1977), pp. 71-9. The provisions of the revised Parliament Act in 1949 were only first invoked in 1991, the original 1911 Act having only been used three times.

was recognised by the Government that any such approach would appear unconstitutional, would likely lead to intransigent opposition in Parliament, and would not solve the lack of a Commons majority. Abolition of the second chamber was supported by the wider Labour Party, but not given any significant consideration by the Government, knowing that it would be impossible without an electoral mandate and Commons majority. Although put forward by the NEC and years later adopted as a manifesto commitment, this arose more from an adherence to socialist philosophy, rather than specifically as a response to minority government.<sup>38</sup>

The only institutional option seriously countenanced was that of using the Parliament Act, which would allow a Commons vote to override the House of Lords' opposition to legislation. The prospect of its use was raised selectively in Cabinet, particularly in the case of the Health Services Bill in late July 1976, and the Aircraft and Shipbuilding Bill in November 1976 and February 1977. Consideration of whether or not to try to override the Lords veto on this latter Bill produced debates in Cabinet, and a difference of opinion between the principal Government strategy-makers.

In the November 1976 Cabinet, the Government were more inclined towards the approach of daring defeat. Foot advocated the use of the Parliament Act to compel passage of the Aircraft and Shipbuilding Bill, potentially leading to the loss of one or more other pieces of less important prospective legislation from the timetable. In discussion, concerns were raised about losing the Aircraft and Shipbuilding Bill completely, although there would also appear to have been considerable frustration with the Lords' actions on rejecting a major Government policy as being "intolerable and unconstitutional". Callaghan, in summarising the debate, recognised the need for further consideration of options, but emphasised the continued pursuit of the legislation, and that the fault of losing any Bills would rest with the Lords:

"The Government could not allow their programme for next Session to be affected by the behaviour of the Lords, and the legislative proposals in The Queen's Speech should all be maintained. If, because of the need to invoke the Parliament Act next Session, it was not possible to complete some other measures it would be clear where the blame lay"

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<sup>38</sup> LHASC: HART 12/31, Reform of the House of Commons, April 1978; NEC Minutes, Machinery of Government Study Group, 29 June 1976; A. Seldon and K. Hickson (eds), *New Labour, Old Labour*, pp. 32, 191, 197-8.

A shorter discussion of an Education Bill was also couched in terms of compelling passage through the Parliament Act in the event of Lords' opposition.<sup>39</sup>

By contrast, the Cabinet meeting of 24 February 1977 shows something of a different approach. The Government once again considered invoking the Parliament Act to ensure passage of the Aircraft and Shipbuilding Bill. However, rather than losing the legislation, the alternative proposed was seeking a deal with the Opposition. Foot's personal preference once again was to use the Parliament Act, citing some of the political dangers involved in any deal:

“The reaction of Government supporters would be hostile, and they were likely to vote against these amendments while Ministers had to vote in the same lobby as the Conservatives [...] parliamentary difficulties of a deal with the Opposition would also be very great, and the Cabinet should consider very carefully before deciding to seek such a deal.”<sup>40</sup>

Various points were raised in the subsequent discussion, including the possibility that it was better as a minority government to fight and lose. However, it was emphasised that there was not much time for the Government to make a decision to challenge the Lords, and the argument was ultimately settled by Callaghan, coming down against the use of the Parliament Act:

“THE PRIME MINISTER, summing up the discussion, said that the majority of the Cabinet took the view that the better course was to decide now to seek a deal with the Opposition.”<sup>41</sup>

Foot had also earlier acknowledged that his was a minority opinion, and that a majority of the group which had been tasked to consider the options for the Bill:

“had reluctantly reached the conclusion that the industrial consequences of delay and the political risks of proceeding under the Parliament Acts made it necessary to adopt the second option.”<sup>42</sup>

Once again, the minority government situation proved a crucial determining factor, discussions being set in the context of the Government having recently lost two Commons votes attempting to overturn Lords amendments. The Government's fear was that any

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<sup>39</sup> TNA: CAB 128/60, 32<sup>nd</sup> Meeting, 18 November 1976.

<sup>40</sup> TNA: CAB 128/61, 7<sup>th</sup> Meeting, 24 February 1977.

<sup>41</sup> See *infra*, footnote 40.

<sup>42</sup> See *infra*, footnote 40.

Parliament Act vote would be perceived by the smaller parties as attempting to force through controversial legislation without due consideration, and would almost certainly be blocked, damaging the prospects for future legislation. The Parliament Act was not invoked by the Callaghan Government during its time in office, and not even raised as a serious option in Cabinet after February 1977. As discussed later on in this chapter, the blaming of the Lords on wholesale obstruction of bills was also not carried through, Cabinet preferring the quiet withdrawal of legislation rather than its defeat. In the case of the Aircraft and Shipbuilding Bill, the Government went for cooperation with the Opposition, excluding the ship-repairing industry in return for passing the Bill in early 1977.<sup>43</sup>

The Conservatives recognised the advantages of the Lords as a block on legislation, and sometimes chose to allow Government Bills to pass, planning stronger resistance to them in the Lords, where there was less danger of the Opposition being characterised as obstructionist. In Shadow Cabinet meetings, the preservation of Lords amendments to legislation was given high priority on several occasions when deciding where Conservative MPs should try to achieve a maximum turnout in their numbers.<sup>44</sup>

### Confidence Motions

Votes of confidence or of no confidence in a Government are considered, along with the Budget and Queen's Speech setting out the Government Programme, as being crucial for a Government to win if it is to survive. The loss of such a vote would normally lead to the Prime Minister's resignation, and, probably, a General Election or change of party in Government. This approach has largely been upheld since the first precedent for resigning on a confidence vote, established in 1782 by the British Government led by Lord North. Past British administrations, whether in a minority or majority in Parliament, have used the confidence motion as a tool to bolster political support, normally after the defeat of a major piece of legislation or perceived failure of a particular policy.<sup>45</sup>

At the time of writing, April 2015, the Callaghan Government is the only British Administration in the last ninety years to have been brought down in a motion of no confidence. In keeping the focus on the life-cycle of the minority government from its

<sup>43</sup> Callaghan Papers, 2744 Lab/Cab 76, Callaghan to Lord Peart, 19 April 1977; TNA: CAB 128/59, 16<sup>th</sup> Meeting, 19 July 1976; 128/61, 7<sup>th</sup> Meeting, 24 February 1. See *infra*, pp. 95-6.

<sup>44</sup> See *infra*, footnotes 12-14.

<sup>45</sup> R. Rogers and R. Walters, *How Parliament Works*, pp. 139-40, 284, 288; R. Hazell and A. Paun (eds), *Making Minority Government Work*; J. Cannon, *The Fox-North Coalition: Crisis of the Constitution 1782-4* (Cambridge: Cambridge University Press, 1969), pp. 1-4.

formation to dissolution, this no confidence defeat will be considered at greater length in Chapter 9, since it marks the end point of the Callaghan Government. While this final confidence vote in March 1979 has already been looked at to a certain extent by scholars, what has not received appropriate attention has been the previous votes which the Callaghan Administration won, in spite of not having a formal majority, including five confidence votes called by the Government, several no confidence votes called by opposition parties, three Queen's Speeches, and three Budgets.<sup>46</sup>

Theoretical perspectives on minority governments have mainly concentrated on confidence votes at the time of investiture, i.e. as an obstacle to the initial formation of a minority government: the absence of such rules, as in Britain, is largely seen as a factor making minority government more likely to form in the case of indecisive elections rather than coalitions. There is also a general acceptance in the literature that minority governments are more susceptible to being defeated on confidence motions, a trend borne out in recent British history, where the administrations that have fallen as a result of no confidence votes have all been minority governments (twice in 1924 and once in 1979). In some countries, such as Canada, the confidence motion has been used by minority governments either to compel opposition compliance with particularly controversial legislation for fear of otherwise leading to an election, or designed to enable the Government's own defeat and to trigger a General Election which can then be fought on the grounds of Opposition obstructionism.<sup>47</sup>

Although in a minority, the Callaghan Government's use of confidence motions was very much in line with the traditional British conception of strengthening a Government, rather than some of the potential uses of reversing legislative defeats or holding charges of obstructionism against opposition parties. While the Government did suffer from increased backbench rebellions, Labour MPs were, in fact, far more disciplined when it came to explicit confidence votes. The success of those confidence motions put down by the government, as opposed to the no confidence motions of the Opposition, partly relied on circumstances, but also upon careful selection and strategic calculations. Callaghan and the Labour Whips recognised that, on certain divisive issues, even the strictures of a confidence motion could not be guaranteed to gain the support of all

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<sup>46</sup> D. Sandbrook, *Seasons in the Sun*, pp. 769-81; A. Seldon and K. Hickson (eds), *New Labour, Old Labour*, pp. 198-203.

<sup>47</sup> A. Brazier and S. Kalitowski (eds), *No Overall Control*, pp. 83-93; M. Laver and N. Schofield, *Multiparty Government, The Politics of Coalition in Europe*, pp. 74-5; T. Benn, *Against the Tide*, p. 150.

Government MPs, or that making something an issue of confidence would unite the other parties in voting against the Government.<sup>48</sup>

Several backbench amendments to Scottish Devolution legislation in early 1978, as a result of Government defeats in the Commons, created significant political difficulties, not least in terms of imposing a 40% minimum turnout threshold voting in favour of Devolution to carry the proposal. Even the prospect of finally passing both Bills into law was considered to be in serious doubt. The Government considered whether votes to overturn these amendments, or, indeed, the passage of the entire Bills, should be made matters of confidence. Nevertheless, it was concluded that invoking a confidence vote would actually lessen the chances of success, shifting the emphasis from the particular issue, which was, at this stage, supported by the crucial votes of some pro-Devolution Conservatives and Nationalist MPs, to that of a more general endorsement of confidence in the Government, more likely sharply to divide MPs along party lines and push opposition parties into uniting against the Government. While the Bills were successfully passed, the amendments were not overturned, which helped not least to prevent a pro-Devolution victory in the Scottish referendum campaign in 1979.<sup>49</sup>

Conversely, the Government chose to make some issues into confidence motions. The attempted Opposition vote to reduce the salary of the Chancellor of the Exchequer in June 1978 was taken to represent a direct challenge to the Government's economic policy, which, after careful deliberation, made the issue into a successful confidence vote. While there was an increase in actual and threatened rebellions by Government MPs during this period, Labour remained remarkably disciplined on motions of confidence, reflecting the Government's strategic judgement and careful selection.<sup>50</sup>

Wilson's Minority Government of 1974 had attempted to set precedents with regard to confidence votes, such as creating different categories of confidence vote, to build in some flexibility as to a Government's response. The apparent aim was to allow the Government a chance to call another formally-titled confidence vote even if defeated on the Queen's Speech or Budget, which would previously have been regarded as necessitating the resignation of the Government. While this attempted re-conceptualisation of confidence motions does not appear to have gained wider acceptance among MPs or been subsequently taken up by the Callaghan Government, the latter Administration did face internal debates over whether some major pieces of legislation should really be

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<sup>48</sup> See *infra*, footnotes 49-55.

<sup>49</sup> TNA: CAB 128/63, 5<sup>th</sup> Meeting, 16 February 1978. See *infra*, footnote 50.

<sup>50</sup> A. Seldon and K. Hickson (eds), *New Labour, Old Labour*, pp. 190-204; P. Norton, *Dissension in the House of Commons 1974-79*. See *infra*, pp. 86-7.

regarded in their traditional role as being implicit ‘confidence’ issues. When there was concern about losing the Devolution Bills in February 1978, some in the Cabinet regarded these as implicit ‘confidence’ issues, being the major items in the Government’s legislative programme, whereas others challenged their centrality, suggesting that this was not necessarily the case unless they were made explicit confidence votes.<sup>51</sup> There have been instances in other countries of minority governments seeking to reconceptualise the notion of confidence votes, not least, for example, that of the Canadian Liberal Minority Government in May 2005, which dismissed a defeat over a committee report as not being a confidence vote, and subsequently put forward and won a Budget Bill.<sup>52</sup>

While the prospect of confidence votes created problems for the Government, the Opposition could also suffer political damage when they decided to hold no confidence votes and were then unsuccessful in winning them. Indeed, it led to questions being asked about the judgement of the Opposition leadership on more than one occasion. Conservative preparations for such votes may be regarded in part as reflecting normal debate preparation, but also considered other factors. Increasingly these preparations included greater discussion on framing confidence motions in a way that would appeal to the smaller parties. There were also debates over timing, with the increasing tendency being to avoid confidence votes unless there was a relative assurance that other parties would support them.<sup>53</sup>

One of the most informative cases, in terms of the Government and Opposition approach to confidence motions, is that of the defeat in the vote on sanctions in December 1978. This defeat, on an Opposition motion criticising the Government’s use of sanctions on companies awarding workers higher pay rises than the 5% target limit, helped to open the floodgates to the subsequent wave of strikes.<sup>54</sup> Even if such sanctions would have been ineffective in the case of Ford, the contemporary view of the Cabinet was very much that the threat of sanctions in other cases had proved to have a significant impact, and that the parliamentary difficulties “stemmed from the absence of a Government majority”.<sup>55</sup> This vote also remains particularly instructive in terms of how Government and Opposition handled minority government in Parliament; from the Government perspective, the decision not to make implementation of the sanctions a confidence vote, and from the Opposition perspective, the ability to vote against sanctions but avoid being blamed for the

<sup>51</sup> TNA: CAB 128/63, 5<sup>th</sup> Meeting, 16 February 1978. See *infra*, pp. 69-73.

<sup>52</sup> R. Hazell and A. Paun (eds), *Making Minority Government Work*, p. 35.

<sup>53</sup> B. Donoughue, *Downing Street Diaries*, vol. ii, p. 37; M. Thatcher, *The Path to Power*, pp. 314-15, 327-9, 431-2. See *infra*, pp. 208-10.

<sup>54</sup> A. Thorpe, *A History of the British Labour Party*, p. 205. See *infra*, pp. 34-5.

<sup>55</sup> TNA: CAB 128/64, 42<sup>nd</sup> Meeting, 7 December 1978. See *infra*, footnotes 56-7.

subsequent industrial turmoil. It may appear strange that the Government lost the vote on sanctions but then called and won a general vote of confidence the next day, without attempting to overturn the earlier decision. Why did they not make the sanctions issue itself a confidence motion, given the perceived importance of the 5% figure? In an indication of the seriousness of the issue, Callaghan himself, along with Foot, met with members of the Tribune Group who had threatened to vote against the sanctions. A minute of their conversation suggests that even the threat of a confidence motion would not necessarily have prevented defections. As had been the case with Devolution legislation, it would appear the Government believed that their initiation of a confidence motion would compel all opposition parties into voting against. Such a prospective defeat, leading to a January election in bad weather and against the background of striking trade unions, conjured images of the Conservatives' defeat in February 1974, counselling the Labour leadership against linking the two issues. This vote also represents something of a paradox in terms of the Opposition's approach. In part, their victory resulted from using a technical motion and not seeking to portray the vote as a major confrontation between Government and Opposition, enabling some Labour backbenchers who disagreed with the Government's policy on pay sanctions to feel that they could vote with opposition parties on a motion without endangering the existence of the Government. The Conservatives were able subsequently to criticise the Government's lack of effective action concerning the industrial disputes, while having simultaneously disempowered ministers by voting down sanctions. The Opposition's approach relied on an emphasis that the Government's policy had been flawed, the Conservative shift to a tougher stance regarding the regulation of trade unions, and on the subsequent offer made by Thatcher during January 1979 to cooperate with the Government over passing measures to mitigate strike action.<sup>56</sup> The defeat over sanctions also continued to limit the Government's legislative response to the industrial situation in the early months of 1979, not least, for example, when attempting to pass an Order limiting the prices charged by the road haulage industry. Callaghan expressed his fears to Cabinet, suggesting that: "The Government might well be defeated by a combination of its own backbenchers with the Opposition".<sup>57</sup>

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<sup>56</sup> CPA: CRD/D/7/24, Memorandum from Peter Utley to Lord Thorneycroft, 12 January 1979; TNA: CAB 128/64, 41<sup>st</sup> Meeting, 30 November 1978; 43<sup>rd</sup> Meeting, 14 December 1978; B. Donoghue, *Downing Street Diaries*, vol. ii, pp. 398-402; M. Thatcher, *The Path to Power*, pp. 419, 423-30. See *infra*, pp. 189-90.

<sup>57</sup> TNA: CAB 128/65, 8<sup>th</sup> Meeting, 18 January 1979.

## Accepting defeat

An alternative to minority governments avoiding parliamentary defeat, either through use of institutional resources or not putting contentious legislation forward, is to accept defeat as a consequence of not having a majority. A government may either publicly accept this, or publicly reject defeat but tacitly accept it by not seeking to overturn a decision. Minority (and indeed majority) governments around the world have often accepted losing votes on certain pieces of legislation, without the need for a change of government or an election. The 1974 Wilson Minority Government tacitly accepted certain defeats, such as over six-monthly pension upratings, while maintaining a robust public rhetoric, in anticipation that these measures could be reintroduced if Labour gained a majority at a subsequent General Election.<sup>58</sup>

The Callaghan Government similarly maintained a defiant public stance, retaining very much a majoritarian mindset and stressing in strategy meetings that the Government could not formally and publicly ‘accept’ defeats over its major policies. Nevertheless, it is clear that, on some issues at least, the leadership accepted legislative defeats, prioritising their efforts in terms of only trying to reverse particular legislative decisions.<sup>59</sup>

Although the sheer number of defeats suffered was much greater than majority governments before and after the Callaghan Administration, not all defeats were of equal importance. Contemporary political actors recognised that there was a hierarchy of parliamentary defeats. Some losses of parliamentary votes barely feature in official records of Cabinet discussions, meetings of strategy-makers, or political memoirs, such as that over an adjournment motion on teacher training colleges in Scotland in April 1977 or the Firearms (Variation of Fees) Order in March 1979.<sup>60</sup> By contrast, other defeats, including over Devolution, Income Tax Reductions, and, of course, the defeat over a vote of no confidence in 1979, were of much greater importance, and had significant space dedicated to discussions concerning the response to them.<sup>61</sup>

One Government tactic, used in the early stages of the minority government, was to accept defeat by abstaining on a vote which they knew in any case could not be won because of rebellion among their own MPs and/or unity of opposition parties. The aim of

<sup>58</sup> LHASC: CC, Paper, 15 May 1974, ‘Party Strategy’; TNA: CAB 128/54, 7<sup>th</sup> Meeting, 28 March 1974; 8<sup>th</sup> Meeting, 4 April 1974; 9<sup>th</sup> Meeting, 9 April 1974; 21<sup>st</sup> Meeting, 27 June 1974. See *infra*, p. 30.

<sup>59</sup> See *infra*, footnotes 60-4.

<sup>60</sup> TNA: CAB 128/61, 15<sup>th</sup> Meeting, 21 April 1977; 128/62, 25<sup>th</sup> Meeting, 14 July 1977; B. Donoghue, *Downing Street Diaries*, vol. ii, pp. 176-8, 464-7.

<sup>61</sup> A. Seldon and K. Hickson (eds), *New Labour, Old Labour*, p. 193; M. Minogue (ed.), *Documents on Contemporary British Government*, p. 85. See *infra*, footnotes 62-4.

this approach, when first applied to an adjournment debate on Child Benefit on 28 June 1976, was to lessen the humiliation of defeat or even refute that a defeat had occurred at all so as to deny political ammunition to the Opposition. The approach does not appear to have been especially successful, however, only being used on one other occasion, over an adjournment debate over a public expenditure White Paper on 11 March 1977. The abandonment of the tactic may reflect this latter experience, providing little more than a breathing space and serving as an encouragement to the Opposition motion of no confidence that was subsequently tabled and seriously threatened the survival of the Government.<sup>62</sup>

In other cases, defeat was swiftly followed by the modification of Government policy. When defeated on an adjournment motion concerning the setup of a contentious Government inquiry on 5 December 1977, the Government's reaction was immediately 'to accept the will of the House' and change the format of the inquiry. Indeed, the Prime Minister's statement to the Commons on the matter was amended more clearly to express that the Government 'accepted' the decision, rather than the original and more obscure formulation 'did not intend to stand in the way of'. After suffering an unexpected defeat on a clause of the Devolution legislation for Wales, the Government planned to try to reinstate the clause at a later stage, but also showed willingness to concede the loss of the clause if it would facilitate easier passage of the Bill.<sup>63</sup>

Accepting defeat was not restricted to procedural questions but also some more major aspects of Government policy. Conservative amendments to the 1978 Finance Bill, reducing income tax from 34% to 33% and increasing the personal allowance, were initially regarded as intolerable by the Government when successfully passed through the Commons by a combination of opposition MPs. Ultimately, however, the amendments became accepted when the Cabinet concluded that the risks of defeat in trying to reverse the decisions were too great, that further defeats over these issues would lead to the collapse of the Government, and that, even if successful, restoration of the previous rates would be unpopular among the wider electorate.<sup>64</sup>

More recent minority government theory has even gone so far as to suggest that regular defeats of a minority government that change policy need not challenge the viability of the incumbent administration. In Denmark, for example, there were frequent

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<sup>62</sup> TNA: CAB 128/59, 11<sup>th</sup> Meeting, 24 June 1976. See *infra*, footnotes 63-4.

<sup>63</sup> TNA: CAB 128/62, 35<sup>th</sup> Meeting, 10 November 1977; 39<sup>th</sup> Meeting, 8 December 1977; 128/63, 15<sup>th</sup> Meeting, 20 April 1978.

<sup>64</sup> TNA: CAB 128/63, 18<sup>th</sup> Meeting, 11 May 1978; 128/64, 21<sup>st</sup> Meeting, 8 June 1978. The Government had itself advocated and carried out reductions in income tax over preceding budgets. While accepting defeat, the Government did attempt to recover the lost revenue through other means. See *infra*, pp. 134-6.

cases in the 1980s of minority governments being overruled by an ‘alternative majority’ of the legislature on certain aspects of policy and of the government’s leadership accepting these changes.<sup>65</sup>

Although as indicated above, the Callaghan Administration accepted certain Opposition victories while regarding some others as intolerable, there are significant differences between the attitudes of Danish and British political elites, as well as in the scope of this approach. The Callaghan Government’s acceptance of legislative defeats was a begrudging recognition of their inability to reverse particular votes on single issues, rather than on whole policy areas. Defeats were also still regarded very much within the British political establishment as a sign of outright government weakness and a deviation from the expected ‘norm’ of strong majority government. While Labour sought to lessen the impact of particular defeats, there is no indication of any sustained effort to normalise such setbacks as an acceptable expression of minority government.<sup>66</sup>

## Seeking defeat

A third and rather unusual possibility for governments dealing with parliamentary defeat is to actually want it or even actively work towards this outcome. Normally, the idea of Governments seeking to engineer the loss of their own legislative votes might be considered as counterintuitive. Rather than having consciously to get some of their MPs to vote against these specific measures, all the Government required was to push the legislation forward and endeavour to agitate and bait the Opposition into voting against it. The tactic of using unwinnable Bills as signposts built on the experience of the Wilson Minority Government in 1974, when similar concerns led to such legislation as the refunding of £10 million in tax to trade unions being put forward in the hope that it would be defeated by the Opposition, which, in fact, occurred on 19 June 1974.<sup>67</sup>

This paradoxical practice is actually far more common than might otherwise be expected. Theoretical discussions of minority government highlight two ‘unusual’ situations in which such defeat may be sought. Either, a government may wish to provide an excuse for calling an early election because of ‘obstructionist’ opposition politicians (as

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<sup>65</sup> C. Green-Pederson, ‘Minority Governments and Party Politics’, pp. 15-16, 20.

<sup>66</sup> See *infra*, pp. 91-2, 134-6.

<sup>67</sup> B. Castle, *The Castle Diaries*, p. 118; R. Hazell and A. Paun (eds), *Making Minority Government Work*, p. 65; J. Campbell, *Edward Heath*, pp. 635-6; I. Burton and G. Drewry, ‘Public Legislation: A Survey of the Session 1974’, pp. 158-60; F. Stacey, *British Government 1966-1975: Years of Reform* (Oxford: Oxford University Press, 1975), p. 52.

was the case in Canada in 1974), or in preparing issues for a future campaign, a government wishes to establish a policy objective it seriously wants to accomplish as being blocked by the efforts of opposition parties.<sup>68</sup>

In Callaghan's case, it was very much the latter, suggesting that certain Bills should be put forward which Ministers knew would be defeated, but highlighted potential future campaign policies. These Bills were also perceived by Labour as seeking to satisfy supporters, both within Parliament and the wider country, who demanded action on such issues as Occupational Pensions Schemes legislation, Post Office reforms, or the Dock Labour Scheme. Various strategy meetings had highlighted concerns by leading figures that the Government could not win an election if it could not pass controversial legislation. For example, the Cabinet meeting of 3 March 1977 considered the question of what future legislation the Government should put forward given the ongoing state of minority government and recent defeats. In summarising the discussion, Callaghan highlighted the different proposed approaches over seeking parliamentary defeat:

“the Government had to consider what strategy to adopt while without a parliamentary majority [...] whether to introduce Bills which would be popular with the Government's own supporters but likely to be defeated in Parliament, or whether to take special steps to obtain the necessary support for Government legislation.”<sup>69</sup>

The Cabinet Legislation committee was tasked to respond to this discussion, looking to address these concerns in their meeting of 10 March 1977 by, amongst other things, recommending a series of Bills which were unlikely to pass but were judged to have use as political signposts and electoral campaign ammunition. However, although sentiments were expressed on several occasions favouring this approach, there is little evidence to suggest that these signpost Bills were actually pursued unless support could be secured for them. In fact, Callaghan and the Cabinet increasingly perceived any Commons legislative defeat as undesirable and damaging to the Government. A reflection of this approach is the fact that only two Government defeats involved the loss of entire Bills, both occurring earlier on during Callaghan's Administration, on low turnouts of fewer than 200 MPs in the Commons, seemingly as much a result of miscalculation rather than planned confrontation between Government and Opposition. After July 1977, all the Callaghan

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<sup>68</sup> B. E. Rasch and G. Tsebelis (eds), *The Role of Governments in Legislative Agenda Setting* (London: Routledge, 2013), pp. 89-90; R. Hazell and A. Paun (eds), *Making Minority Government Work*, p. 31; P. H. Russell, *Two Cheers for Minority Government*, pp. 34-8; P. Cowley, *The Rebels: How Blair Misled His Majority* (London: Politico's, 2005), p. 286. See *infra*, pp. 148-51.

<sup>69</sup> TNA: CAB 128/61, 9<sup>th</sup> Meeting, 3 March 1977.

Government's parliamentary defeats were on amendments to Bills or on motions rather than the loss of entire Bills. Where Government legislation was part-way through the parliamentary process but unlikely to be completed successfully, the preference was quietly to abandon work on the Bills, rather than risk their being defeated in Parliament.<sup>70</sup>

One such example of the Government's fear of defeat may be seen in the case of the Aircraft and Shipbuilding Bill, discussed earlier on in the chapter. While the November 1976 Cabinet were more confrontational in terms of it being "preferable to lose the Bill this session rather than give way to the Lords", the meeting of February 1977 made a deal with the Opposition.<sup>71</sup> Another particularly interesting example may be seen in the Occupational Pension Schemes Bill. In meetings in 1976 and 1977, the TUC had stressed that they particularly wanted the Government to proceed with passage of the Bill, even if controversial provisions were "amended or deleted".<sup>72</sup> However, having ascertained the likely defeat of these proposals, subsequent Cabinet discussions in May 1977 highlighted that, even if the Bill could be passed in a significantly amended form, the amendments constituted an unacceptable political price:

"strong doubts were expressed whether it would be advisable to introduce a Bill containing these provisions, which would be to court a humiliating defeat at the hands of the Opposition and the minority Parties. Defeats in Parliament on issues of importance damaged the Government and its electoral prospects."

Callaghan very much shared this view, summarising that "the standing of the Government was only weakened by defeats on issues of this kind."<sup>73</sup> The legislation was quietly shelved, as referred to in a rather more perfunctory note in the Cabinet discussion of 20 October 1977 when compared with the earlier debate, "because it would not secure sufficient support in the present Parliament".<sup>74</sup>

Conversely, the prospect of the Government seeking its own defeat led the Opposition to contemplate how to avoid the dangers of being lured into a trap. The Conservative Opposition to Wilson's Minority Government had attempted to grapple with this problem in 1974, either through choosing not to vote against the Government, or

<sup>70</sup> Callaghan Papers, 2741: PP/Lib-Lab: 77, Report to the Prime Minister – 'Government Business during the rest of the 1976/77 Session', 14 March 1977; TNA: 128/61, 5<sup>th</sup> Meeting, 10 February 1977; 9<sup>th</sup> Meeting, 3 March 1977; 11<sup>th</sup> Meeting, 17 March 1977; CAB 128/62, 35<sup>th</sup> Meeting, 10 November 1977; 40<sup>th</sup> Meeting, 15 December 1977; CAB 128/63, 18<sup>th</sup> Meeting, 11 May 1978; 128/64, 27<sup>th</sup> Meeting, 20 July 1978. See *infra*, pp. 120, 134-6.

<sup>71</sup> See *infra*, pp. 70-3, 84-6.

<sup>72</sup> TNA: CAB 128/60, 29<sup>th</sup> Meeting, 28 October 1976; 31<sup>st</sup> Meeting, 11 November 1976.

<sup>73</sup> TNA: CAB 128/61, 20<sup>th</sup> Meeting, 19 May 1977.

<sup>74</sup> TNA: CAB 128/62, 32<sup>nd</sup> Meeting, 20 October 1977.

deliberately to withdraw certain backbenchers from a vote to ensure Government victory. While there was no repeat of these tactics during the Callaghan Administration, the Opposition did modify their approach at times to address this strategic dilemma. In some instances, the Conservatives supported the Government over legislation or in particular votes which would otherwise have led to defeat by the actions of rebel Labour MPs. While sometimes this was very much in line with pre-existing practices, there were other cases where the Opposition clearly envisaged the move as a tactical response to minority government, and an attempt increasingly to divide the Government leadership against its rebel members.<sup>75</sup>

In addition to the disunity between different opposition parties, there were other factors which limited the Conservative ability or desire to defeat the Government. Some of the most major pieces of Government legislation were those over which the Conservatives themselves were divided, such as Devolution, or else had a particular interest in seeing implemented, such as Direct Elections to the European Parliament. As a result, there were a number of instances when the Opposition actively supported the Government in the passage of legislation, or, at least, did not hinder its progress.<sup>76</sup>

## Conclusion

Contrary to what has previously been acknowledged, both the Government and the Opposition were more proactive in their strategic approaches to managing legislation and defeats during a minority government. The initial conflict over pairing agreements set the tone for subsequent Government-Opposition relations, and conditioned the strategy-making process for the main parties in ways that have often been overlooked in studies of this period.

The Government at times operated as Taylor and Laver's theoretical 'almost a majority government', making increased use of its institutional powers to ensure passage of a full legislative programme. At the same time, however, the Government recognised the limitations of its minority position, and the inability to pursue wholesale institutional changes in the legislative process that could have increased its power, such as over reform of the House of Lords or use of referenda.

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<sup>75</sup> CPA: LCC 1/3/1, 6<sup>th</sup> Meeting, 4 April 1974; 9<sup>th</sup> Meeting, 1 May 1974; 12<sup>th</sup> Meeting, 8 May 1974; 1/3/13, 160<sup>th</sup> Meeting, 27 April 1977; SC 12 (2), 2<sup>nd</sup> Meeting, 25 March 1974; LIB: CA17/LIBERAL PARTY/1/8, Meetings 4 March – 25 July 1974. See *infra*, p. 208.

<sup>76</sup> CPA: LCC 1/3/13, 160<sup>th</sup> Meeting, 27 April 1977. See *infra*, footnotes 72-5.

Over time, the Government's position increasingly evolved to one more accepting of added limitations in terms of what Bills could be passed, being ready to drop entire pieces of legislation. A largely-majoritarian approach was maintained, with no effort being made to normalise the process of legislative defeats, while the practice of actively seeking defeats for tactical purposes was considered too radical an option to be pursued. The selective use of confidence votes played a much more important role than has hitherto been accepted. While mistakes were made, adoption of these strategies helped to enable the Callaghan Government to survive for a prolonged period of time without a majority, even in instances where interparty cooperation was not guaranteed.

The Conservatives' ability to thwart Government legislative efforts remained very much dependent on factors beyond their control. Nevertheless, their approach of consciously recognising some of the potential minority government traps, selective opposition to legislation, increased reliance on committees and the House of Lords to avoid charges of obstructionism, and offers of cooperation to the Government, reflected conscious efforts by the party to think strategically about how to engineer Government defeat.

## **Chapter 5: Lib-Lab Pact**

As may be seen in the previous chapters, the process of managing and passing legislation through Parliament without a majority presented important strategic questions for Government and Opposition. Although the Government sought to rely on a combination of traditional majoritarian approaches in addition to some institutional devices, situations arose in which their maintenance of a Parliamentary majority depended upon cooperation with other smaller parties and independent MPs in the House of Commons.

Studies and reflections by participants on interparty cooperation during the Callaghan Administration have been dominated by the subject of the Pact between the Liberals and Labour during the period of March 1977 to September 1978. The Pact presents something of a conundrum for any study on minority government, appearing to be closer to a coalition. More recent scholarship (not least Kirkup's as yet unpublished 2012 work)<sup>1</sup> has also given greater detailed consideration to the Pact in its own right than is possible in this study. Both main parties have typically been perceived as subscribing to the previously-cited 'minimal winning' formula, demonstrated not least in a general preference for *ad hoc* deals to ensure a government majority in particular votes and the general hostility expressed towards any notion of coalition. Subscription to the Lib-Lab Pact could well be regarded through this optic of applying only minimal conditions on both the Government and the Liberals.<sup>2</sup>

In addition, the Agreement has generally been viewed as representing a lack of strategy-making, authored as primarily a reactive measure, entered into reluctantly by Labour, and largely leaving neither party's goals satisfied beyond the sustaining of the Government in office. The alternative was defeat and a snap General Election, at a time when the Conservatives held a significant opinion poll lead of up to 15%.<sup>3</sup> Even those such as Lipsey, who considered the most optimistic polling scenario at 7%, advised against an

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<sup>1</sup> For a discussion of some of the weaknesses of existing studies, see J. Kirkup, 'The Parliamentary Agreement', pp. 16-18, 50-1.

<sup>2</sup> R. W. Andeweg, L. De Vinter, and P. Dumont (eds), *Government Formation*, pp. 7-10, 48-9, 174, 191-3; A. Thorpe, *A History of the British Labour Party*, pp. 202-3; C. Mershon, *The Costs of Coalition* (Stanford: Stanford University Press, 2002), pp. 9-10; K. Strom, *Minority Government and Majority Rule*, pp. 13, 31-40, 68-70; R. Axelrod, *Conflict of Interest: A Theory of Divergent Goals with Applications to Politics* (Chicago: Markham, 1970), p. 16; W. Riker, *The Theory of Political Coalitions*, pp. 47, 255-7. See *infra*, footnote 1.

<sup>3</sup> M. Oaten, *Coalition*, pp. 174-96; A. Seldon and K. Hickson (eds), *New Labour, Old Labour*, pp. 198-201; K. O. Morgan, *Britain Since 1945*, pp. 400-1; G. R. Searle, *Country Before Party*, pp. 256-7; I. Marsh, 'Liberal Priorities, The Lib-Lab Pact and the Requirements for Policy Influence', pp. 292-321; P. Bartram, *David Steel: His Life and Politics*, pp. 140-78; D. Butler and D. Kavanagh, *The British General Election of 1979*, pp. 8, 34-7, 42-3, 93-7; D. Steel, *A House Divided*; A. Michie and S. Hoggart, *The Pact*.

early election. While this option received some consideration by the Government, as discussed in Chapter 7, it was still rejected as unlikely to deliver a victory.<sup>4</sup>

However, while the Government's participation in a formal interparty agreement may have been compelled by circumstances when facing defeat in 1977, the shape of this Agreement was by no means certain, being conditioned particularly by the contemporary experiences of minority government. The Government's handling of the negotiation, renegotiation and operation of this Agreement involved greater strategic consideration and discussion about how to deal with interparty cooperation in a minority government setting than has previously been appreciated, including, for example, Donoughue's paper for the June 1977 Strategy Cabinet, or the paper by the then Special Adviser Lipsey, indicating possible responses to the March 1977 confidence vote.<sup>5</sup> In fact, in some ways, the Government's use of the Pact may have been as much a psychological tool, with the Government even willing to consider only monthly renewal as better than having no Agreement. Other possibilities for cooperation that presented themselves to both main parties, before, during and after the Pact, as well as extra-parliamentary agreements and the prospect of post-electoral deals, will be discussed at length in subsequent chapters.<sup>6</sup>

To understand fully the strategic dynamics involved in the Callaghan Government's approach to the Pact, this chapter will begin by examining the distinctive nature of the Agreement and the formation process in light of aspects of the negotiations which shaped and were shaped by the state of minority government. Thereafter, the chapter will consider the Pact in terms of confrontation over raising petrol tax which shaped the renegotiation; the often-overlooked strategic discourse during the renewal of the Pact; the Government's changing strategic approach during the course of the Pact; and development of an exit strategy. Some aspects which play an important part in negotiations or the scholarship applying to them will be highlighted insofar as it relates to questions of minority government, but will not be re-examined at greater length in this study.

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<sup>4</sup> CAC: DNGH 1/1/16, David Lipsey – Personal and Confidential/The Political Situation, 21 March 1977. See *infra*, pp. 115, 151-2.

<sup>5</sup> See *infra*, footnote 4.

<sup>6</sup> See *infra*, pp. 174-87.

## Formation of the Pact

### Distinctive

The Lib-Lab Pact, as with the Callaghan Government as a whole, provides an important case study in minority government because of its distinctive characteristics compared to formal interparty legislative agreements elsewhere. In part, these features can be explained as having arisen from inexperience of formalised interparty cooperation or the particular political circumstances in 1977. However, this format also reflected the distinct British tradition of minority government, which helped to enable the survival of the Pact and Government. Labour's already cited deep-seated hostility to coalition meant the Government did not countenance the formation of a coalition, party leaders repeatedly seeking to reassure MPs and the wider party that their deal with the Liberals did not amount to one.

Some of the devices typically adopted for interparty negotiations elsewhere were not used by the Callaghan Government, such as, for example, obtaining a mandate from MPs or party members before entering negotiations.<sup>7</sup> There were no formally constituted teams, nor apparent briefing notes and pre-arranged strategy for negotiation.<sup>8</sup> The Pact negotiations would appear not to fit into any formalised model, arising as a largely *ad hoc* and purely reactive measure by individuals facing the prospect of imminent Government defeat, such as Cyril Smith's attempted approach to Callaghan or Foot's approaches to Powell. Even narratives highlighting the overall strategic visions being pursued by individuals, particularly that of Steel, recognise this initial formation process as largely unstructured on both sides.<sup>9</sup>

Devices for interparty cooperation that were employed, such as a formal written agreement, took on a different form from experiences of interparty cooperation and coalition elsewhere.<sup>10</sup> The Government's preferred form of any written agreement was of

<sup>7</sup> D. Giannetti and K. Ineait (eds), *Intra-Party Politics and Coalition Governments* (London: Routledge, 2008), pp. 174-5. See *infra*, pp. 12-15, 99.

<sup>8</sup> Teams are typically around four to five individuals, although can be far more substantial. Negotiations following the 2005 German Federal Election included sixteen people in each of the two main teams, and a total of one hundred and ninety negotiators in attached working groups. C. Clemens and T. Saalfeld (eds), *The German General Election of 2005: Voters, Parties and Grand Coalition Politics* (London: Routledge, 2013), pp. 176-8; R. W. Andeweg, L. De Vinter, and P. Dumont (eds), *Government Formation*, pp. 39-40; R. Hazell and A. Paun (eds), *Making Minority Government Work*, pp. 43-4, 86.

<sup>9</sup> Callaghan Papers, Box 19, 2741, Michael Foot and Roy Mason Report – Ken Stowe to Prime Minister, 18 March 1977; J. Kirkup, 'The Parliamentary Agreement', pp. 75, 84-6; K. O. Morgan, *Britain Since 1945*, pp. 400-1; A. Mitchie and S. Hoggart, *The Pact*, pp. 10-11, 30-64; P. Bartram, *David Steel*, pp. 143-52.

<sup>10</sup> C. Moury, *Coalition Government and Party Mandate: How Coalition Agreements Constrain Ministerial Action* (London: Routledge, 2013), pp. 1-8, 34-6, 74-5; R. Hazell and A. Paun (eds), *Making Minority Government Work*, pp. 69, 71-3; D. Butler, *Governing Without a Majority*, pp. 56-71, 110-21.

an exchange of letters between party leaders, rather than a more formal contract. These letters were subject to extensive redrafting by the Government, not least to prevent the Agreement from being perceived as a coalition. One amendment, for example, included that the commitment to consultation on paper was to be between the two party leaders, rather than the wider parties, designed to frame the Agreement as being limited to within Parliament. Another change was the removal of references to what Government plans were being dropped in terms of further nationalisation and the Direct Labour Bill. Even although, as highlighted in Lipsey's paper, it would have been difficult in any case to proceed with these measures, the Government wanted to avoid the perception of the Liberals blocking policy or forcing concessions. Steel accepted the deletion of this paragraph in return for the change itself being "conveyed in briefing". Changes also sought to give the Government more room for manoeuvre, avoiding being tied to specific legislative commitments on the basis of a timetable.<sup>11</sup>

Furthermore, there were few attempts to utilise any kind of long-term commissions to solve intractable policy differences. The Consultative Committee, comprising several representatives from both parties, was more of a system for resolving day-to-day legislative disputes, and justified by the Government merely as an extension of pre-existing consultative mechanisms between Government and bodies such as the TUC, not attaining a higher priority than those mechanisms when formulating Government plans.<sup>12</sup> Speaker's Conferences, formal inquiries historically used for dealing with important constitutional questions concerning electoral arrangements, were similarly limited in their usefulness. Terms of reference and composition being set by the Government and dominated by the two main parties, these Conferences primary purpose was to confer legitimacy on a policy agreed between Government and Opposition. Callaghan did offer a Conference on increased Northern Ireland parliamentary representation to the UUP, but there was no similar offer to the Liberals concerning PR in Direct Elections. In the failed 1974 negotiations by contrast, the Conservatives had gone so far as to offer the Liberals a Conference on PR for House of Commons elections. Steel, however, desired a more solid commitment to legislation in 1977, mindful of the failed coalition attempt in 1974.<sup>13</sup>

<sup>11</sup> Callaghan Papers, Box 19, 2741, Various annotated papers and handwritten notes on the wording of the Lib-Lab Agreement 20-23 March 1977; TNA: CAB 128/61, 12<sup>th</sup> Meeting, 23 March 1977; 128/62, 28<sup>th</sup> Meeting, 28 July 1977; PREM 16/1399, Stowe to Callaghan, 23 March 1977; B. Donoghue, *Downing Street Diaries*, vol. ii, pp. 168-9. See *infra*, pp. 106-7.

<sup>12</sup> TNA: PREM 16/1399, Cabinet: Liberal Party Agreement, 23 March 1977; Lord President and Mr Steel Meeting, 28 March 1977; J. Kirkup, 'The Parliamentary Agreement', pp. 130-2; P. Bartram, *David Steel*, pp. 148-50; D. Steel, *A House Divided*, pp. 36-7; See *infra*, footnotes 13-14.

<sup>13</sup> *House of Commons*, Parliamentary Briefing Paper (2009), SN/PC/04426, 'Speaker's Conferences', pp. 1-10; TNA: PREM 16/842, Note of a Meeting to discuss Representation at Westminster in the context of

The Callaghan Government ended up using a promised free vote on PR for Direct Elections to deal with the issue. Dialogue between Government leaders would suggest that this method was accepted more because it would deal with problems Labour would have in any case faced through its own divisions over the issue of Direct Elections than as a specific concession to the Liberals or device for facilitating interparty cooperation.<sup>14</sup>

Conditions set down in the Pact would, at first glance, suggest a limited ‘Confidence and Supply’ agreement, in which an MP, party or group of parties agrees either to vote with a minority government or to abstain on votes of confidence or some/all monetary-spending bills. In such an agreement, usually, but not always, participants remain separate from the Government itself and do not take up ministerial posts. The agreement is normally established to operate over a set period of months or years, with the Government supplying some added legislative benefits to those providing support, such as greater influence in the formation of legislation, or support for particular Bills or policies advocated by the smaller parties. These arrangements may secure a government majority on certain issues, but their incomplete coverage and potential vulnerability of the government on other legislation, may, in practice, mean that the government is still formally in a ‘minority’.<sup>15</sup>

However, as rightly identified by Kirkup, the Pact was not a typical ‘Confidence and Supply’ agreement, the Liberals only committing themselves to backing the Government in formally declared votes of confidence, rather than necessarily the ‘Supply’ of monetary spending Bills.<sup>16</sup> In fact, it is arguable as to whether, in practice, the Pact even went so far as to qualify as a ‘Confidence’ agreement. Liberal MPs considered opposing and, in some cases, ultimately voted against Government Budget items which they disagreed with, in spite of such measures traditionally being matters of confidence. These ambiguities served to lay the foundations for the first major conflict of the Pact (discussed below) over the raising of petrol tax, as well as setting up further significant Government defeats over Budget items in both 1977 and 1978. Typical ‘Confidence and Supply’ arrangements also would tend to last a minimum of twelve to eighteen months and may

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Devolution, 12 October 1976; 16/2069, Cabinet Meeting, 4 March 1974; B. Donoughue, *Downing Street Diaries*, vol. ii, p. 167. See *infra*, pp. 29-30.

<sup>14</sup> Callaghan Papers, Box 19, 2741, Assorted papers, written and with annotations, 21-23 March 1977; TNA: CAB 128/61, 12<sup>th</sup> Meeting, 23 March 1977.

<sup>15</sup> Callaghan Papers, Box 19, Prime Minister’s Third Carbons, March 1977, Prime Minister to Leslie Spriggs, 30 March 1977; J. Callaghan, *Time and Chance*, pp. 458-9; R. Hazell and A. Paun (eds), *Making Minority Government Work*, pp. 6-7, 15, 42-3, 47, 86-7; A. Brazier and S. Kalitowski (eds), *No Overall Control*, pp. 10-18, 79, 84-111; K. Strom, *Minority Government and Majority Rule*, pp. 19-20, 93-108; D. Butler, *Governing Without a Majority*, pp. 53-5; L. Geller-Schwartz, ‘Minority Government Reconsidered’, *Journal of Canadian Studies*, Vol. 14, No. 2 (1979), pp. 1, 67-9.

<sup>16</sup> J. Kirkup, ‘The Parliamentary Agreement’, pp. 12, 48-9, 180, 310.

even extend up to the full length of a four to five year Parliament. By contrast, the initial Pact only committed both sides until the end of the Parliamentary session in the summer of 1977, a time period of around three months. The continued insecurity arising from such a short-term agreement seems at odds with the Government having sought mainly to justify their efforts to secure a formal deal on the basis of ending uncertainty and reducing the need for vote-by-vote negotiations. Furthermore, the Pact was negotiated in less than five days, a much shorter timeframe than most interparty negotiations elsewhere. The restricted time-frame and the immovable deadline of a no confidence vote played an important role in pressuring parties into an agreement.<sup>17</sup>

While this short-term outcome would seem, at first glance, paradoxical, not satisfying the objectives of either party, and indicative of the Pact's reactive formation process, it was not totally counterintuitive. In other countries minority coalition governments have been formed and have governed successfully for a full term without a parliamentary majority. There are, however, other advantages of an agreement in these instances, not least in terms of raising governments to the 'almost' majority threshold suggested by Taylor and Laver in Chapter 1. Other psychological advantages include the perception of greater governing legitimacy among commentators and the wider public, and the dissuading of opposing parties from attempting repeatedly to bring down a government, by the implied failure of any prospective no confidence vote. The distinct form of the Lib-Lab Pact as a short-term 'experiment', as it was dubbed by participants, actually helped to enable its successful enactment and renewal, as represented in internal dialogues between Callaghan and other decision-makers. While, as stated earlier, the Government's motivation was largely reactive, the final shape of the Pact was significantly affected by the negotiating process. By looking at the employment of potential negotiating tactics and the wider implications, it is possible to trace the strategic forces shaping the agreement, and further to highlight the main parties' adherence to a particular British tradition of minority government.<sup>18</sup>

Other issues raised by the negotiations provide even more direct insight into the Government's development of strategy as a minority administration when forming the

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<sup>17</sup> A short term agreement of this nature was also at odds with Steel's public and private discourse. TNA: CAB 128/61, 12<sup>th</sup> Meeting, 23 March 1977; B. Donoghue, *Downing Street Diaries*, vol. ii, pp. 168-71; A. Seldon and K. Hickson (eds), *New Labour, Old Labour*, pp. 193, 200; L. W. Martin and G. Vanberg, 'Wasting Time? The Impact of Ideology and Size on Delay in Coalition Formation', *British Journal of Political Science*, Vol. 33, No. 2 (2003), pp. 323-332; P. Bartram, *David Steel*, pp. 143-51. See *infra*, pp. 110-12.

<sup>18</sup> The second Reinfeldt (2010-14) and first Lofven (2014-ongoing) Governments in Sweden, for example, both constitute minority coalitions. See *infra*, p. 4.

Pact, and, particularly, during its subsequent renewal, including rhetoric/pre-signalling preferences, planning in advance for interparty cooperation, and a prospective bidding war.

### Rhetoric/Pre-signalling Preferences

The exchange of statements of intent prior to negotiations, whether through party leaders' correspondence or through press releases and television/radio interviews, tends to allow parties to reassure their supporters, citing continued commitment to particular electoral promises and criticising political opponents. In political systems where majoritarian government has historically been preferred, such as Britain, rhetoric will often also emphasise the Government's mandate to govern, avoiding or limiting references to prospective interparty cooperation. In March 1977, the Government public rhetoric was one of daring opposition parties to trigger an early election.<sup>19</sup> There also appear to have been some attempts by the Government to use communications to put pressure on the Liberals in terms of negotiations, and vice-versa, whether through strongly-worded press releases, newspaper comments, TV interviews, telephone conversations, or letters, warning of the impending election that would follow defeat. In the Liberals' case, for example, these indications were echoed in Steel's 19 March statement with the threat that "either" the Government could seek interparty cooperation over its wider legislative programme "or else we have a General Election". From the Government side, references made were primarily brief factual statements, without specifying details of ongoing discussions, and generally refuting the use of such words as "deal" when asked if the Government were pursuing formal interparty cooperation. Similarly, Government spokesmen tended to take a belligerent line against the prospect of the Liberals bringing down the Government, not least for example in Rees' implied threat of "so be it" on 21 March.<sup>20</sup>

These exchanges may also set out parties' negotiating positions and flag up a small number of crucial 'red lines' that are non-negotiable, while indicating particular aspirations that are then revised in discussions. In the 2010 General Election, for example, the Liberal Democrat manifesto included four top priorities considered critical to any post-electoral

<sup>19</sup> D. Torrance, *David Steel*, pp. 92-9; R. Hazell and A. Paun (eds), *Making Minority Government Work*, pp. 34, 42-3; A. Brazier and S. Kalitowski (eds), *No Overall Control*, pp. 56-62, 99; P. Bartram, *David Steel*, pp. 145-51; A. Mitchie and S. Hoggart, *The Pact*, pp. 35-40.

<sup>20</sup> George Clark Political Correspondent, 'Tories Table Motion of No Confidence in the Government', *The Times* [London, England], 19 March 1977 [accessed 24 October 2014]; Our Political Staff, 'Alter Course or Face Election, Liberals Say', *The Times* [London, England], 19 March 1977 [accessed 24 October 2014]; 'Government Considers Deal with Liberals and Unionists as means to avoid Election', *The Times* [London, England], 21 March 1977 [accessed 24 October 2014]. See *infra*, footnotes 19, 21-3.

interparty agreement, while Conservative leader David Cameron's speech following the result set out 'red lines' on foreign and economic policy.<sup>21</sup>

However, while the Callaghan Government were endeavouring to communicate their position and criticise their opponents through the media, this approach was grounded in pre-existing majoritarian practices in an effort to discourage opposition parties from voting against the Government, rather than being consciously engineered as part of signalling policy preferences for a negotiating strategy. The Government did seek to keep informed of statements by the smaller parties in the run up to the vote, including through written reports to Callaghan, which helped to inform their efforts at interparty cooperation.<sup>22</sup>

The Government preferred communicating negotiating points through private channels, particularly letters and meetings between individuals in the party leadership and those of other parties. Limiting the Agreement's scope to a Parliamentary arrangement with MPs of other parties, rather than wider party memberships, was also considered likely to help justify the deal to the Party. Unlike 1974, the secrecy of the initial formation process, the absence of leaking concrete information about the discussions, and the perception that any successful outcome was considered less likely by participants in both Labour and the Liberals, helped to lessen the possibility of greater attacks in advance.<sup>23</sup>

### Planning for cooperation

As indicated above, the reactive nature of the Pact negotiations and *ad hoc* approach meant that there does not appear to have been as much planning by the Government on how to tackle such a situation. Callaghan did ask his civil service advisers for additional information in order to help facilitate the negotiations, including a summary of the present and future proposed legislation which detailed the Liberals' parliamentary actions regarding recent Bills.<sup>24</sup> At the same time, however, members of the Callaghan Government were also engaging in some strategic consideration as to the implications for

<sup>21</sup> T. Quinn, J. Bara and J. Bartle, 'The UK Coalition Agreement of 2010: Who Won?', *Journal of Elections, Public Opinion and Parties*, Vol. 21, No. 2 (2011), pp. 304-9; A. Boulton and J. Jones, *Hung Together*, pp. 140-1.

<sup>22</sup> Callaghan Papers: Box 19, 2741, Duty Clerk to Prime Minister, 19 March 1977; Cledwyn Hughes to Prime Minister, 17 March 1977; Christopher Walker, 'Ulster Unionists Want Devolved Assembly as Condition of Support in Confidence Vote', *The Times* [London, England], 21 March 1977 [accessed 24 October 2014]. See *infra*, pp. 68-9.

<sup>23</sup> CAC: Hailsham MSS (1/1/8), 1 March 1974; Callaghan Papers, Box 19, 2741, Assorted papers, written and with annotations, 20-23 March 1977; POLL 9/1/9, Telegram to Enoch Powell, 18 March 1977; TNA: PREM 15/2069; B. Donoghue, *Downing Street Diaries*, vol. ii, pp. 167-70. See *infra*, footnotes 21-2.

<sup>24</sup> Callaghan Papers, Box 19, 2741, The 1976-77 Legislative Programme, 21 March 1977.

prospective pacts, not least in the above-cited paper by Lipsey, which suggested that an agreement with the Liberals was the preferred option in the circumstances. Having examined and ruled out the alternatives of a UUP deal and early election, Lipsey detailed some of the different potential obstacles to a Lib-Lab Agreement and how these would be dealt with. Thereafter, the paper went on to explore the various conditions which, it was expected, would be attached by the Liberals to any such deal, concluding that enough could be offered by the Government to ensure an agreement without making any significant compromises from the perspective of the Government's leadership. Conditions in terms of dropping legislation, such as the Direct Labour Organisation Bill, were viewed either as merely fulfilling the Government's existing intentions or even as a positive excuse to avoid politically difficult issues: "We were going to have to anyway", "There is no such Bill", and, on the Bullock report on Industrial Democracy, "an excuse to escape from the TUC/Jack Jones axis on this issue is much to be desired".<sup>25</sup> Where it appeared that the Government would struggle to gain support for legislative demands, such as a stronger Devolution Bill and PR for European Direct Elections, Lipsey suggested that these could still be discussed with the Liberals or even offered: "on the understanding that the decision [...] is ultimately one for the House of Commons". Lipsey's paper also represents one of the few instances of an example outside the British experience being employed in the illustrations of strategy-makers. In this case, the example was of the then Italian Government maintaining its unity while entering a Pact with a party of a different ideological persuasion, such that: "The Andreotti example of keeping the Communists with the Government, without splitting his Party, shows what can be done". The use of this particular example does not appear to have been widely taken up in subsequent planning, reflecting the general preference for drawing upon British parliamentary precedents. That Lipsey himself advocated the arrangement with the Liberals is perhaps more surprising given his own strong dislike of the party, admitted to in the closing paragraph. However, dismissing other options as "hideously unattractive", he ended by challenging the MacDonald example which had helped to influence Labour's hostility to interparty cooperation, hoping that such an aversion would "not entice us into an act of electoral suicide". While it is difficult to ascertain the full impact of Lipsey's paper, the sentiments expressed and suggestions made appear to have been very much in line with the eventual outcome of forming and justifying the Pact to Labour as a temporary measure borne out of necessity and not imposing significant burdens upon the Government.

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<sup>25</sup> CAC: DNGH 1/1/16, David Lipsey – Personal and Confidential/The Political Situation, 21 March 1977.

### Prospective Bidding war

Another side of simultaneous negotiations, although more unusual, is that of trying to compel potential political partners to outbid each other, or to pressure one to sign a barely acceptable deal for fear of losing out to another party, as occurred following the 1996 New Zealand Election. Following the 2010 UK Election, disclosure of Liberal Democrat negotiations occurring both with the Conservatives and Labour has been characterised as “bidding” for coalition partners.<sup>26</sup> However, although the Callaghan Government could approach different smaller parties in 1977 it could not necessarily promise delivery of what they wanted, whether PR for the Liberals, or Northern Ireland Devolution along lines favoured by the UUP. Negotiations were conducted secretly, and there was no attempt by the Government to get smaller parties into a bidding competition with one another. Some prospective combinations with other small parties were also ruled out for strategic and/or political reasons, discussed further in Chapter 6.<sup>27</sup>

Correspondence and Cabinet discussions suggested that talks between the Government and UUP in March 1977 were initially regarded as more likely to lead to a successful agreement.<sup>28</sup> However, the Cabinet, Special Advisers, and Policy Unit opposed relying upon a UUP deal, believing it to be unworkable based upon the previous UUP voting record and policy differences. Concerns were raised that any formal agreement between Labour and the UUP would lose electoral support of Catholics in important UK constituencies.<sup>29</sup> Both sides questioned how far the Government could deliver policies to

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<sup>26</sup> Alternative reasons have been suggested for simultaneous negotiations in the UK 2010 case, not least including Clegg’s desire to satisfy those within the Liberal Democrats who favoured a deal with Labour. The existence of a theoretical alternative partnership may have compelled Conservative acceptance of the Alternative Vote referendum, as signified in William Hague’s statement on 10 May 2010, but the perception of bad faith may also have, in fact, reduced Liberal Democrat bargaining power in subsequent Conservative negotiations. T. Quinn, J. Bara and J. Bartle, ‘The UK Coalition Agreement of 2010: Who Won?’, pp. 301, 309; BBC Documentary, *Five Days That Changed Britain* (10 January 2011); ‘Hung parliament: Tories’ ‘final offer’ on vote reform”, *BBC News* [London, England] 10 May 2010 [accessed 1 October 2014]; Philip Webster, Tom Baldwin & Roland Watson. “Brown’s Parting Shot Starts Coalition Bidding War”, *The Times* [London, England] 11 May 2010 [accessed 30 September 2014]; J. Kirkup, ‘The Parliamentary Agreement’, pp. 76-7; A. Boulton and J. Jones, *Hung Together*, pp. 166-70, 183-99, 227-31; J. Boston *et al.* (eds), *From Campaign to Coalition: New Zealand’s First Election Under Proportional Representation* (Wellington: Dunmore Press, 1997), pp. 207-46.

<sup>27</sup> See *infra*, pp. 131-3.

<sup>28</sup> TNA: CAB 128/61, 12<sup>th</sup> Meeting, 23 March 1977; B. Donoghue, *Downing Street Diaries*, vol. ii, pp. 165-9; J. Kirkup, ‘The Parliamentary Agreement’, p. 75; A. Seldon and K. Hickson (eds), *New Labour, Old Labour*, pp. 254-5. See *infra*, footnotes 29-32.

<sup>29</sup> Callaghan Papers, Box 19, 2741, Roy Mason to Prime Minister, 23 March 1977; Michael Foot and Roy Mason Report – Ken Stowe to Prime Minister, 18 March 1977; MF + LJC and Powell drafts, [n. d.]. See *infra*, pp. 62-3.

sustain any long-term deal, fearing the need for endless bargaining, a sentiment expressed not least in the above-cited paper by Lipsey, that the UUP were:

“mostly Conservative by temperament and it is difficult to believe that we should permanently win any auction for their votes (eg by promising tougher security measures). We might just buy their abstention for Wednesday, but the alliance would be unstable, especially since Enoch Powell’s support would probably disappear if we introduced a Direct Elections Bill”.<sup>30</sup>

Callaghan and Foot referred to parallel talks or offers to both parties during their meetings with the Liberals and the UUP, but there is no evidence that this was a conscious tactic, or that it had any effect on pressuring a deal. While any formal agreement with the Liberals could, and necessarily would, be made public, formalised cooperation with the UUP remained secret. Although both sets of discussions were subsequently acknowledged in the confidence debate, Government and UUP leaders strenuously sought to deny any formal deal.<sup>31</sup>

Any possibility of a bidding war was further diminished when, from the outset, the Government gave the assurance that increased Northern Ireland Representation would be granted regardless of the conclusion of a parliamentary deal. This move appears to have been designed as a gesture of goodwill, aiming to secure the support of a handful of UUP MPs over a longer timescale than the immediate confidence vote, even without a formal deal. While this opening offer may have limited the prospect of extracting greater concessions, it is questionable as to whether a conditional offer would have yielded better results.<sup>32</sup> A limited deal with the UUP was done through an exchange of letters between party leaders, but, being kept secret, could not provide the public psychological reassurance of giving the Government the appearance of a majority. Certain UUP members continued support of the Government in votes and internal correspondence during the course of the Lib-Lab Pact would suggest that the Government’s tactic had some success. Lacking the same immediate electoral challengers which were faced by the parties in constituencies in Scotland, England and Wales, the UUP were not under the same pressures to do any deal with the Government as was the case with their Liberal

<sup>30</sup> CAC: DNGH 1/1/16, David Lipsey – Personal and Confidential/The Political Situation, 21 March 1977.

<sup>31</sup> CAC: POLL 9/1/9, Harry West to James Molyneaux, 21 July 1977; HC Hansard, Vol. 928, Cols 1303-6, 1360-2, 1367-8, 1404-6 (23 March 1977).

<sup>32</sup> J. Callaghan, *Time and Chance*, pp. 454-5; J. Kirkup, ‘The Parliamentary Agreement’, pp. 74-81.

counterparts.<sup>33</sup> At the same time, the arrangement also created issues for future Government strategy. In spite of attempted secrecy, news reporting of the ongoing discussions taking place and the subsequent actions of the UUP sustaining the Government (which lessened the believability of denials), prompted increased opposition from the SDLP and independents including Maguire.<sup>34</sup>

## Petrol Tax

Although the Agreement's formation and the March 23 confidence vote have rightly been regarded as important, a particularly crucial experience conditioning the long-term operation of the Lib-Lab Pact was, in fact, the dispute which flared up in the weeks following the Pact's inauguration over the Government plans to raise petrol tax by 5.5p. In the same way that the disruption of the usual channels in the summer of 1976 had influenced party approaches to minority government, the petrol tax conflict significantly shaped the Government's approach to Liberal-Labour interactions and the workings of an interparty agreement. Liberal MPs judged this increase to be of particular concern to their supporters in rural constituencies and decided to vote against. While Kirkup rightly suggests that the episode reflected a lack of 'experience of coalition politics' for all sides, it is important to recognise that the Callaghan Government had as much to learn from the episode as the Liberals.<sup>35</sup> The initial public reaction of the Government was more majoritarian, seeking to compel Liberal support through raising the spectre of a defeat over the issue as leading to the resignation of the Government and an immediate election. At the PLP meeting on 21 April 1977, Callaghan, as picked up on by Chief Secretary to the Treasury Joel Barnett, stressed the importance of avoiding the appearance of "solely reacting to the Liberals".<sup>36</sup> Nevertheless, from the outset the Government sought privately to balance these threats with potential compromises, albeit limited and disguised so as to avoid the appearance of concessions. Meetings were held, not least in Callaghan's attempts early on in the row to persuade Liberal abstention in return for agreeing later Budget changes in a secret meeting with Steel on 31 March 1977. Other discussions between Government members and their Liberal counterparts also took place in an effort to resolve

<sup>33</sup> CAC: POLL 9/1/9, Correspondence between Enoch Powell and Michael Foot, 14-29 November 1977; James Molyneux to Harry West, 27 July 1977; Letter to Ian O'Loan, 24 March 1977. See *infra*, footnotes 29-32.

<sup>34</sup> Callaghan Papers, Box 19, 2741, Foot and Powell annotated draft letters of matters discussed, [n. d.]; Roy Mason to Prime Minister, 23 March 1977.

<sup>35</sup> J. Kirkup, 'The Parliamentary Agreement', pp. 180-2.

<sup>36</sup> TNA: PREM 16/1225, 'Petrol Duty and the Liberals', 22 April 1977. See *infra*, pp. 105-6, 111-12.

the issue, including Barnett and Pardoe, as Liberal Treasury Spokesman, meeting to consider the matter at length on 20 April. An immediate motivating factor for the Liberals was highlighted during this meeting with Pardoe suggesting that the reduction in petrol tax would be an important tangible gain for Liberals facing upcoming local elections in May. Barnett proposed delaying the date of the amendment coming into effect to 5 August, on the grounds of it being easier from an administrative point of view, which Pardoe approved. However, no agreement was reached at this stage on the possible figure of the reduction, with Barnett ostensibly claiming that he could not offer any concession while floating the possibility of a 2p reduction before the local elections, while Pardoe said that his colleagues would not settle for less than 3p, and threatened the possibility of their voting against other parts of the Budget.<sup>37</sup> At the same time as these discussions were taking place, as with other votes discussed in Chapter 4, the Government were also formulating contingency plans in the event of a defeat, including how to raise lost revenue from elsewhere. Discussions between the Chief Whip and Barnett had concluded that the Liberal amendment was likely to succeed. Following on from this, and his meeting with Pardoe, Barnett prepared a short paper for the Chancellor and Prime Minister on potential tactics for handling the issue. The two options considered were either outright opposition to an amendment, accepting defeat but seeking a way to recoup the lost revenue, or seeking to make the more limited reduction of 2p, rather than cancelling the 5.5p rise as demanded by the Liberals. This latter option was also framed in terms of attempting to justify the measure as dealing with concerns about the rising petrol price “which has come not only from the Liberals, but from [our] own backbenchers and the unions”. This offer thereby sought to disguise a concession to the Liberals under the veil of the Government addressing concerns of its primary participants. Although Callaghan was, in his own annotations of the paper, “in favour of [the] Government standing by the increase”, he also recognised the need for consultation and that “if we are going to lose we had better consider how it is reflected”.<sup>38</sup> The subsequent compromise that emerged saw the Government publicly introduce the increase but privately promise to reverse it in full by amendment at a later stage as previously indicated in the Barnett/Pardoe discussions, in return for Liberal support on the other aspects of the Budget. The compromise allowed the Government to avoid the appearance at that stage of having given any concession to the Liberals which would reduce its credibility in the eyes of Labour backbenchers. At the same time, this offer arose from the recognition that the position of daring defeat without

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<sup>37</sup> TNA: PREM 16/1225, ‘Note for the Record’, 20 April 1977.

<sup>38</sup> TNA: PREM 16/1225, ‘Petrol Duty and the Liberals’, 22 April 1977.

any notion of an alternative approach would also not appear credible in the eyes of many Government supporters or the Liberals, having only just avoided an early election through their recent negotiation of the Pact. Labour was in no better position than before the 23 March confidence vote, indeed, it would have been far worse, cutting a deal a week earlier only to then have to fight an unpopular campaign on the basis of increasing a tax. The Government conclusion as expressed in Cabinet was that, even if the petrol tax vote could be won without Liberal support, it would make further cooperation over subsequent votes more difficult and effectively nullify any advantage that had been gained through the Pact. Even if the vote were not treated as a matter of confidence, such a rift between the Pact members at this early stage would also have likely encouraged further confidence vote challenges by the Opposition, with no guarantee of the Government's survival.<sup>39</sup>

## Renegotiating the Pact

Renewal of the Pact in July 1977 has often been seen as inevitable or unimportant, the terms largely remaining unaltered and the Liberals continuing not to gain any significant concessions in terms of policy. Indeed, even some more recent scholarly considerations of Callaghan's Government tend to omit any reference to renewal of the Pact, treating the Agreement as a single, uninterrupted period. In fact, this process of renewal was of far greater importance, the interim period and conflict over increased petrol tax providing a context within which the Government sought alternatives to the established Agreement, as well as its longer-term implications. There were even suggestions raised at some strategy meetings that the Pact would not be renewed by the Government, which would lead either to an early election or to a different interparty agreement.<sup>40</sup>

Callaghan's original preference toward renegotiation appears to have been one of simply continuing the Agreement on the basis already established. The Government leadership feared that a fresh round of negotiations would not only invite the potential for further demands by the Liberals that could undermine the Pact, but would also invite criticism and even wholesale rejection of the strategy by the PLP. Some Liberal MPs also appear to have preferred an extension of the Pact on this basis. However, the experience of

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<sup>39</sup> TNA: CAB 128/61, 15<sup>th</sup> Meeting, 31 March 1977; 18<sup>th</sup> Meeting, 5 May 1977; PREM 16/1225, Meeting between the Prime Minister and David Steel, 31 March 1977; 3 May 1977; 'Petrol Duty and the Liberals', 25 April 1977; B. Donoghue, *Downing Street Diaries*, vol. ii, pp. 174, 176.

<sup>40</sup> J. Kirkup, 'The Parliamentary Agreement', pp. 198-9, 227; R. Hazell and A. Paun (eds), *Making Minority Government Work*, pp. 20-3; A. Seldon and K. Hickson (eds), *New Labour, Old Labour*, p. 193; K. O. Morgan, *Britain Since 1945*, pp. 400-1; P. Bartram, *David Steel*, pp. 157-60.

the petrol tax dispute, along with backbench rebels defeating the Government over Finance Bill committee votes, led others to question the Pact's basis. Liberal MPs, seeking reasons to justify to their wider party membership continuation of the Agreement, pressed for further policy concessions as prerequisite to any renewal. These demands, alongside Steel's insistence that continuation of the Pact necessitated PLP approval in order to bind the Government to their commitments, raised both of the Government's feared problems, and necessitated a response which involved greater Government consultation among decision-makers, including the Cabinet, as well as management of the PLP.<sup>41</sup>

In some cases, parties cooperating with each other have split, some members of a party choosing to continue to support a government or even becoming a full or associated part of the governing party, while others break away to return to being an independent political entity in opposition. The historic Labour split upon entering coalition in 1931 was much feared by Callaghan and other members of the Government during negotiations over the IMF loan in 1976.<sup>42</sup> It would appear that fears of a similar division arising from the Pact were given some serious consideration. While there had been disagreements, as discussed above, the Government perceived the relatively loose nature of the arrangement and lack of overt concessions as mitigating the potential for any irreparable grievances regarding the Pact on the part of Labour MPs. The greater risk of an intra-party split was perhaps that of the Liberals themselves, although the Government do not appear to have considered this contingency as distinct from the more general dissolution of the Pact. A rather cryptic comment by Callaghan in a meeting with Steel on 14 December 1977 suggested that if, as seemed a distinct possibility at the time, the Liberals rejected the Pact, and, by extension, compelled their leader to stand down, that the Prime Minister would try to find another position for him. In the event, the Pact survived this particular hurdle and there are no other references to such a possibility in future meetings. It is more likely that such a statement possibly referred to a public appointment of some kind, rather than an invitation to join the Government. Nevertheless, that the offer was made shows something of the positive spirit of the working relationship between the two leaders.<sup>43</sup>

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<sup>41</sup> TNA: PREM 16/1400, Follow up to the Prime Minister's Meeting with Mr Steel (annotated), 30 June 1977; B. Donoghue, *Downing Street Diaries*, vol. ii, pp. 176, 197, 203. See *infra*, footnotes 43-6.

<sup>42</sup> A. Thorpe, *A History of the British Labour Party*, p. 199; M. Oaten, *Coalition*, pp. 18-19, 84, 93-6; D. Powell, *British Politics, 1910-1935: The Crisis of the Party System* (Abingdon: Routledge, 2004), pp. 4-5, 111-20; P. Hennessy, *The Prime Minister*, pp. 385-6; M. Laver and N. Schofield, *Multiparty Government: The Politics of Coalition in Europe* (Oxford: Oxford University Press, 1998), pp. 16-18, 25-7, 221-42.

<sup>43</sup> TNA: PREM 16/1794, Meeting in the Prime Minister's Room at 4.05 p.m., 14 December 1977; Meeting in the Prime Minister's Room at 19:30, 14 December 1977; B. Donoghue, *Downing Street Diaries*, vol. ii, p. 178. See *infra*, pp. 110-12.

While the short-term nature of the first stage of the Pact perpetuated a degree of uncertainty and necessitated renegotiation, this factor may also have, in fact, paradoxically, contributed to the Agreement's successful continuation. The initial period acted as something of a trial run, demonstrating the working of the Pact to some of the Labour MPs who would otherwise have been likely to oppose it – showing that the Liberals could provide useful support to the Government in votes. Callaghan was also able to use the argument of a limited trial period in both private and public communication in order to counter criticisms that the NEC and other Labour decision-making bodies had been bypassed. The breathing space also allowed the Government time to consider and talk out some of the issues of interparty cooperation, as well as to consult and gain the, albeit reluctant, approval of the PLP.<sup>44</sup>

In contrast to the relative passivity of the Cabinet in agreeing the Pact, the renegotiation was preceded by Callaghan calling a Strategy Cabinet at Chequers for 26 June 1977. The meeting's purpose was to discuss the deal with the Liberals, alongside the Government's Economic Strategy.<sup>45</sup> Uncirculated records taken by the Prime Minister's staff during the meeting provide a particularly interesting insight into the Government approach to the renegotiation and some of the alternative approaches or formulations of the Pact that were proposed.<sup>46</sup> As with the initial stage of Pact negotiation, there appears to have been some codified consideration of strategic implications, but not that of detailed negotiation briefings. The Policy Unit did prepare a memo for this Cabinet, at Callaghan's request, which considered questions of strategy. The paper was much commended by members of the Cabinet, and appears to have been particularly valued by Callaghan, as indicated not least through the annotations on his copy. While the bulk of the document was focused on eventual electoral considerations, rather than constituting any sort of negotiating brief or formal strategy document concerning the Pact, it does contain useful insights into how Government strategy-makers conceived of their overarching approach to minority government and formalised interparty cooperation. The paper stressed the significant Opposition poll lead and the unrealistic chances of winning any early election. Further to this, and underlined by Callaghan, the paper set out that the "first objective must be to stay in office beyond the present discontents". To meet this objective, maintaining the

<sup>44</sup> Callaghan Papers, Prime Minister's Third Carbons, April 1977: Prime Minister to S. McCluskie, 7 April 1977; TNA: CAB 128/61, 17<sup>th</sup> Meeting, 28 April 1977; PREM 16/2201, Prime Minister's Statement in Labour Weekly, [n. d.]. See *infra*, footnote 46.

<sup>45</sup> B. Donoghue, *Downing Street Diaries*, vol. ii, p. 196-7, 204-6, 213, 221; J. Callaghan, *Time and Chance*, pp. 462-6; A. Seldon and K. Hickson (eds), *New Labour, Old Labour*, p. 200.

<sup>46</sup> TNA: PREM 16/1227, Conclusions of a Meeting of Ministers Held at Chequers, 26 June 1977; Manuscript Notes [and typed-up version] taken by R. J. Meadway at the Chequers Cabinet, 26 June 1977; John Hunt to Prime Minister, 21 June 1977. See *infra*, footnote 47.

Pact was perceived as crucial to the Government, as the only formalised interparty cooperation envisaged. At the same time, the arrangement was not viewed as being totally exclusive. Some emphasis was also briefly placed on obtaining informal support from other parties, including the SNP, to buttress the Government's position, a consideration which will be discussed further in Chapter 6:

“It obviously follows from this that maintaining the Liberal “alliance” is of prime importance (and that detaching the Scottish Nationalists from committed Opposition by a Devolution Bill would also help)”.

Following on from this, the paper sought to forecast how long the Government could hold its current majority, based upon the state of the parties in Parliament and historic by-election trends and results since the Second World War. The conclusion reached was that the Government could potentially “survive for roughly two years – virtually to the end of this Parliament if we want”, unless “we had a bad run of deaths against us [of Labour MPs] or if swings against us [in by-elections] were all of Ashfield proportions” (Ashfield being a formerly safe Labour seat that was lost on 28 April 1977 with a very large swing of over 20% to the Conservatives).<sup>47</sup> Ironically enough, this last forecast of the Government's ability to retain its majority was in some ways actually remarkably prescient. Although Labour had to defend a further nine seats in by-elections up to the fall of the Government on 28 March 1979 (eight through death and one resignation), they only lost one of these seats to the Conservatives.<sup>48</sup>

One of the other main papers at the meeting, ‘A Strategy for the 1980s’, compiled by the CPRS, identified the Liberal Agreement among its headings, but did not go into much detail in terms of maintaining interparty cooperation. The paper was, in any case, widely criticised by Government members for its tone.<sup>49</sup>

Although not explicitly stated, the prospect of not renewing the Liberal agreement was briefly raised at the Strategy Cabinet, alongside the UUP not wanting an election, with the lingering notion of a more complete Pact with the UUP. Such a view followed on from perceptions of the UUP as more reliable than the Liberals in providing Parliamentary support for the Government through abstentions. The break-up of the wider UUUC coalition in May 1977 potentially enabled a deal with the UUP alone that would not raise

<sup>47</sup> TNA: PREM 16/1227, ‘Chequer’s Cabinet: Thoughts on the Government’s Future Strategy’, 2 June 1977. See *infra*, footnotes 44, 46.

<sup>48</sup> P. Rose, ‘The Wilson-Callaghan Government of 1974-79: By-elections (Eventually) Bring Down a Government’, pp. 215-27.

<sup>49</sup> TNA: PREM 16/1227, CPRS – A Strategy for the 1980s. See *infra*, footnotes 43-6.

some of the previous political difficulties of involving the Democratic Unionist Party (DUP) or Vanguard Party. However, the pre-existing issues were once again re-articulated: the Liberal deal was still seen as more likely to deliver the support of its MPs which the UUP could not guarantee, along with the potential backlash from Catholic voters and MPs if there were a more formalised UUP deal.<sup>50</sup>

The most preferred length of the Pact proposed at this juncture appears to have been renewal for a further parliamentary session lasting twelve months. However, other possible timescales for the Agreement were contemplated by both the Government and the Liberals.<sup>51</sup> Foot had raised the possibility of the Pact being renewed on a monthly basis, an idea rejected by other Government decision-makers as too short-term and uncertain. Foot raised the option only as a possible compromise to gain Liberal acceptance in the event that the Liberals would not commit to another full session, monthly renewal being favoured by some Liberal MPs, but not Steel himself. From Foot's perspective, even a more short-term agreement that yielded greater uncertainty was better than no agreement and the prospect of an immediate election. Foot's actual preference, as expressed in the Strategy Cabinet, was for an even longer arrangement than twelve months, lasting until "Autumn 1979". Members from both parties had sought to explore lengthening the proposed Pact.<sup>52</sup> In a conversation on 21 June, five days before the Strategy Cabinet, Pardoe approached Donoughue wanting to explore the possibility of an eighteen month Pact lasting until 1979. A meeting of Government Special Advisers the following day, as well as the aforementioned Strategy Cabinet, both ultimately endorsed renewal for a twelve month session as the preferred option.<sup>53</sup> One fear, expressed at the Strategy Cabinet, was that an extended deal would effectively commit the Government to a single eighteen month parliamentary session, as opposed to the normal twelve months, and that this change in procedure would appear as "cheating" to both MPs and the public. Further objections included that the resulting difficulties in parliamentary management of MPs – whether curtailing Labour backbenchers' expectations for more controversial legislation, or preventing a repeat of the Opposition breaking off communication with the Government again – would outweigh any potential benefits. By talking through alternative courses of action such as this, managing potential opposition, and making limited concessions, the

<sup>50</sup> CAC: DNGH 1/1/12, PU/346, 'Pre-Election Strategy – Prospects, Policies and Options for 1978/9', 22 December 1977; POLL 9/1/9, correspondence between James Molyneaux and The Managing Director, Press Association, 22-28 November 1978.

<sup>51</sup> R. Hazell and A. Paun (eds), *Making Minority Government Work*, p. 23. See *infra*, footnote 46.

<sup>52</sup> TNA: CAB 128/62, 28<sup>th</sup> Meeting, 28 July 1977. See *infra*, footnote 46.

<sup>53</sup> CAC: DNGH 1/1/17, Meeting of Special Advisers, 22 June 1977; LSE: STEEL A/3/1, Correspondence between Callaghan and Steel, 27 July 1977; B. Donoughue, *Downing Street Diaries*, vol. ii, pp. 197, 203-5.

Government were, in large part, able to maintain the substantive initial tenets of the Pact. As with the initial setup, renewal of the Pact was concluded on 27 July by an exchange of letters between Callaghan and Steel.<sup>54</sup> As with the formation of the Pact, the general changes appear to have been aimed at giving the Government greater room for manoeuvre, avoiding firm legislative commitments or timetables which might have proved difficult to implement, justified as such in meetings between Callaghan and Steel. The most visible change in Steel's first draft, highlighted in annotations, was the watering down of any commitment on profit sharing, from "the Government intends to legislate in next year's Finance Bill for tax incentives" to the somewhat more vague "would consider what help could be given". The final wording, while being slightly more positive, nevertheless did not reflect a firm timetabled commitment with defined policies, the Government's involvement in the area being "to consider ways [...] with a view to legislation".<sup>55</sup> The second draft, which was more heavily annotated, similarly removed references committing the Government to particular Bills. For example, "legislation to assist the agricultural industry" and a "land bank" were changed to "assistance to meet the special financial problems of farmers". In the same way, the definitive statement on "a reduction of the burdens of taxation on income" was changed to a "shift" in taxation "so far as is permitted". Where firm commitments to legislation were given, these redrafts also sought to stress primacy of the Government's input, as indicated in the case of "legislation to provide help for first-time home buyers" through the addition of "on the lines suggested in the Government's Green Paper on Housing Policy".<sup>56</sup>

## Operation of the Pact

The successful operation of any formalised interparty agreement within a legislature typically (but not always) requires the creation and maintenance of certain structures and good relations between decision-makers. In addition to providing the basis for continuing an agreement, these structures may also be used strategically by parties to advance their own particular interests. Although the limitations of the Pact for both parties are often stressed, its operation demonstrated that the Government was attempting to engage in

<sup>54</sup> PREM 16/1401, 'Renewing the Agreement with the Liberals', 21 July 1977. See *infra*, pp. 69-73, 114-15.

<sup>55</sup> TNA: PREM 16/1401, 'DS's First Draft of Joint Statement', 25 July 1977; Meeting between Prime Minister and David Steel, 26 July 1977; David Steel to Prime Minister, 27 July 1977.

<sup>56</sup> TNA: PREM 16/1401, 'Draft of letter to the Prime Minister', 27 July 1977. See *infra*, footnote 55.

greater strategic consideration of how to handle formalised interparty cooperation with the Liberals, albeit with mixed success.<sup>57</sup>

The Government rejected commentators and MPs' claims that the Pact was a formal coalition. Privately, however, some of the Government's strategy-makers, including Donoughue, did refer to the grouping of parties supporting the Government as a 'coalition', or as the 'alliance', and began to adapt their strategies over time to try to take advantage of some of the different mechanisms involved in formalised interparty cooperation, to strengthen the Government's legislative position.<sup>58</sup>

Following on from the formation process, a written agreement can be used by one or more parties to legitimise the rejection of further demands by other deal participants and help to lessen threats of such demands leading to the breakdown of the agreement.<sup>59</sup> After a December 1977 vote on the European Elections Bill, in which the Liberal preference for PR was defeated, the Liberals accused the Government of not fulfilling the deal and Steel sought privately to negotiate with Callaghan for further action on both this and other policy areas. Callaghan, supplied with briefing notes to counter these accusations, was able to quote the relevant part of their original written agreement from March 1977, along with lists of those supporting the Bill supplied by the Government Whips, in order to prove that he was upholding the deal, a contention which Steel subsequently accepted.<sup>60</sup>

Consultation mechanisms for managing any agreement may also be used strategically by a minority government in order to achieve their aims in terms of parliamentary legislation. Although the Consultative Committee is much cited as the public face of the Pact, a lot of discussion and negotiation occurred between Callaghan and Steel in their regular meetings, along with other important figures, Foot and Pardoe in particular, who also had significant input. Undoubtedly the lack of previous governmental experience, the inability at times to agree a common line, and the absence of significant administrative support were all factors that helped to undermine the Liberals in their negotiating with the Government. At the same time, the Government also sought to use ongoing negotiations as

<sup>57</sup> G. Loomes, *Party Strategies in Western Europe: Party Competition and Electoral Outcomes* (London: Routledge, 2013), pp. 35-41, 92; R. Hazell and A. Paun (eds), *Making Minority Government Work*, pp. 5-6, 15, 41-51. See *infra*, pp. 119-21.

<sup>58</sup> CAC: DNGH 1/1/12, PU/346, 'Pre-Election Strategy – Prospects, Policies and Options for 1978/9', 22 December 1977; B. Donoughue, *Downing Street Diaries*, vol. ii, pp. 170, 175.

<sup>59</sup> C. Moury, *Coalition Government and Party Mandate*, pp. 74-5; C. Moury and A. Timmermans, 'Inter-Party Conflict Management in Coalition Governments: Analyzing the Role of Coalition Agreements in Belgium, Germany, Italy and the Netherlands', *Politics and Governance*, Vol. 1, No. 2 (2013), pp. 117-131.

<sup>60</sup> TNA: PREM 16/1794, Meeting between Prime Minister and David Steel, 8 December 1977; 14 December 1977; Philip Wood to Prime Minister – Attached Notes, 14 December 1977. See *infra*, footnote 77.

a means to realise their preferences.<sup>61</sup> As Kirkup has rightly emphasised, bilateral discussions between the two leaders were, to some extent, used by Callaghan to ensure Government preferences in the face of potential Liberal opposition, from sharing information with Steel on Privy Counsellor terms which he could not then circulate to his colleagues but which also encouraged him to tone down his demands, to negating Liberal Defence spokesman Emlyn Hooson's call for a reversal to Defence cuts.<sup>62</sup>

The failure to resolve disputes has, in the past, frequently led to the breakdown of coalitions or interparty agreements, and, often as a direct consequence of this, the collapse of governments. A strategic approach to this problem may include formal or informal mechanisms of conflict resolution, or more belligerent courses of action. For example, in some cases, parties may actually deliberately seek a dispute with partners: threatening the stability of an agreement as a means to enforce their will over a particular policy; to obtain a stronger negotiating position for a potential compromise; to gain credit with potential voters for having stood up for a particular position, even if unsuccessful; or even, to provide an excuse to terminate the agreement prematurely. Where the breaking of an agreement is concerned, different factions within the parties may seek to pursue this approach, contrary to the wishes of their leadership.<sup>63</sup>

The Government's response to disagreements with the Liberals, and the resultant possibility of being defeated on particular issues, were themselves the subject of internal debates. Some Labour MPs consistently advocated a policy of no compromise, believing that, if a Government Bill were defeated by the Liberals voting against, then the public would blame Steel and Liberal MPs. One example of this approach was Dennis Skinner arguing for pursuit of the Electricity Bill in the face of Liberal opposition in February 1978, reminiscent of Wilson's attitude during the Short Parliament of 1974, and the more general tactic of daring opposition parties to vote down Government proposals. However, while this approach had proved relatively successful in the past, this was in the context of a recently defeated Conservative Opposition, itself unwilling to trigger another election in early 1974. While in 1977 it would still sometimes be possible to compel Opposition abstention or support for fear of appearing obstructionist, the Government recognised that there were many equally significant issues where this was not likely to succeed. Foot,

<sup>61</sup> R. Hazell and A. Paun (eds), *Making Minority Government Work*, pp. 6, 19-23; D. Butler, *Governing Without A Majority*, pp. 52-4; V. Bogdanor, *Coalition Government in Western Europe*, pp. 32-58, 70, 132-3, 140-52, 269-70. See *infra*, pp. 116-18.

<sup>62</sup> J. Kirkup, 'The Parliamentary Agreement', pp. 151-60, 275, 293-4. See *infra*, footnote 61.

<sup>63</sup> J. Kirkup, 'The Parliamentary Agreement', pp. 156-7; A. Paun, *United We Stand? Coalition Government in the UK* (London: Constitution Unit, 2010), pp. 17-20, 26-7; D. Butler, *Governing Without a Majority*, pp. 114-15. See *infra*, pp. 93-6.

reflecting the Government position that had arisen after the petrol tax dispute, and desiring good relations with the Liberals to ensure the passage of future legislation, diplomatically refused to countenance such an approach, publicly stressing the greater danger of losing the Electricity Bill, while rejecting the notion that the Government were making concessions to the Liberals. In general, the Government endeavoured to get Liberal and other party support for such legislation where they feared the prospect of defeat.<sup>64</sup>

By their own admission, the Liberals ‘stumbled’ into the dispute over petrol tax, and, as Kirkup suggests, continued to be divided and institutionally inhibited in terms of their approach to negotiations with the Government.<sup>65</sup> However, the record of meetings between Liberal MPs suggests that they did grasp the strategic importance of dispute as a means to ensure their continued independent identity. As a consequence of this, the Government sought to avoid being drawn into public quarrels with the Liberals by not raising issues or putting forward legislation judged likely to spark disagreement. To avoid acknowledging Liberal influence on the prevention of this Government legislation, various pretexts were used, including that of there being insufficient time given the crowded parliamentary schedule. While these reasons may not have always convinced those among the Government’s critics, they allowed the defusing of potential conflicts that would have challenged the Pact. The Government also sometimes conceded points in discussions about legislation, some of which Liberals had either expected or even wanted to use to compel a dispute, or even modified or dropped legislation entirely, including over Occupational Pensions, restructuring of the Electricity Industry, and reform of the Official Secrets Act.<sup>66</sup>

In addition to ensuring dispute resolution between governing parties, agreements also rely upon the resolution of disputes that can arise within a governing party. While unable to resolve Labour’s divisions, the Government was able to avoid an internal split. Greater consultation of Labour backbenchers had been raised even before the Government lost its majority in April 1976, formal reports looking into ways of improving coordination between Ministers and backbench groupings. Callaghan had also stressed the importance of good liaison with backbenchers following April 1976. One of the first questions

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<sup>64</sup> LHASC: PLP Minutes, 23 February 1978; A. Paun and R. Hazell, ‘Hung Parliaments and the Challenges for Westminster and Whitehall’, pp. 216-17, 223; V. Bogdanor, *Coalition Government in Western Europe*, pp. 5-7; I. Burton and G. Drewry, ‘Public Legislation: A Survey of the Session 1974’, p. 155; D. Butler and D. Kavanagh, *The British General Election of October 1974*, pp. 18-19. See *infra*, pp. 68-9, 93-6.

<sup>65</sup> J. Kirkup, ‘The Parliamentary Agreement’, p. 176. See *infra*, footnote 66.

<sup>66</sup> LSE: STEEL A/3/1, Meetings of the Shadow Administration, 30 March 1977 – 29 June 1977; TNA: CAB 128/61, 17<sup>th</sup> Meeting, 28 April 1977; 20<sup>th</sup> Meeting, 19 May 1977; 128/62, 32<sup>nd</sup> Meeting, 20 October 1977; PREM 16/1795, Extract of a Meeting between the Prime Minister and David Steel, 7 February 1978; John Stevens to Ken Stowe, 9 February 1978; Ken Stowe to John Stevens, 13 February 1978; Legislative Programme 1977-78, 15 March 1978. See *infra*, footnote 64.

Callaghan was asked in Parliament following his announcement of the Pact was an intervention from Skinner, seeking reassurances over continued consultation of Labour MPs. Callaghan subsequently sent a Minute to Cabinet Ministers on interparty cooperation, emphasising the need to avoid any perception that the Liberals were being given preferential treatment or consultation in advance of existing internal Labour Party and TUC consultations. There was also an open letter to the Prime Minister in May 1977, signed by sixty-seven left-wing backbenchers, who, by virtue of their numbers, demanded the same facilities of consultation as had been extended to the thirteen Liberal MPs. This initiative does not appear to have been acted upon by Callaghan, nor further pursued by the MPs in question. While Kirkup may be right to suggest that Callaghan's citing of the existing methods of cooperation negated the impact of the letter, the Prime Minister was clearly concerned about the problem, not least in arranging meetings with all the Government Whips in later May and June 1977, where he cited the letter, stressing the need to ensure PLP cooperation was working. In spite of continued vocal opposition to the Pact by some members of the PLP, and backbench rebellions in Parliament, there was no further sustained attempt by a large group of Labour MPs formally to challenge the Pact, suggesting that the Government's management of perceived Liberal influence was to at least some extent effective.<sup>67</sup>

Smaller parties will usually seek to publicise their particular contribution to a Government. In some agreements or coalitions there are even specific mechanisms designed to ensure that individual parties have their input highlighted. It is of course equally possible that parties, large or small, will seek to circumvent such mechanisms and claim all credit for policies.<sup>68</sup> Although some members of the Callaghan Government were sympathetic to the Liberals, there was a general desire to avoid giving them credit in terms of policymaking, in spite of this being a clearly articulated Liberal goal. Callaghan himself stipulated clearly to Steel from the outset that he saw the Agreement as providing Liberal input into the general process of policymaking, but not having policies that would be identified or labelled as 'Liberal' contributions to the Government programme. This view reflected existing majoritarian attitudes, but also concerns that such publicity would encourage greater Labour backbench opposition to the Pact and to those particular policies. In response to Liberal demands, some additions to speeches were made, but these did not

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<sup>67</sup> TNA: PREM 16/1355, Ministerial Consultation with the Labour Party, 29 March 1977; Prime Minister Personal Minute M21/77, 29 March 1977; PREM 16/1399, Letter (signed by 67 Labour MPs) to Callaghan, 3 May 1977; PREM 16/1794, K. R. Stowe to Private Secretary, 2 February 1978; PREM 16/2214, Prime Minister and Whips Meeting, 16 June 1976; J. Kirkup, 'The Parliamentary Agreement', pp. 121-2, 161, 194.

<sup>68</sup> R. Hazell and A. Paun (eds), *Making Minority Government Work*, pp. 45-51; A. Paun, *United We Stand?*, pp. 8-9, 36-7. See *infra*, footnote 69.

explicitly acknowledge Liberal input into the policymaking process beyond thanking them for sharing and supporting the intentions of the Labour Government on a particular subject.<sup>69</sup>

## Exit Strategy

Arguably one of the most important elements of any interparty deal is how the end of the agreement is handled. If conducted well, the different parties determine the timing, have control over the process, and, while returning to a state of greater interparty competition, remain on good terms and able to continue cooperating in the future, either informally or through another agreement. If the exit is handled badly, then an often unexpected, acrimonious and unilateral breakdown of relations ensues, which can lead to an immediate election and adverse political consequences for some or all of the participants. Regardless of the circumstances, the Pact would still have had to be ended at some point, renewed indefinitely, or transformed into some other kind of interparty agreement, possibly a full coalition. The former option presented the only realistic outcome. The Pact was only ever conceived of by most within the Government as a temporary expedient, had faced much criticism from MPs and members of both parties, and could not deliver policies on PR or other substantive measures that were crucial to continued Liberal participation.<sup>70</sup>

However, in spite of this apparent lack of benefits for the Liberals and increased hostility between some members of the two parties, the ending of the Pact was actually relatively well handled by both sides. An end date was formally agreed in advance, the Liberals maintained their commitment to ensure the passage of the Devolution Bills even after the end of the Agreement, and Steel's public statement signalling the end of the Pact was cleared by the Prime Minister's staff with only minimal amendments – seeking a more positive portrayal by removing references to the “no confidence debate” that had led to the Agreement, and maintaining Government flexibility on timing by removing a suggestion that the session would finish at the “end of July”.<sup>71</sup> While Kirkup's study rightly identifies the end of the Pact as effectively following the failure to deliver PR and proving to be a disappointment for the Liberals, that the Pact was ended by mutual agreement, was, in

<sup>69</sup> Callaghan Papers, Box 19, 2741, Cledwyn Hughes to Prime Minister, 17 March 1977; TNA: PREM 16/1399, Prime Minister and David Steel Meetings 21-2 March 1977. See *infra*, pp. 174-6.

<sup>70</sup> A. Paun, *United We Stand?*, pp. 17-20, 36-7; R. Hazell and A. Paun (eds), *Making Minority Government Work*, p. 41, D. Butler, *Governing Without A Majority*, pp. 122-34; A. Seldon and K. Hickson (eds), *New Labour, Old Labour*, p. 200; G. R. Searle, *Country Before Party*, pp. 256-7.

<sup>71</sup> TNA: PREM 16/2201, ‘Draft Statement by the Leader of the Liberal Party’ (with annotations), 25 May 1978.

itself, a successful accomplishment for both sides, and did not seriously imperil the position of Labour as a Minority Government. Although the Government was largely dependent on the Liberals' deciding whether or not to renew the Pact, there was greater awareness and consideration of the strategic implications of exiting the Agreement than is normally appreciated.<sup>72</sup>

From the outset of the Pact, the Government recognised that the Agreement would end at some point, and that this process would need to be managed, although there does not appear to have been any initial attempt to explore or to codify an exit strategy. Discussions over the issue in the early months particularly manifested themselves in terms of fears of a sudden collapse. Even when renewing the Pact, concerns were raised in Cabinet on 28 July that the Liberals might have drafted parts of the Agreement, including over Pay Policy, as a deliberate means to allow themselves the prospect of breaking the deal early if it were judged to be politically advantageous. It does not appear that this was viewed as a significant threat by the Government, although contingencies were put in place for having to fight an autumn 1977 election, as discussed in Chapter 7. While this "escape clause" does indeed appear to have been intended by some Liberal MPs and peers as deliberate, the prospect of using it as a means to break the Pact was never seriously considered as an option by the Liberals.<sup>73</sup> Just as the Government feared that calling an election over a legislative defeat would not prove popular in the country, the Liberals recognised the danger of breaking the Agreement and forcing an election over an issue which would be perceived as 'obscure' by the public, such as over PR in European Elections, or which would be directly unpopular, such as that of preventing high pay rises for low paid workers. Steel's personal investment in the Pact succeeding as part of his wider strategy gave added incentive for him to ensure it was maintained.<sup>74</sup> At the same time, there was some recognition in the early stages, not least in the above-cited Policy Unit Strategy paper in June 1977, which briefly pondered the question of the Pact ending in the future as part of an attempt to forecast its likely lifespan, linking longevity to political and economic success as an effect upon the decision-making of participants:

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<sup>72</sup> J. Kirkup, 'The Parliamentary Agreement', pp. 311-15; D. Steel, *A House Divided*, pp. 138-9.

<sup>73</sup> LSE: STEEL A/3/1, Meeting of the Shadow Administration, 18 July 1977; Lord Byers to David Steel, 21 July 1977; TNA: CAB 128/62, 28<sup>th</sup> Meeting, 28 July 1977; PREM 16/1794, Meeting in the Prime Minister's Room at 4.05p.m., 14 December 1977; Meeting in the Prime Minister's Room at 19:30, 14 December 1977. See *infra*, pp. 152-3.

<sup>74</sup> J. Kirkup, 'The Parliamentary Agreement', pp. 230-1. See *infra*, pp. 93-6.

“Whether, in fact, the Government would wish to go on to the bitter end, and whether the Liberals would wish to go along with the Government, will of course depend upon whether our prospects improve and demoralisation does not set in”.<sup>75</sup>

There has been some suggestion from Donoughue that Steel’s acceptance of the ending of the Pact had been based upon the assumption of an autumn 1978 election, and that both he and Pardoe, in any case favouring a longer deal, would have sought to keep the Agreement going if they had known that there would be no election until 1979.<sup>76</sup> Callaghan had expressed his preference for continuing the Agreement into 1979 during a meeting with Foot, Steel and Pardoe in May 1978, although without contradicting their perception of the inevitability of an autumn election in the event of the Pact ending. Callaghan’s reasoning behind the date of the election, not least in terms of preserving room for manoeuvre, will be discussed further in Chapter 7. Even if it were the case that the Liberals had misinterpreted Callaghan’s intentions, it is unlikely that renewal of the Pact could have worked given the defeat of PR for Direct Elections and the Liberals’ disagreement over the 1978 Finance Bill – the Government did not seriously attempt to pursue ways further to renew the Pact. Both Steel and Callaghan agreed in one of their meetings that the Liberals no longer had anything they could reasonably ask for, and that there was nothing that the Government could muster its MPs to support, which would justify continuation of the Agreement. Substantive proposals of getting an amendment for PR in the Devolution Bills or a nationwide referendum on PR were suggested by Steel in a subsequent meeting as possible bases for renewal of the Agreement. However, these policies appear to have been recognised by all participants as being undeliverable by the Government, a sizeable number of Labour MPs likely vigorously to oppose any deal that sought to deliver PR. In a special meeting of the Cabinet on 25 May 1978 (without any officials being present), held to discuss the end of the Pact, Callaghan began by dismissing the PR amendment plan as unworkable, in line with his own expectations, based upon prior consultation with Cabinet colleagues.<sup>77</sup>

At the same time, the Government did engage in attempting strategically to manage the end of the Pact and its aftermath as far as possible. Even when the non-renewal of the Pact became a certainty in a meeting with Steel in April 1978, Callaghan suggested that the

<sup>75</sup> TNA: PREM 16/1227, ‘Chequer’s Cabinet: Thoughts on the Government’s Future Strategy’, 2 June 1977. See *infra*, pp. 114–15.

<sup>76</sup> B. Donoughue, *Downing Street Diaries*, vol. ii, p. 455; BBC Radio 4, *Today Programme*, 26 February 2015.

<sup>77</sup> TNA: PREM 16/1794, Prime Minister’s Meeting with David Steel, 10 April 1978; 26 April 1978; 9 May 1978; Meeting Between the Prime Minister and the Liberals, 10 May 1978; 16/2201, ‘Note for the Record’, 25 May 1978. See *infra*, pp. 154–60.

best outcome was a “clean break”, rather than an acrimonious breakdown over a row about the Budget. In terms of presentation, Callaghan preferred a unilateral statement, with the Liberals resuming their independence, rather than both parties ending the Agreement, an alteration to the proposed mutual ending announcement, which was accepted by Steel. Such a change enabled both parties to regain their full independence for fighting the subsequent election, while seeking to lessen the notion of the Agreement having been broken by the Government. The Prime Minister also sought to delay the timing of the Pact’s end being announced, stressing the potential harm to the markets that would be caused by an early announcement, and playing for time by asking to take the above-cited Liberal proposals on Devolution PR to a meeting of the full Cabinet, allowing for a further two-week delay.<sup>78</sup> However, while there were disagreements between the two sides, the managed ending of the Pact enabled continued interparty cooperation between Labour and the Liberals, including in such areas as: continued work on the Devolution Bills; the discussions in the following months between Government members and their Liberal counterparts; and the contacts between Callaghan and Steel. Indications from internal Liberal planning in early 1979 for possible future coalition preferences were more positive about another agreement with Labour, in spite of the difficult experiences of the Pact, and showed that the disengagement from the Agreement had left open the possibility for future dialogue and potential cooperation between the two parties.<sup>79</sup>

## Conclusion

The Lib-Lab Pact began largely as a reactive and *ad hoc* measure to prevent an imminent election, but its shape and method of operating were by no means foregone conclusions. Greater strategic consideration by the Government than has previously been recognised included the preparation of briefings by the Policy Unit that examined some of the implications of interparty cooperation with the Liberals and other parties prior to and during the lifetime of the Pact. The less-publicised agreement with the UUP, while never representing a true alternative to the Liberals as had been originally envisaged by some within the Government, nevertheless helped serve to complement the Pact in ensuring parliamentary majorities for legislation. This agreement did, however, also store up

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<sup>78</sup> See *infra*, footnotes 75-7.

<sup>79</sup> TNA: CAB 128/64, 24<sup>th</sup> Meeting, 29 June 1978; PREM 16/2201, Prime Minister and David Steel Meeting, 6 March 1979; Note for the Record, 27 September 1978; Prime Minister and David Steel Meeting, 19 July 1978; B. Donoghue, *Downing Street Diaries*, vol. ii, pp. 331, 341, 347. See *infra*, pp. 174-5.

problems for the Government in terms of cooperation with the SDLP and other supporting parties.

The confrontation over petrol tax and the renegotiation process involved further strategic deliberation and led to the modification of Government tactics. Alternative formulations of the Pact were considered, including monthly renewal or an even longer Agreement into 1979, but were rejected for strategic reasons. Different mechanisms established by the Pact were utilised to varying degrees of success by the Government as means of pursuing its own objectives, whether in terms of curtailing some Liberals' demands for additional policies by reference to the original written terms of the Pact, or engaging in negotiations with individual Liberal spokesmen while having access to greater briefing resources and channels for communication. The Government managed increasingly to use the facets of interparty cooperation in order to tie the Liberals into accepting Government policy preferences on various issues and withdrew legislation or conceded points to avoid disputes desired by the Liberals for tactical reasons.

Even although the Liberals ultimately voted to bring down the Government in 1979, disengagement from the Pact itself was managed remarkably well given tensions over the issue of PR for Direct Elections, allowing for the possibility of future cooperation between Labour and the Liberals, not least in terms of continued dialogue and mutual support on issues including passage of the Devolution legislation.

## **Chapter 6: Informal Interparty Cooperation**

While the Lib-Lab Agreement had a significant impact on the Callaghan Government, the particular emphases on the Pact, its antecedents, and its overall utility for both parties involved, have also, in some ways, served to obscure consideration of other forms of interparty cooperation in Parliament during this period. Half of the Callaghan Government's time in office as a minority administration occurred outside the Pact, *ad hoc* cooperation or proposed cooperation with other parties continuing throughout the life of the Government.

Informal interparty cooperation during the Callaghan Government, whether in terms of cooperation during and outside the Agreement, as well as Opposition reactions to the Pact and other parties, has received comparatively less scholarly attention. This chapter will begin by considering how *ad hoc* deals were implemented by the Government concurrently with operation of the Pact, as well as after its dissolution up to March 1979. The chapter will then go on to look at the Opposition reaction to the Pact and more general relations with the Liberals during the Parliament, before considering Conservative efforts towards cooperation with other parties. Interparty cooperation in the no confidence debate and Government defeat in March 1979 will be examined in Chapter 9.<sup>1</sup>

Some communication between parties was routine rather than specifically in response to the minority government situation. Along with the interparty discussions of the usual channels already outlined in previous chapters, other circumstances compelled interparty dialogue beyond the scope of minority government, such as, for example, security policy in Northern Ireland.<sup>2</sup>

## **Government Informal Interparty Cooperation before, during and after the Pact**

In spite of the Callaghan Government's general reluctance with regard to interparty deals, the exigencies of minority government increasingly compelled them to confront questions of interparty cooperation. Although they do not appear to have drawn upon international exemplars, some approaches to informal interparty cooperation that have been adopted in instances of minority governments elsewhere were considered by the Government. In large part, these decisions reinforced their adherence to the British tradition of minority government as instinctively majoritarian but also pragmatic in terms of seeking *ad hoc* cooperation. The devices that will be examined here include: building of informal

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<sup>1</sup> See *infra*, pp. 201-15.

<sup>2</sup> See *infra*, pp. 69-70, 129-30, 141-4.

understandings with other parties; co-authoring of legislation across party divides; constructing different majorities for related Bills or even within the same legislation; and supplementing formally agreed or implicit understandings of support with case-by-case assistance from other parties.

Sometimes a Government lacking a majority may seek to build upon relations with other parties, without any negotiations or formal understanding, maybe even enacting policies specifically designed to predispose them towards future legislative support. As already highlighted in Chapters 3-4, Callaghan's early approach to minority government, from April 1976, was, to some extent, a mixture of daring defeat by governing as if possessing a majority, while, at the same time, attempting to make use of the different institutional tools to ensure legislation was passed. Although Devolution legislation had the added benefit of attracting the support of nationalist MPs, it was viewed primarily as a means of limiting electoral damage in Scotland and Wales, rather than as securing Parliamentary majorities. The first major effort of the Government towards seeking deals with the smaller parties came following on from the defeat of the timetable motion on Devolution and the threat posed by the no confidence vote in March 1977 that led directly to the Lib-Lab Pact.<sup>3</sup>

There was, however, at least some Government consideration of different forms of interparty cooperation even during its early months as a minority in 1976. As already indicated in Chapter 3, formation of the Government had been accompanied by considerations of inviting greater formalised cooperation with the SDLP to retain a majority in Parliament.<sup>4</sup> Although this initiative was never acted upon, the SDLP did already tend to vote with the Government, and the Labour Party itself, independent of the Government leadership, continued to pursue discussions with the party, not least through SDLP representatives meeting with members of Labour's NEC. In one such meeting in June 1976, the SDLP Chairman, Denis Haughey, did raise the issue of greater interparty cooperation in general, suggesting that "it would be valuable if there were regular contacts between the respective Executive committees to establish friendly relations". While this sentiment was positively received, the NEC representatives did distinguish between the Government and the wider Labour Party in their response. In spite of seeking better contacts, such discussions were primarily considering extra-parliamentary and longer-term issues, such as SDLP membership of Socialist International, and aiming to secure greater state funding for the SDLP. These meetings were not considered by the NEC as part of any

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<sup>3</sup> See *infra*, pp. 79-80.

<sup>4</sup> See *infra*, p. 62.

strategy to secure more parliamentary votes for the Government. Indeed, as set out in Chapter 8, the general sentiment in these meetings was against some of the electoral system reforms in terms of PR that had been proposed by the SDLP, not least because these would have necessitated coalitions.<sup>5</sup>

There have also been many instances for minority governments in which constructing a majority has been approached through negotiations on a case-by-case basis of particular legislative issues. In other cases, formal pacts or agreements may be supplemented through negotiations with other parties on individual Bills, either when a formally supporting party will not back a certain Bill, or to garner greater legitimacy in the case of particularly important legislation.<sup>6</sup>

Although the Callaghan Government accepted some of the necessities of *ad hoc* interparty cooperation, their approach did not conform to some of these expectations arising from minority government experiences elsewhere. For example, it has been suggested by Bräuninger and Debus that, during periods of weakened minority government (that is to say minority governments without formalised agreements of support from other parties) there is a significant increase in the amount of legislation co-authored by both government and opposition MPs, in order to increase the likelihood of Bills successfully being passed by a Parliament.<sup>7</sup> In spite of greater efforts at informal cross-party cooperation on specific Bills (discussed below), there is no indication during the Callaghan Administration that either of the main party leaderships sought more legislation being co-authored by MPs of different parties. Where such cross-party initiatives occurred, these often conformed to pre-existing arrangements, particularly those of individual backbench MPs introducing Private Members Bills that were, in any case, co-sponsored by fellow backbenchers from other parties. Party leaders would sometimes tacitly support such Bills by allowing them more time to be debated or encouraging their MPs to vote in favour, but this was seen by the Government and Opposition primarily as advancing policies favoured by their respective supporters rather than as a means of building further cross-party cooperation. One of the few instances concerning Private Members Bills where the Government considered facilitating such cooperation was concerning a Bill on Abortion. This initiative was, however, viewed as part of an effort to defuse controversy surrounding the issue and possibly to prevent the reintroduction of the Bill, rather than as a result of

<sup>5</sup> LHASc: NEC Minutes, 'Report of Meeting with SDLP Representatives', 24 June 1976. See *infra*, pp. 172-3.

<sup>6</sup> R. Hazell and A. Paun (eds), *Making Minority Government Work*, pp. 42-8; K. Strom, *Minority Government and Majority Rule*, pp. 99-108. See *infra*, pp. 102-4.

<sup>7</sup> T. Bräuninger and M. Debus, 'Legislative Agenda Setting in Parliamentary Democracies', *European Journal of Political Research*, Vol. 48, No. 6 (2009), pp. 821-8.

minority government. The initiative was, in any event, not acted upon. The absence of co-authoring perhaps reflected continuation of the British tradition of legislation largely being initiated by the Government rather than individual MPs, in contrast with the experience of minority governments in more consensus-based systems.<sup>8</sup>

Another widely used option for minority governments is to construct different majorities for different parts of a legislative programme. In this way, the support of one party may be used to pass a particular Bill and another party to pass a different Bill. In some cases, different parts of the same Bill may require almost completely different combinations of other parties in order to be passed.<sup>9</sup>

After the Callaghan Government's defeat on the Timetable motion on the Scotland and Wales Bill in February 1977, questions regarding strategy toward future legislation were raised – the suggested approach, presented to the Cabinet by Foot, was that majorities would thereafter have to be constructed on a Bill-by-Bill basis using the smaller parties. There were, however, limits as to how far the Government would go in terms of using different party combinations. For legislation on the Electricity Industry, one suggestion brought to the Cabinet was the use of Conservative support to help aid passage of one Bill on reconstruction of the industry, the measures being opposed by the Liberals, while, at the same time, using Liberal support to pass another separate Bill on the Drax B power station and nuclear safety, the precise formulation of which would have been opposed by the Conservatives. While the Government had reluctantly made deals with the Conservatives before, not least over the Aircraft and Shipbuilding Industries, these alternate combinations were rejected, the Cabinet fearing that reliance on Opposition votes would encourage further rebellions amongst Labour MPs and would also damage future cooperation with the Liberals.<sup>10</sup>

While Government adoption of the different majorities approach was limited, this did not preclude seeking informal cooperation to supplement, or even act as a temporary replacement for, the formal Pact with the Liberals. In the aforementioned Cabinet discussion of 3 March 1977, when the minority government situation was being

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<sup>8</sup> The Government did back a Liberal MP's Private Members Bill on Homelessness as part of the Pact Agreement. TNA: CAB 128/61, 21<sup>st</sup> Meeting, 26 May 1977; 128/62, 24<sup>th</sup> Meeting, 7 July 1977; 25<sup>th</sup> Meeting, 14 July 1977; PREM 16/1395, Jeremy Bray to Michael Foot, 5 May 1977; Michael Foot to Jeremy Bray, 10 May 1977. See *infra*, pp. 210-11.

<sup>9</sup> Shifting alliances have been much used in Scottish, Irish, Danish and Canadian minority governments. See P. Cairney, 'Coalition and Minority Government in Scotland', pp. 265-6; R. Hazell and A. Paun (eds), *Making Minority Government Work*, pp. 14-15, 31, 64; A. Brazier and S. Kalitowski (eds), *No Overall Control*, pp. 78-82; K. Strom, *Minority Government and Majority Rule*, pp. 103-7.

<sup>10</sup> TNA: CAB 128/61, 7<sup>th</sup> Meeting, 24 February 1977; 9<sup>th</sup> Meeting, 3 March 1977; 11<sup>th</sup> Meeting, 17 March 1977; 128/63, 8<sup>th</sup> Meeting, 2 March 1978; 10<sup>th</sup> Meeting, 16 March 1978. See *infra*, p. 79-80.

considered, Callaghan summarised the utility of *ad hoc* interparty cooperation in terms of future legislation:

“Ministers would have to construct the necessary Parliamentary majorities for their legislative proposals, by putting these proposals to the PLP and obtaining support for them, and by seeking support from the minority Parties, at the planning stage”.<sup>11</sup>

Even after the formation of the Pact, efforts of the Cabinet and Whips were directed to build upon existing contacts, through ascertaining whether smaller parties would support particular legislation, not least, for example, Stanley Orme, Minister for Social Security, reporting to Cabinet in May 1977 on ascertaining the views of the SNP and other parties on the Occupational Pension Schemes Bill.<sup>12</sup> The Government were also in some cases more actively seeking to encourage the support of these parties in individual votes. Active methods for gaining smaller party support included changes to legislation or proposed amendments to accommodate their particular concerns.<sup>13</sup>

While formal approaches were made to both the UUP and the Liberals, there does not appear to have been any attempt during negotiation of the Pact to gain formalised support from the SNP or Plaid Cymru. Nevertheless, as highlighted by Kirkup, this did not prevent the Government from considering other *ad hoc* forms of cooperation to win the 23 March confidence vote.<sup>14</sup> By contrast, during the coalition negotiations in February 1974, informal contacts had been established between Heath’s Conservative Government and the SNP, including the outlining of potential conditions for nationalists to provide support to a Conservative or Conservative-Liberal Minority Government. Such a course of action may not have been open to the Callaghan Government, given the SNP’s desire for an election at this point, which, following the failure of the Government’s Devolution legislation, offered the SNP the potential of electoral gains at the expense of the established parties. Even if an agreement with these parties had been technically feasible, the Cabinet had rejected the possibility, considering the political price of doing a deal with the SNP to be too high – likely to push Scottish Labour MPs into opposing the Government and further endangering the Party’s seats in Scotland at the subsequent General Election. The two ex-Government MPs of the breakaway Scottish Labour Party, Robertson and Sillars, had, in the early days of the minority government, still been effectively taken for granted as part of the

<sup>11</sup> TNA: CAB 128/61, 9<sup>th</sup> Meeting, 3 March 1977.

<sup>12</sup> See, for example, TNA: CAB 128/61, 20<sup>th</sup> Meeting, 19 May 1977.

<sup>13</sup> B. Donoghue, *Downing Street Diaries*, vol. ii, pp. 177, 237; P. Hennessy, *The Prime Minister*, pp. 392-3. See *infra*, pp. 133-7.

<sup>14</sup> J. Kirkup, ‘The Parliamentary Agreement’, pp. 81-2.

Government's seat count, as indicated in Chapter 4. The failure of the Devolution legislation had removed this support. Both MPs were in correspondence with Foot on 21 March, offering to vote with the Government on the confidence motion in return for reintroducing the Guillotine vote on the Devolution Bill and making it a vote of confidence. This offer similarly does not appear to have been followed up, not least, as with the SNP, because of the unacceptable political price and likely opposition from other Labour backbenchers. The prospective two votes were, in these circumstances, in any case insufficient in of themselves to stave off defeat.<sup>15</sup>

Only the day after the Pact was formally announced, the Cabinet considered contentious legislation concerning Industrial Democracy in the Post Office. While favouring Liberal cooperation, the meeting considered that the Bill could potentially be secured using SNP and UUP support, even in the face of Liberal opposition. Although the Government's attempt to maintain the general support of Scottish and Welsh nationalist MPs through Devolution legislation is more widely recognised, there were also attempts of varying success to encourage their support for particular Government measures, including the Occupational Pensions Bill and aspects of the 1978 Finance Bill. It does not generally appear, however, that reliance on the SNP and Plaid Cymru was widely countenanced by the Government, fearing the potential negative impact to their own electoral position in Scotland and Wales. It is notable that, during the 1978 passage of the Devolution legislation, there was a particular effort by the Government to ensure that the Bills were passed by a sufficient margin rather than by a bare parliamentary majority. This was in an effort to counter the potentially politically damaging notion of the Government having to rely on nationalist votes to deliver on Devolved Assemblies.<sup>16</sup> At times during the Pact when Liberal support was uncertain, particularly concerning conflicts over the 1977-78 Budgets and Direct Elections, Government strategy-makers speculated about a potential future need to rely upon alternative party combinations. Donoughue, for example, came to reflect in subsequent months on the possibility that UUP support could theoretically allow the Government to survive even if the Lib-Lab Pact broke down and the SNP voted against the Government.<sup>17</sup>

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<sup>15</sup> In the actual confidence debate, Robertson and Sillars opposed the Government. Callaghan Papers, Box 19, 2741, Jim Sillars and John Robertson to Michael Foot, 21 March 1977; HC Hansard, Vol. 928, Cols 1413-17 (23 March 1977); TNA: CAB 128/61, 12<sup>th</sup> Meeting, 23 March 1977; PREM 15/2069, 10-11, 20, Record of information conveyed by Edward Taylor MP to Prime Minister on 2 and 4 March 1974; Thatcher MSS: PREM 16/231, 2 and 4 March 1974; K. O. Morgan, *Michael Foot: A Life*, pp. 348-52. See *infra*, pp. 76-7.

<sup>16</sup> TNA: CAB 128/61, 13<sup>th</sup> Meeting, 24 March 1977; 17<sup>th</sup> Meeting, 28 April 1977; 128/62, 35<sup>th</sup> Meeting, 10 November 1977; 128/63, 18<sup>th</sup> Meeting, 11 May 1978. See *infra*, footnotes 14-15.

<sup>17</sup> B. Donoughue, *Downing Street Diaries*, vol. ii, pp. 196-7, 204-6, 213, 221.

While dismissing the possibility of a Pact extension, the Strategy Cabinet meeting at Chequers on 25 May 1978 did discuss some alternative ways forward. There were no suggestions of other formalised Agreements, but rather of continuing through constructing majorities on an *ad hoc* basis where necessary, with the different groups in Parliament being, as Callaghan's sentiments are recorded, "in their various ways, up for auction". The absence of further pacts at this stage reflected the widespread perception within Government that an election would most likely be only a few months away, in the autumn. In spite of this perception, members of the Cabinet stressed the need to avoid attacking the Liberals directly, and justified this course of action either as a means of preventing Liberal MPs from breaking the Pact early, or in order to encourage the Liberals as a party to focus on attacking the Conservatives.<sup>18</sup>

In line with experiences already cited elsewhere, a Government may make concessions in order to achieve a majority on a case-by-case basis. Following the end of the Pact, the Government did continue to work with the Liberals on an *ad hoc* basis, not least Steel's promise of ensuring that Devolution legislation was passed.<sup>19</sup> When legislation was raised in Cabinet as lacking a stable majority, such as in terms of a proposed National Insurance Surcharge in June 1978 to answer a successful Opposition Budget amendment, the Government had to concede a lower increase than had been planned in order to obtain Liberal support.<sup>20</sup> Although the Liberals were voting more against the Government, partly to re-establish their independent identity following the Pact, informal contacts did remain between the two parties, with Callaghan being able to meet Steel privately for discussion in July and September 1978. Steel made it clear in the latter meeting that the Liberals would vote with the Opposition against the autumn Queen's Speech. However, Steel also explained that the Liberals were taking this course of action while assuming that the Government would win the vote, indeed it is recorded by Stowe in the minute that "Mr Steel seemed to hope they [the Government] would! [win]". Steel further indicated that the Liberals "would thereafter deal with each issue on its merits".<sup>21</sup>

At the same time, this did not mean that the default position became one of the Government making deals to ensure a majority. As argued in Chapter 4, in some cases, the Government decided not to bargain for potential legislation that was otherwise unlikely to succeed. Instead, as was explicitly stated in private, they would not put forward such measures until they had regained a parliamentary majority, such as over the gilt market or

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<sup>18</sup> See *infra*, pp. 124-5.

<sup>19</sup> See *infra*, pp. 122-5.

<sup>20</sup> TNA: CAB 128/64, 21<sup>st</sup> Meeting, 8 June 1978; 24<sup>th</sup> Meeting, 29 June 1978.

<sup>21</sup> TNA: PREM 16/2201, Note for the Record, 27 September 1978.

reform of the Official Secrets Act.<sup>22</sup> In other cases, the Government did sometimes decide that daring other parties to defeat them was a preferable option, rather than negotiating or shelving legislation. When a prospective Dividend Control Bill became necessary to extend existing controls in July 1978, the Liberals were again considered as the party to be approached. In this case, however, there was division within the Government as to whether they were willing to accept a deal at the Liberal price of setting an earlier date when the legislation would cease operating, a few months as opposed to a full year. Callaghan's summary of the discussion reflected the Government's earlier and instinctively majoritarian approach of daring defeat: "it would be premature to accept a compromise with the Liberals at this stage".<sup>23</sup> The Government's preferred aim in this case was very much one of risking defeat and, if it occurred, blaming the Opposition and Liberals. In the event, the Liberal amendments to the Dividends Bill in terms of timing were not passed. The Opposition, not viewing the measure as carrying the same importance or likelihood of success as amendments to the Finance Bill, did not commit their full voting strength to the divisions, allowing the Government to win by margins of over 200. The Bill was passed into law by the end of July.<sup>24</sup> While the Government talked about daring defeat on some other issues, this was not something that they were willing to apply particularly widely and, when applied, was not always successful. The aforementioned Dock Labour Scheme, taken at a similar time as the Dividend Bill, was similarly recognised as facing defeat through the explicit opposition of both Conservatives and Liberals, along with the lack of support from smaller parties. There were concerns expressed in Cabinet that "The overall political situation required that the Government should not unnecessarily risk defeat at this time". Nevertheless, despite disagreement, the Cabinet again decided that the political imperatives, including pressure from the TUC, required them to adopt the approach of daring defeat. The Government nevertheless did not consider defeat to be a reasonable outcome in this instance, Callaghan stressing that the Bill:

"should be proceeded with despite the risk of defeat. But it was important that every effort should be made to secure a majority for it."<sup>25</sup>

The Dock Labour Scheme was subsequently defeated on 24 July 1978 by 301 votes to 291. Although there were calls for it to be reintroduced in the subsequent Queen's Speech in

<sup>22</sup> TNA: CAB 128/64, 21<sup>st</sup> Meeting, 8 June 1978; 33rd Meeting, 28 September 1978. See *infra*, pp. 73-5.

<sup>23</sup> TNA: CAB 128/64, 26<sup>th</sup> Meeting, 13 July 1978; 27<sup>th</sup> Meeting, 20 July 1978; 28<sup>th</sup> Meeting, 27 July 1978.

<sup>24</sup> HC Hansard, Vol. 954, Cols 1939-40, 1984-93 (27 July 1978); HL Hansard, Vol. 395, Col 1187 (31 July 1978).

<sup>25</sup> TNA: CAB 128/64, 27<sup>th</sup> Meeting, 20 July 1978. See *infra*, pp. 94-5.

autumn 1978, the lack of support from smaller parties meant that it was instead given as one of the aspirations that Callaghan would address in his speech on the possible measures in a future majority government.<sup>26</sup>

In some instances, concessions may be designed as much to facilitate future cooperation with other parties as to further a particular deal. There were some cases where the Government consciously decided to let the Liberals ‘win’ in terms of making concessions designed both to ensure the passage of legislation, and also to ensure their support – allowing the Liberals to claim that they had influenced Government policy, not least, for example, in lowering the aforementioned National Insurance surcharge. Paradoxically, such an acknowledgement of Liberal success would have been previously unacceptable to Labour under the Pact. While the Government’s initiative here may well have reflected as much an attempt to limit the taking of Liberal votes by Conservatives at the upcoming General Election, it also served as a mechanism to retain Liberal support in parliamentary votes or the prospect of negotiation with them over other legislation.<sup>27</sup> However, there were limits to the effectiveness of this approach, not least in terms of what Callaghan could offer and how far the Liberals would feel indebted to the Government for these ‘victories’. In addition, the Liberals feared that overt support for the Government would damage them further, given the hostility they were already facing from their membership and the public over the then recent legacy of the Pact. Following on from this, it was not possible to retain Liberal support in the final stages of the Government, as witnessed in the no confidence debate of March 1979.<sup>28</sup>

As will be discussed further in Chapter 7, Callaghan’s decision not to call an autumn 1978 election was primarily conditioned by the knowledge that he could be relatively certain of a parliamentary majority for another Queen’s Speech, not least through private assurances from the UUP.<sup>29</sup> Callaghan also reported to Cabinet in October 1978 the conclusion from his September meeting with Steel that “after the Queen’s Speech the Liberals would consider each measure on its merits: they would not wish to vote regularly with the Conservatives”. Nevertheless, as with earlier measures, Callaghan also cautioned that implicit support given could not necessarily be relied upon, and echoed the sentiments of the March 1977 Cabinet meeting before the Pact was even considered, that, in coordination by Foot and the Chief Whip:

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<sup>26</sup> HC Hansard, Vol. 954, Cols 1320-5 (24 July 1978); TNA: CAB 128/64, 33rd Meeting, 28 September 1978.

<sup>27</sup> TNA: CAB 128/64, 21<sup>st</sup> Meeting, 8 June 1978; 24<sup>th</sup> Meeting, 29 June 1978.

<sup>28</sup> See *infra*, pp. 205-6.

<sup>29</sup> See *infra*, p. 157.

“It would however be necessary to construct a majority for each Bill, and Ministers sponsoring Bills would need to consult individually with the minority Parties”.<sup>30</sup>

Even with the assurances received from some of the smaller parties, the Government did not wish to risk the Queen’s Speech in the way that risks had been taken with the Dividend or Dock Bills. When Foot reported on the drafting of the Speech, he began by outlining that the committee:

“had sought to avoid provocation for the minority Parties to vote against the Motion on the Address, and for this reason they had omitted some material which would be attractive to the Government’s own supporters and on which the Government’s position would need to be reaffirmed.”

Such subjects were instead to be saved for the speech by Callaghan or other Ministers in the subsequent debate, highlighting the Government’s intended goals for when it had gained an overall majority. These speeches, occurring within the normal robust context of parliamentary debate, were viewed as less likely to put pressure on the smaller parties to oppose, while still allowing the Government to communicate its plans.<sup>31</sup> This signposting of future aspirations was very much in line with the experience of other minority governments, and of the Wilson Minority Government, which had used speeches and the publication of White Papers on future policy in 1974.<sup>32</sup> While, to some extent, such a move allowed the Government to survive, there were limits as to how far it ensured a majority on any given issue. When attempting to overturn defeat over the Pay sanctions vote in November 1978, discussed in Chapter 4, the Government did not pursue the matter, believing that the move would not be successful. Callaghan summed up the Government’s view of the situation, and that, in this instance, “the minority parties could not be relied upon for support”.<sup>33</sup>

While different forms of informal interparty cooperation were considered, adopted, or attempted with varying degrees of success over the course of Callaghan’s Administration, the Conservatives also had to deal with the various questions raised when endeavouring to construct majorities and defeat the Government.

<sup>30</sup> TNA: CAB 128/64, 35<sup>th</sup> Meeting, 17 October 1978. See *infra*, footnote 10.

<sup>31</sup> TNA: CAB 128/64, 33<sup>rd</sup> Meeting, 28 September 1978.

<sup>32</sup> M. Holmes, *The Labour Government, 1974-79: Political Aims and Economic Reality* (London: Macmillan, 1985), pp. 15-18; Butler and Kavanagh, *The British General Election of October 1974* (1975), pp. 97-100.

<sup>33</sup> TNA: CAB 128/64, 41<sup>st</sup> Meeting, 30 November 1978.

## Conservative Reaction

### The Opposition and the Pact

Although the Lib-Lab Pact is usually discussed in terms of Government/Liberal relations, it also had a significant effect on the Opposition, compelling them to confront significant challenges regarding their own approach to interparty cooperation. Questions arising included the potential for an opposition coalition, coordinated efforts to disrupt the Labour-Liberal partnership, and the scope and extent of Conservative relations with the Liberals and other parties.

As during the initial formation of the Callaghan Government, there was no suggestion in March 1977 of any opposition coalition being formed. There was no need for the Conservatives to consider one, the conditions being ripe for the traditional replacement of a Government through an election. Opinion polls had given the Opposition a significant lead of up to 15%, the economic situation in the country remained problematic, and important defeats over Devolution and economic policy had made it more likely that the smaller parties would vote to bring down the Government and trigger an election which the Conservatives would probably win. While the Shadow Cabinet sought to be supportive of the UUP and to reiterate their calls for a Speaker's Conference on 'Northern Ireland Representation', it was agreed on 16 March that no formal offer should be made to them at that stage.<sup>34</sup> Thatcher did meet with UUP leader James Molyneux immediately prior to the no confidence vote, but there is no indication that either side was seeking any kind of formal negotiations in terms of voting support. Sometimes a party either directly involved in or excluded from coalition negotiations may aim to gain political advantage by actively seeking to disrupt the formation of any potential agreement, particularly one which allows other parties either to enter or to remain in government. Following the 2010 UK election, Labour figures, including both MPs and special advisers, privately contacted Liberal Democrat counterparts, seeking to discourage participation in negotiations with the Conservatives. In March 1977, the Conservatives' favourable electoral position in the opinion polls meant that they certainly would have had an incentive to prevent any deal that would keep the Government in power.<sup>35</sup>

<sup>34</sup> CPA: LCC 1/3/13, 155<sup>th</sup> Meeting, 16 March 1977; 156<sup>th</sup> Meeting, 23 March 1977. See *infra*, footnote 35.

<sup>35</sup> R. Hazell and A. Paun (eds), *Making Minority Government Work*, pp. 13, 62; BBC Documentary, *Five Days That Changed Britain*, 10 January 2011; A. Boulton and J. Jones, *Hung Together*, p. 134; D. Butler and D. Kavanagh, *The British General Election of 1979*, p. 36. See *infra*, pp. 105-7.

However, there is no indication in the Conservatives' strategic dialogue during March 1977 that they should attempt to disrupt negotiations between the Government and the Liberals, or to establish their own dialogue with Steel. Non-consideration of this approach may well have reflected the Opposition being caught unaware by the secrecy in which the Pact was established. Nevertheless, even if the Conservatives had previously known, it seems less likely that they would have considered active disruption of the Pact in this way. As already outlined, their primary interest was in fighting and winning an election, rather than forming any alternative coalition. Rather, as discussed below, the preferred long-term Conservative approach to dealing with the Pact appears to have been extra-parliamentary. The Opposition wanted to focus on increasing Conservative support in the subsequent General Election, as articulated in Shadow Cabinet meetings, by trying to appeal to Liberal supporters who were dissatisfied with the Pact, rather than endeavouring to gain support from Liberal MPs.<sup>36</sup>

### Opposition Relations with the Liberals

On the surface, it would appear that inauguration of the Pact led to an implacably hostile relationship between Conservatives and Liberals throughout the rest of the Parliament. This view was initially articulated publicly through the adverse reaction of Opposition backbenchers and statements by members of the Shadow Cabinet after the Pact was signed. In electoral campaigns, whether local, by-elections or the General Election of 1979, Conservatives criticised the Liberals and the Pact as propping up the Labour Government and allowing the perpetuation of harmful socialist policies in the country.<sup>37</sup>

However, the Opposition approach to the Liberals was, in fact, more complex than this initial impression would suggest. The Opposition's strategic deliberations show the alternative courses of action under consideration, which sought to retain the possibility of future interparty cooperation with the Liberals during the course of the Parliament. After the Pact began, there were some initial changes in the way in which the Conservatives dealt with the Liberals in Parliament in terms of procedure. A Liberal request in June 1978 to be given one of the Parliamentary Supply days, allocated for Opposition use to conduct

<sup>36</sup> CAC: Hailsham MSS 1/1/11, Diary Entries, 22-23 March 1977; CPA: LCC 1/3/13, 155<sup>th</sup> Meeting, 16 March 1977; 156<sup>th</sup> Meeting, 23 March 1977. See *infra*, pp. 59, 138.

<sup>37</sup> For example, see HC Hansard, Vol. 928, Cols 1317-18, 1334-5, 1353-5, 1360-3, 1372-6, 1393-8, 1403-4 (23 March 1977); D. Sandbrook, *Seasons in the Sun*, pp. 649, 801; J. Campbell, *Margaret Thatcher*, p. 90; B. Donoghue, *Downing Street Diaries*, vol. ii, pp. 171, 175-6; G. R. Searle, *Country Before Party*, pp. 249-50. See *infra*, pp. 140, 191-2.

a debate, was denied on the grounds that the Liberals formed “part of the Government” through the Pact. By contrast, after the end of the Pact, a similar request in November 1978 was granted, explicitly justified as a resumption of “the former practice” and normal parliamentary relations.<sup>38</sup>

The line agreed in the first Shadow Cabinet meeting following the inauguration of the Pact seems surprisingly conciliatory, emphasising “sorrow rather than anger”, targeting the Government rather than attacking the Liberals. In the early stages of the Pact, the CRD also challenged the idea of any condemnatory approach towards the Liberals. A CRD research paper, discussed in the Shadow Cabinet, suggested that this tactic would only work in the short term, that there was significant danger of the Liberals gaining greater electoral credibility if they were seen to be moderating a Labour Government, and that there was a need for Conservatives to reach out to rather than blame Liberal MPs. In practice, however, the Opposition approach appears to have been more condemnatory than accommodating. The harsh language that tended to be employed against the Liberals in debates and electoral campaigns would appear to suggest that the electoral conversion of dissatisfied Liberal supporters was given a higher priority by the party leadership, than gaining the support of Liberal MPs. Nevertheless, there are no indications of contacts being broken off between Liberals and Conservatives in the same way that Opposition cooperation with the Government was withdrawn over the disruption to the usual channels in the summer of 1976. In fact, there were some continued instances of discussions between the Opposition and Liberals, and, indeed, of the Conservatives supporting Liberal amendments to parliamentary legislation. Some of the Conservatives’ greatest successes in defeating the Government on votes during the lifetime of the Pact were only made possible by cooperation with the Liberals, including the politically important devaluation of the Green Pound and cutting income tax by 1p in the 1978 Budget.<sup>39</sup>

In this respect, while the Conservatives expressed public and private outrage at the Pact and sought long-term electoral gains at the expense of the Liberals, they continued to pursue some degree of interparty cooperation with them at times to achieve defeats on Government legislation.

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<sup>38</sup> CPA: LCC 1/3/14, 165<sup>th</sup> Meeting, 15 June 1977; 1/3/15, 210<sup>th</sup> Meeting, 21 June 1978; 1/3/16/1, 225<sup>th</sup> Meeting, 29 November 1978.

<sup>39</sup> CPA: LCC 1/3/13, 156<sup>th</sup> Meeting, 23 March 1977; 1/3/14, 104<sup>th</sup> Meeting, 11 January 1978; A. Seldon and K. Hickson (eds), *New Labour, Old Labour*, pp. 192-3. See *infra*, footnote 37-8.

### Opposition relations with other parties

While pursuing different legislative goals, the Conservatives also had to respond to Government initiatives and pursue their own relations with other parties. Situated firmly within a majoritarian optic, the Opposition's strategic dialogues nevertheless show recognition of some of the implications of minority government and a desire to co-opt other parties to achieve the defeat of government legislation. As highlighted earlier, the Conservatives had long established historic experiences of interparty cooperation. In the years immediately preceding the Callaghan Government, the Conservatives had also pursued different forms of interparty cooperation, not least through an attempted coalition with the Liberals in 1974, and campaign for a Government of National Unity. While Thatcher was undoubtedly more hostile to notions of coalition than her predecessor Heath, she was also a pragmatic leader – a point emphasised in considerations of the Conservative experience in Opposition before 1979, and her recognition of the importance of securing the support of other parties to defeat the Government in Parliament.<sup>40</sup> Even in mid-1975, the Shadow Cabinet had not ruled out the possibility of entering a Unity Coalition Government in the event of Wilson's Government collapsing, while a 1922 Executive Committee meeting in late 1976 once again seriously considered the prospect: albeit that these instances were very much responses to looming economic and political crises at the time. Other Conservatives were also very much involved in interparty cooperation during this period, whether in terms of the cross-party campaign on Britain's EEC membership referendum, or the pursuit of formalised cooperation with other centre-right parties in Europe. While a general predisposition toward majority government remained, there was recognition among those formulating Conservative strategy of the need to consider the implications of how to respond to the minority government situation, not least in terms of the Lib-Lab Pact, and the potential for interparty cooperation in Parliament.<sup>41</sup>

By contrast with the overt condemnation of the Pact and limited *ad hoc* cooperation with the Liberals, the Conservatives adopted something of a different line towards the other parties in Parliament. There are clear indications that the Conservatives, while criticising the outcomes of Government agreements with other parties, were actively

<sup>40</sup> S. Ball and A. Seldon (eds), *Recovering Power*, pp. 219-42; G. R. Searle, *Country Before Party*, pp. 220-35, 244-5; J. Campbell, *Edward Heath: A Biography*, pp. 630-8; R. Behrens, *The Conservative Party*, pp. 1-6, 22-9, 126-8.

<sup>41</sup> CPA: CCO 20/7/21, Meetings, 17 September-9 October 1974; LCC 1/3/13, Liaison Group, 1<sup>st</sup> Meeting, 5 November 1975; OG 56/74/158; MF: Reel 95, 00082-7, Letter from Michael Fraser to Heath, 5 October 1974; Thatcher MSS: 1922 Committee Executive Meeting, 20 December 1976; PREM 15/2069. See *infra*, pp. 61-2.

seeking to avoid rebuking some of the smaller parties themselves, recognising the importance of protecting the possibility of future cooperation to defeat legislation. In July 1977, the Shadow Cabinet decided not publicly to criticise a statement by the UUP leader suggesting that there were some instances in which he would support the Labour Government. Similarly in the aftermath of a deal between Labour and the SNP over a vote, there were calls in the Shadow Cabinet for condemnation, but there was also, however, a recognition by some at the meeting that the Conservatives would need to work with the SNP in the future to achieve anything against the Government's legislative programme. Some within the Opposition even went so far as to link this idea of maintaining working relations to the thought that if the SNP held the balance of power at a future election it might end up being necessary to cooperate with them in order to form a government. Although this line of argument does not appear to have been supported or pursued by the party leadership, the fact that it was even raised in Shadow Cabinet showed a willingness to contemplate contemporary relations within the context of future interparty cooperation and minority government (discussed further in Chapter 8). This suggestion also reflected something of the effect which the initial success of the Pact had had on the Opposition mindset, as exemplified in the above-cited correspondence among Party strategy-makers, including researchers in the CRD, who feared the potential success of the Lib-Lab Pact. The Conservatives would also vote for amendments or no confidence motions put forward by these smaller parties, although this appears as much to have been a reaction to upcoming votes where they tied into pre-existing Conservative policy commitments or strategy for attacking the Government, rather than any deliberate attempt to court smaller party support.<sup>42</sup>

Even prior to the no confidence debate in March 1977, and the subsequent events that led to the Pact, the Conservatives were considering improved cooperation with the UUP, albeit on an informal basis. This nevertheless was likely to prove difficult, given the split between the Conservatives and the UUP over the Heath Government's policies in Northern Ireland. An example of how this sentiment affected the UUP approach to the Conservatives during the Callaghan Government may be seen in Molyneaux's comments in a UUUC Executive Committee meeting in June 1976:

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<sup>42</sup> CPA: LCC 1/3/14, 166<sup>th</sup> Meeting, 22 June 1977; 167<sup>th</sup> Meeting, 29 June 1977, 168<sup>th</sup> Meeting, 6 July 1977; See *infra*, pp. 180-7.

“Until such times as they came up with policies which were an improvement and which would undo the damage which they did – then they could not come to terms.”<sup>43</sup>

Indications of the Conservative approach to the UUP included an early March 1977 Shadow Cabinet paper dedicated to the question of finding ways to achieve better cooperation through continued informal contacts with individual MPs, along with public support for particular policies, including a Speaker’s Conference on ‘Northern Ireland Representation at Westminster’. Following the inauguration of the Lib-Lab Agreement, the break-up of the UUUC, and the Government’s promise of a Speaker’s Conference, Conservative efforts regarding cooperation with the UUP continued largely along the same lines, although gathering increased importance in the eyes of the Opposition leadership: Conservatives voted for particular UUP amendments to legislation, including the desired retention of First-Past-the-Post in European Elections, and pressed the Government on the issue of pursuing greater representation for Northern Ireland in the House of Commons. Towards achieving this end, some potentially more radical suggestions were put forward by the Opposition, not least the idea of promising to push through the increased representation as quickly as possible, and then immediately holding a special General Election in Northern Ireland on the new boundary lines, as a means to separate the UUP from supporting the Government. There were limits, however, as to how far the Conservatives pursued these efforts at improved cooperation, not supporting other amendments and supporting some but not whipping all their MPs to vote. The notion of a special General Election was not pursued, nor does it appear that any formal Conservative/UUP voting deal was attempted during the Parliament. There are also few indications of such formalised cooperation being considered, one of the most visible appearing in a 1978 report by the Young Conservatives, which examined the possibility of establishing formal links with the UUP, Official Unionist Party, or even parties traditionally less aligned with the Conservatives, such as the Alliance in Northern Ireland. In part, this approach reflected the already-cited Conservative desire to hold and win a General Election outright and UUP reluctance to form deals with the main parties. While emphasising the need to take a tougher line on security, there was also no suggestion among Conservatives of breaking the overall consensus with the Government over the security situation in Northern Ireland by offering the restoration of devolution on

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<sup>43</sup> CAC: POLL 9/1/8, UUUC, Executive Committee Meeting, 18 June 1976.

majoritarian lines as a means to secure UUP support.<sup>44</sup> This attitude reflected something of a continuation of the Heath Government's position in 1974 when engaging in post-electoral coalition negotiations, recognising that a formalised UUP deal at that stage would likely drive some of the other smaller parties away from voting with the Conservatives. The possibility of future formal cooperation between the Conservatives and the UUP after the end of the 1974-79 Parliament was, however, considered by some within the Opposition, and will be discussed further in Chapter 8.<sup>45</sup>

## Conclusion

The forms of interparty cooperation that occurred during the Callaghan Minority Government were more complex and involved greater strategic considerations by both Government and Opposition than has often been appreciated.

*Ad hoc* cooperation between the Government and other parties continued throughout the Pact, and afterwards, helping to ensure the Government's majority for particular legislation. There were some forms of such cooperation used in other minority government situations which, for strategic reasons, the Callaghan Administration did not seek to make greater use of, whether in terms of seeking to build greater ties with other parties in Parliament during the early stages, co-authored legislation, or regular construction of alternate electoral alliances for different clauses within the same Bill.

The Conservatives did not attempt to foster formal agreements with other parties, and were, to some extent, forced to react to the will of smaller parties and Government backbenchers in any given vote. However, while condemning the Liberals' participation in the Pact, the Conservatives recognised the importance of continued cooperation with them to inflict defeats upon the Government. The Opposition leadership also sought greater informal interparty cooperation with other groupings in Parliament, and did try to avoid taking actions that would dissuade other parties from supporting their attempts to defeat certain Government proposals or pass their own alternatives, whether, for example, in

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<sup>44</sup> CAC: POLL 9/1/8, UUUC, Executive Committee Meeting, 4 September 1976; 5 November 1976; THCR 2/1/3/14, Northern Ireland Report (attached covering letter: Airey Neave to Margaret Thatcher), 11 December 1978; 2/6/1/102, Memorandum from Philip Goodhart, 6 July 1977; CPA: LCC 1/3/7, 27<sup>th</sup> Meeting, 13 May 1975; 1/3/13, 130<sup>th</sup> Meeting, 2 August 1976; 154<sup>th</sup> Meeting, 9 March 1977; 164<sup>th</sup> Meeting, 25 May 1977; 1/3/14, 183<sup>rd</sup> Meeting, 14 December 1977; 184<sup>th</sup> Meeting, 11 January 1978; 9/1/9, Col. E. H. Brush to E. Powell, 24 July 1976.

<sup>45</sup> TNA: CAB 128/53, 10<sup>th</sup> Meeting, 4 March 1974; PREM 15/2069, Telegram from Harry West; note setting out plan for response and reply telegram, 2 March 1974; Thatcher MSS: PREM 16/231, 1-2 March 1974; 16/1035, Meeting Thatcher-Callaghan, 3 May 1976; A. Seldon and K. Hickson (eds), *New Labour, Old Labour*, pp. 254-7. See *infra*, pp. 139, 185-7.

terms of tax cuts or opposition to sanctions against businesses that broke the pay ceiling. Over the course of the Parliament, the Conservatives were able to inflict a number of these reversals to Government policies, culminating in their defeating the Government in a vote of no confidence on 28 March 1979.

The loss of the confidence motion in 1979 was a catastrophic failure for the Callaghan Government. The defeat represented not least a more majoritarian attitude to cooperation towards the end of the Government, and a miscalculation of how some MPs would vote, including the SNP representatives. Although some deals had been done prior to the vote, the limitations placed on what Callaghan considered to be an acceptable political price, or what Ministers considered could be practically delivered in the face of Government backbench opposition to forcing through the Devolution proposals, served severely to restrict any potential room for manoeuvre.<sup>46</sup>

These different experiments in interparty cooperation as a means to deal with the situation of minority government would provide an important foundation for the formulating of strategies for coping with the possibility of another indecisive General Election. Both main parties, in considering these strategies, would have to confront the prospect of their participating in a further minority government, a Pact, or even a formal governing coalition.

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<sup>46</sup> See *infra*, pp. 201-15.

## **Chapter 7: Electoral Timing**

In addition to developing plans for dealing with the day-to-day challenges of minority government, parties have tended to prefer securing a more permanent legislative majority. Britain's two main parties in the late 1970s primarily sought a return to a situation of either a Labour or Conservative majority administration through achieving victory at a subsequent General Election.

There are many facets to electoral strategy, including, amongst others, campaigning events, manifesto policies, and media presentation. However, a particularly important overall strategic factor in winning an election, whether operating as a majority or minority government, is that of timing when the election is to be held. The added parliamentary uncertainty of minority government has typically served to increase debate over electoral timing in countries where election dates are not pre-determined in advance by a constitutional requirement. In addition, there is a greater probability of an unexpected and early poll being called in situations of minority government, either as a result of a conscious Government decision or an inability to pass crucial legislation in the face of concerted opposition. Callaghan's lack of a government majority raised the serious prospect of an election occurring from 1976 onwards, depending on factors including government defeats. Prime Ministerial control over the decision to dissolve Parliament led to distinct differences in the planning conducted by the major parties.<sup>1</sup>

The timing of elections in situations of minority government has not been subject to as much scholarly consideration as other aspects relating to elections. Study of this area focuses mainly on the implications for government formation (i.e. the effect of fixed-term parliaments on producing coalition as opposed to minority government) and on cases of minority governments which have been forced to call early elections on account of major legislative defeats. In part, the lack of emphasis on this area reflects the fact that many minority governments occur in political systems where election dates are fixed, for example, in the Scandinavian countries. As a partial consequence of fixed-term parliaments, many of these governments have survived for a substantial period, or even their full term in office, without a legislative majority.<sup>2</sup>

Other questions of timing, including the length of an election campaign, will not be considered in detail in this chapter. While important strategic considerations may be involved when deciding on campaign length during the Callaghan Administration, these

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<sup>1</sup> K. Jefferys (ed.), *Labour Forces: From Ernest Bevin to Gordon Brown* (London: I. B. Tauris, 2002), p. 89; D. Butler, *Governing Without a Majority*, pp. 30-2; M. Holmes, *The Labour Government, 1974-79*, pp. 15-18; D. Butler and D. Kavanagh, *British General Election of October 1974*, pp. 97-100.

<sup>2</sup> D. Arter, *Democracy in Scandinavia: Consensual, Majoritarian or Mixed?*, pp. 98-100. See *infra*, footnotes 5-6.

primarily appear to have been driven more by immediate political factors other than the state of minority government. While some suggestions of a short campaign were raised, even in the earlier stages of the Callaghan Administration, the Government tended towards holding a long election campaign, senior figures, including Donoughue, calculating that this would provide more opportunities for the Opposition to make mistakes. When the actual dissolution came in 1979, an added reason for a long campaign was that it would move the country further away from the recent unpopular events of the 'Winter of Discontent'.<sup>3</sup>

Electoral timing has been the subject of much discussion when considering the Callaghan Administration. However, these discussions have often been reduced by theorists to a simplistic binary choice between autumn 1978 and May 1979. In fact, the minority government situation raised the prospect of an earlier election, with a contest in 1978, or 1977, or even 1976 being viewed as a possibility, albeit less likely. This added uncertainty over electoral timing affected the subsequent actions and planning of both major political parties, and resulted in a sustained though often obscured conflict, researchers trying to predict when the election would occur and plan their response in a way designed to outmanoeuvre the other.<sup>4</sup>

Efforts by the Government and Opposition to anticipate possible election dates from 1976 onwards may in one sense be regarded merely as an academic exercise until the actual dissolution of Parliament. It is clear, however, that the strategy of both was influenced by these forecasts. Assessing how seriously parties took the prospect of an early election, or tried to bring one about, requires consideration of potential dates alongside other General Election preparations, particularly whether there were changes in the timescale in which the manifesto was assembled or organisational preparations set in motion.

Both the Canadian and UK Government systems have, in the past, operated in a similar way in terms of dissolving Parliament, allowing Prime Ministers the sole power over when to call elections within a given period. Both countries also show some similarities over dissolutions during periods of minority government, with Prime Ministers tending to favour, or being forced, to dissolve Parliament early, sometimes as little as a few

<sup>3</sup> B. Donoughue, *Downing Street Diaries*, vol. ii, pp. 186-7. See *infra*, footnote 4.

<sup>4</sup> The Conservatives had even considered the possibility of an election late in 1975, and, while this was dismissed as unlikely, still intended to make preparations in the event of an unexpected poll. See SC 14, 35<sup>th</sup> Meeting, 3 November 1975; CPA: LCC 1/3/11, 123<sup>rd</sup> Meeting, 12 July 1976; Even in March 1976 when the Government still had a majority, defeat over an Expenditure White Paper led to some concerns about an early election; A. Thorpe, *A History of the British Labour Party*, pp. 204-5; G. Wilson, *SNP: The Turbulent Years*, p. 130; A. Smith, *Election Timing*, pp. 216-17; H. Young, *One of Us: A Biography of Margaret Thatcher* (London: Macmillan, 1989), p. 127; P. Hennessy & A. Seldon (eds), *Ruling Performance*, pp. 262-3.

months to two years after forming a minority government. In a favourable scenario for the incumbent, such a poll has been aimed to occur at a time when there is a likely prospect of the minority government gaining a majority. Wilson requested such an election in October 1974, gaining a small majority, the previous election having been held in February.<sup>5</sup>

However, there are also alternatives to this practice which have not, at the time of writing, been adopted in the UK. One such variation on the timing of Parliamentary dissolution includes instances of Prime Ministers who have chosen to fight an early election with the knowledge that the best possible outcome was likely to be a continuation of minority government, such as in New Zealand in 2002, and in Canada in 2008. An election has therefore sometimes been used as a device to buttress the authority of a prospective minority or coalition government by confirming the relative strengths of parties' parliamentary seats, or even, possibly, strengthening the government's bargaining position in negotiations with other parties by gaining seats or votes. Another variation, as already discussed, is that of Prime Ministers who either respond to, or deliberately set up, major legislative defeats or confidence votes by calling an immediate election, seeking to increase government electoral support by portraying opposition parties as being deliberately obstructionist or blocking popular legislation. In 1974, Canadian leader Trudeau successfully used this approach to turn his minority into a majority government. During the Callaghan Administration, Government and Opposition gave serious consideration to these two approaches, but, for separate reasons, rejected them as unusable. As already highlighted in previous chapters, even where the Government or Opposition were aware of these situations in other countries, such considerations of strategy relating to minority government were not framed in the context of international experience, but rather that of British political history and ongoing parliamentary practices.<sup>6</sup>

Government leaders communicating with their party's MPs did stress the prospect of defeat on an important issue and the triggering of an election at various points during the Parliament, as highlighted in the Chapters on Defeat and Interparty Cooperation. This

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<sup>5</sup> P. H. Russell, *Two Cheers for Minority Government*, pp. 83-4, 134-42; P. Ziegler, *Edward Heath: The Authorised Biography* (London: Harper Collins, 2010), pp. 468-9; K. O. Morgan, *Britain Since 1945*, p. 361; D. Childs, *Britain since 1939: Progress and Decline* (Houndmills: Palgrave Macmillan, 1995), pp. 183-4; D. Butler, *Governing Without a Majority*, pp. 31-2; K. Strom, *Minority Government and Majority Rule*, pp. 14, 103.

<sup>6</sup> See, for example, CAC: THCR 2/1/6/194: Appendix E, 'The Hung Parliament', 12 April 1978; R. Hazell and A. Paun (eds), *Making Minority Government Work*, p. 31; P. H. Russell, *Two Cheers for Minority Government*, p. 34; J. Vowles *et al.* (eds), *Voters' Veto: The 2002 Election in New Zealand and the Consolidation of Minority Government* (Auckland: Auckland University Press, 2004), pp. 14-15, 184-5; M. Laver & K. A. Shepsle, *Making and Breaking Governments: Cabinets and Legislatures in Parliamentary Democracies* (Cambridge: Cambridge University Press, 1996), pp. 210-11, 216; T. Benn, *Against the Tide*, p. 150; BBC News, 7 September 2008, [retrieved 11 November 2012], <http://news.bbc.co.uk/1/hi/world/americas/7602864.stm>. See *infra*, pp. 41-2, 93-6.

device was, however, primarily seen as a means of attempting to curtail rebellions by backbench Labour MPs, or as a form of brinkmanship to convince opposition parties not to defeat the government, rather than actually wanting to fight an election over a particular policy defeat. The Government's efforts to avoid defeat through this method had varying degrees of success. Although some major votes in terms of the Budget or Devolution were partly secured through this, it did not appear to have helped when Callaghan sought to head off a rebellion over industrial sanctions policy in the winter of 1978-79, a vote which the Government subsequently lost, significantly undermining their economic policy and being a key factor in triggering the disastrous strikes in the 'Winter of Discontent'. While the Government did not seek to set up defeats for itself on important matters or confidence votes, they did consider that the response to defeat on certain issues would be to choose to call an election, whether over the Budget or Devolution. As highlighted in the Defeats Chapter, these were similarly threats that were not acted upon, either because the Government were successful in averting defeat, or accepting defeat in votes which would previously have constituted a basis for an election. Timing did play an important factor in some of these decisions, not least the Government wanting to avoid elections when the Opposition enjoyed significant poll leads, when particularly difficult news was scheduled to come out in terms of such issues as the economy, and at times of the year that were disadvantageous in terms of holidays or poor winter weather.<sup>7</sup>

Another practice from overseas that has only been adopted more recently in Britain through creation of the Devolved Assemblies and by the present Coalition in Westminster, is that of using constitutional reform to remove questions of uncertainty in electoral timing, thereby providing a greater impetus for minority or coalition governments to be formed that are potentially viable for the duration of a Parliament. The method in question is that of introducing fixed-term parliaments, or some special constitutional requirements to be met prior to any parliamentary dissolution, such as a supermajority of votes in Parliament. In some countries, such reforms or measures have proved useful to stabilise minority governments, and, in the UK, the Liberals were very much in favour of such a move in the late 1970s. However, as far as can be determined, neither main party leadership was willing at this stage to think about giving up the advantages offered to a Government through control over the timing of an election. In this regard, both continued to adhere to a primarily majoritarian mindset of the British tradition of minority government that has

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<sup>7</sup> See *infra*, pp. 86-96, 134-6.

been highlighted in previous chapters, desiring to win an election outright, or to adapt to situations of minority governance on a pragmatic case-by-case basis.<sup>8</sup>

## **Evolving Process of Planning**

There were many aspects of Labour's electoral planning which followed or built upon existing procedures, from organisational questions of hiring staff and putting candidates in place to the preparation of the manifesto by the NEC in conjunction with (or often in opposition to) Cabinet Ministers and the Prime Minister. Being in Government, Labour's main concerns over electoral timing were those of considering when best to call an election or how to respond to an election compelled by parliamentary defeats. Minority government conditioned these preparations, the possibility of an imminent parliamentary dissolution leading to much more work on electoral timing by the Government than has previously been acknowledged. When the Government lost its majority in April 1976, the prospect of an immediate election was raised, as discussed in an earlier chapter, but was not taken seriously as an option by Labour. The first real Government consideration of a possible election was in March 1977, highlighted in the earlier chapter on the Pact. Again this was a purely reactive measure, amounting primarily to a paper supplied to the Prime Minister about the mechanics of election dates when it was feared that a defeat on a vote of confidence was imminent. Even in this paper, it was not suggested that such a defeat made dissolution inevitable, raising the possibility of consultations with the other parties.<sup>9</sup> When considering the response to the March 1977 confidence vote, Lipsey's paper on strategy suggested that the more reliable polling showed a 7% Conservative lead rather than other projected leads of up to 15%. He judged this smaller poll lead against historical precedents and contemporary conditions as being: "not insuperable [...] about the same as our gains vis-à-vis the Tories in February 1974". However, even taking the most optimistic projections, Lipsey still counselled against an early election, believing that even the prospective indecisive outcome would be undesirable: "the best we could realistically hope for is a Parliament made up much as the present one is", while the "most probable result"

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<sup>8</sup> It should also be noted that fixed term requirements are no guarantee against early elections, as witnessed, for example, in the German Federal Elections of 1982 and 2005. See *infra*, pp. 57, 102-5, 172-3.

<sup>9</sup> Callaghan Papers, Box 19, 2741: PP/Lib-Lab: 77, 'Choice of Date for an Election' (and covering letter), 18 March 1977; LHASC: TUC-Labour Party Liaison Committee, 45<sup>th</sup> Meeting, 21 March 1977; TNA: CAB 128/54, 3<sup>rd</sup> Meeting, 14 March 1974; TNA: PREM 16/1045, 'Prime Minister's talk with Chancellor Schmidt' (extract), 28 April 1976. See *infra*, pp. 114-16.

was still a Conservative victory.<sup>10</sup> The Wilson Government had similarly come to view potential defeat over the Queen's Speech in 1974 not as necessitating an election, but as a separate confidence vote. The subsequent majority secured by Callaghan through the inauguration of the Lib-Lab Pact ended any threat of an immediate election.<sup>11</sup>

Most likely as a result of the potential defeat in March 1977, the Government became more proactive in the field of electoral timing relating to the exigencies of minority government. Callaghan requested that special contingency planning be done by the Number 10 Policy Unit to deal with an election arising from a major legislative defeat. Planning included trying to anticipate when such defeats might occur, and producing reports which recommended potential courses of action, papers being updated on a regular basis. Papers were also produced prior to particularly important votes whose passage could not be assured, such as the Second Reading of Devolution Bills in November 1977, which outlined potential measures to be taken in order to prepare for an election in the event of the legislation being defeated.<sup>12</sup>

Measures were adopted which would suggest that while 1978 was the preferred option, preparations were being made for a more immediate dissolution should the need arise. Joint NEC-Cabinet discussions of February 1977 began by highlighting the absence of a government majority as a crucial determining factor in the timing of an election and how this presented an urgent need to make preparations, not least in terms of resolving internal party conflict over a potential manifesto and the development of electoral strategy.<sup>13</sup> After a campaign committee was established in February 1977, the Government sought to calm fears about a sudden poll, placing particular emphasis on such a committee being formed typically eighteen months to two years in advance of an election. Nevertheless, the records of the newly formed Election Committee from March 1977, and reports arising thereafter on proposed organisational planning, reinforce the perceived impact of minority government on election timing. Plans for a summer publicity and membership campaign were framed explicitly in terms of preparing for an election from October 1977 onwards. The model recommended for these campaigns was that used during

<sup>10</sup> CAC: DNGH 1/1/16, David Lipsey – Personal and Confidential/The Political Situation, 21 March 1977.

<sup>11</sup> K. Strom, *Minority Government* (1990), pp. 4-5, 102, 228; B. Castle, *The Castle Diaries 1974–1976*, pp. 41-3; H. Wilson, *Final Term*, pp. 15-16.

<sup>12</sup> For an example of the regularly updated attempts to anticipate and plan for defeat of major legislation, see, TNA: PREM 16/1045, 'Factors Affecting the Timing of a General Election, Revision as of 4 May 1978'; 16/1621, 'General Election Contingency Planning', 14 November 1977. See *infra*, pp. 114-16.

<sup>13</sup> CAC: DNGH 1/1/18, 'Organisational Arrangements for the Next General Election', 7 July 1977; Callaghan Papers, 2755: NEC-Cabinet Working Groups 1977: 'Paper for Joint NEC/Cabinet Meeting', 14 February 1977; LHASC: NEC Minutes, 16 February 1977, Home Policy Committee: NEC-Cabinet Meeting: 'An Agenda for Agreement' B. Donoughue, *Downing Street Diaries*, vol. ii, pp. 304-5.

the Minority Government of 1974, when summer publicity work had served as preparation for an October General Election. Callaghan also sought to acquire information relating to the holidays in different constituencies from 1977 onwards, a factor long considered of political importance in terms of potential voter turnout.<sup>14</sup> Correspondence entitled “Election Contingency Planning” in September 1977, was directed at obtaining information about holiday dates while, at the same time, seeking to prevent the fuelling of speculation over a possible early election date. Alternative reasons for inquiring about the information were devised to disguise the true nature of the planning involved, including such devices as the “provision of information for the planning of [the] Prime Minister’s regional industrial visits”, which was viewed as “the best cover”.<sup>15</sup>

It would generally appear, however, that while accepting the possible need for an early dissolution, Government strategy-makers did not prefer 1977 as an option for an election. Such sentiments may be seen not least in the previously-cited Policy Unit paper for the Chequers Strategy Cabinet, which emphasised the need to “stay in office”, and advocated a later election in 1978/79.<sup>16</sup>

Following on from such considerations, a potential 1977 election was ultimately ruled out. However, from 1978 onwards an election seems to have been contemplated as a more realistic option by the Government, either by choice or forced by a parliamentary defeat. When the possibility of serious parliamentary defeat was raised in strategy meetings concerning the Budget in April 1978, there was a much more definitive response from Callaghan, that an election would be held immediately in that instance. This approach is very much in line with minority government experience in other countries and British parliamentary practice – such votes being viewed as confidence motions, which were essential for governments to win. The early months of 1978 show the greatest evidence of immediate pre-election preparations by Labour in terms of organisation, including the hiring of campaign staff, the clearing of outstanding legislation in Parliament, and the changing of planned autumn events such as public rallies in consultation with the TUC.

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<sup>14</sup> LHASC: NEC Minutes, 16 February 1977, Campaign Committee, 1<sup>st</sup> Meeting, 28 March 1977; ‘Organisational Preparation’, 1 April 1977; 25 May 1977, Home Policy Committee: ‘A Further Note on the Programme of Work’; TNA: PREM 16/1240, correspondence and papers including, for example, ‘Wakes Weeks and Other Traditional Holiday Periods’, 1 December 1977; R. J. Meadway to Mr. Brazier, 10 October 1977. See *infra*, footnote 13.

<sup>15</sup> TNA: PREM 16/1240, Note for the Record: Election Contingency Planning: Wakes Weeks, 29 September 1977. See *infra*, footnotes 13-14.

<sup>16</sup> See *infra*, pp. 114-16.

Even up until the point when Callaghan announced there would be no election, many within the Government had come to view dissolution in October as inevitable.<sup>17</sup>

In spite of earlier manifesto preparations being called for as cited above, the timing of such work would seem to argue against the influence of minority government and a possible early election. The NEC Home Policy Committee did not produce a draft of their basis for the manifesto until December 1978, and the final acceptance of the manifesto did not occur until the beginning of the election campaign itself in April 1979. However, this prolonged process is as much demonstrative of the level of conflict between the NEC and parliamentary leadership, rather than any lack of impetus in response to minority government. The decision not to produce its manifesto basis until such a late stage also reflected a desire not to publish a finalised draft too far in advance, for fear of certain policies being undermined by opponents within the party. If an election had been called in the summer or autumn of 1978, the NEC was in a position to publish such a draft at a much earlier stage. When the need arose to finalise election arrangements after the loss of a confidence vote in March 1979, the NEC's ultimate begrudging acceptance of many of the Prime Minister's preferences shows how the impetus of an immediate election could (at least temporarily) resolve such disagreements and enable completion of the manifesto.<sup>18</sup>

## Minority Government – Influence on Timing

Much of the analysis of Government planning with regard to election timing focuses around Callaghan's fateful decision to delay until 1979 rather than hold an autumn election in 1978 when conditions appeared more favourable for Labour. Academic and media commentators have often suggested that if an election had been held at that earlier stage, it might have led to Government victory rather than defeat. The impact of the delay on contemporaries is seen as having been counterproductive for Labour, allowing the portrayal of the Government as clinging on to office, angering potential supporters including trade union leaders, and placing greater reliance upon support from the smaller parties in order to survive without a parliamentary majority. It has also frequently been

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<sup>17</sup> Callaghan Papers, Box 19, 2743: 'Abortive General Election 1978', Annotated by Prime Minister – 'Timing of Elections and Age of Electoral Register' (and covering letter, Reg Underhill), 21 December 1977; LHASC: HART 12/10, TUC-Labour Party Liaison Committee, 58<sup>th</sup> Meeting, 24 July 1978; TNA: PREM 16/2214: 'Note of a Meeting held in the Cabinet Room', 18 May 1977; B. Donoghue, *Downing Street Diaries*, vol. ii, pp. 353-5.

<sup>18</sup> Paradoxically, the fact that it was not introduced until after losing the no confidence vote in March 1979 probably strengthened Callaghan's ability to impose the terms of the secretly pre-prepared document on the NEC; LHASC: RICH 3/1/12, Tribune Group Minutes, 6 July 1978; A. Seldon and K. Hickson (eds), *New Labour, Old Labour*, pp. 268-70.

suggested that Callaghan wished to retain freedom of manoeuvre over the choice of election date, or genuinely had not made up his mind.<sup>19</sup>

However, whatever the consequences of delaying the election, the decision-making process was more complex than is often recognised. There were many strategic considerations involved, all of which were primarily conditioned by Callaghan's experiences and situation of minority government: securing a temporary majority for key votes; uncertainty about the potential result; fear over appearing opportunistic; greater consultation over timing; and attempting to negate Opposition strength by catching them off guard.

Previous accounts have typically characterised Callaghan as being driven by only a small handful of Cabinet colleagues on the date of the election, and, partly in response to their advice, making the fateful decision to delay an election until 1979. Callaghan's own retrospective account also alludes to the various letters of advice from other sources, but appears to dismiss them as not having had any significant impact. However, as shown in the more recently released files, Callaghan was more proactive in consulting a wide range of people on timing. It is also clear from these papers and from Callaghan's own annotations of strategy documents that his decision over electoral timing was significantly influenced by factors and advice relating to the minority government situation. These consultations included discussions between all the Labour Whips amongst themselves, as well as meetings they had with Callaghan, reports from the No. 10 Policy Unit, advice of the full Cabinet, and extensive discussion in a meeting with Trade Union leaders. The papers from the Whips' discussion, forwarded to the Prime Minister on 1 August 1978, showed that seven were against an autumn election, with only two unequivocally in favour. Callaghan's annotation of the paper also suggests some of the issues which had particular impact, including the section of the plan (which he had highlighted) to "go as far as possible into 1979" before calling an election. There was also, paradoxically, a strong collective sentiment expressed against doing further deals with other political parties to remain in office during such a period. Even in his regular meetings with Steel during the

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<sup>19</sup> A. Thorpe, *A History of the British Labour Party*, pp. 204-5; S. Ball & A. Seldon, *Recovering Power*, p. 229; J. E. Cronin, *New Labour's Past: The Labour Party and its Discontents* (Harlow: Pearson Education, 2004), pp. 189-90; A. Seldon and K. Hickson (eds), *New Labour, Old Labour*, p. 96; K. O. Morgan, *Britain Since 1945*, pp. 216-17; P. Hennessey, *The Prime Minister*, pp. 393-5; D. Tanner, P. Thane & N. Tiratsoo, *Labour's First Century*, p. 233; E. J. Evans, *Thatcher and Thatcherism* (London: Routledge, 1997), pp. 14-18; R. Blake, *The Conservative Party*, p. 329; B. Särilvik & I. Crewe, *Decade of Dealignment: The Conservative Victory of 1979 and Electoral Trends in the 1970s* (Cambridge: Cambridge University Press, 1983), pp. 15, 18-19.

Pact, Callaghan raised the question of electoral timing, promising not to reach a decision before July or August 1978.<sup>20</sup>

The likelihood that an election would produce another minority government served as a strong deterrent to an early dissolution, as already indicated in Lipsey's March 1977 paper on strategy, and also highlighted through different discussions on election timing within the Government leadership over subsequent months, not least one between Callaghan and Stowe in September 1978, where an early dissolution was viewed as probably leading to "a parliamentary stalemate as at present" which would "help no one".<sup>21</sup> Private Labour polling suggesting that an indecisive result was potentially the best possible outcome of an autumn 1978 election has been identified by different decision-makers within the Government, including Callaghan himself retrospectively, as one of the major factors which led to the delay in calling an election. The experiences of inaccurate polling at elections over the previous decade complicated the problem. Recent UK history was very much in Callaghan's mind when making a decision. The three preceding General Elections, 1970, February 1974 and October 1974, had all been called early, and had delivered poorer results for the incumbent Government than predicted by opinion polls.<sup>22</sup> Handwritten notes of Callaghan planning his autumn Ministerial broadcast highlighted the minority government political situation of 1974, as well as that of 1931, and indicated the Prime Minister's continued fears over indecisive results and interparty cooperation potentially leading to the breakup of Labour as a party.<sup>23</sup>

The Government also sought to draw lessons from recent experience if an Administration suffered limited electoral losses or made gains but remained a minority. It was suggested that the 1974 Minority Government, and subsequent Callaghan Administration in 1976, had been strengthened by the particular nature of their composition; the former Government had replaced an unpopular Conservative Administration, while the latter government had been originally been elected with a majority in October 1974. By contrast, a renewed Minority Labour Government after

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<sup>20</sup> Callaghan Papers, Box 19, 2743: 'Abortive General Election 1978', Minute of Whips' discussion concerning election timing, sent to the Prime Minister with Chief Whip's covering note, 1 August 1978; TNA: PREM 16/1621; PREM 16/1794, 'Meeting between the Prime Minister and Mr David Steel', 7 February [1978]; PREM 16/2214, 'Minute of a Meeting held in the Cabinet Room', 8 March 1978; K. O. Morgan, *Michael Foot: A Life*, pp. 360-1; J. Callaghan, *Time and Chance*, pp. 514-15.

<sup>21</sup> TNA: PREM 16/1621, Note for the Record, 8 September 1978. See *infra*, footnote 10.

<sup>22</sup> A. Thorpe, *A History of the British Labour Party*, pp. 204-5; A. Seldon and K. Hickson (eds), *New Labour, Old Labour*, pp. 96-7, 293; N. Moon, *Opinion Polls: History, Theory and Practice* (Manchester: Manchester University Press, 1999), pp. 94-7; P. Hennessey, *The Prime Minister*, p. 393; J. Callaghan, *Time and Chance*, p. 516; H. R. Penniman, *Britain at the Polls: 1979*, p. 99; B. Särilvik & I. Crewe, *Decade of Dealignment*; D. Butler and D. Kavanagh, *British General Election of 1979*, p. 45.

<sup>23</sup> Callaghan Papers, Box 19, 2743: PP/Elec/Lab: 78, Handwritten notes, various dates September 1978.

another election in 1978/79 was viewed as likely to find it very difficult to claim a mandate to carry out its policies, even if it won an increase in votes or seats. The likely tradeoffs required in deals with other parties would therefore be significantly greater than had been the case in recent experience. Contrary to elections in other countries, including those examples cited above that sought renewed minority government, there was no desire among most senior figures in the Government in autumn 1978 to enter an election whose outcome could, at best, be another minority administration.<sup>24</sup>

One of the factors which gave Callaghan the most reassurance in terms of delaying the election was, as discussed in the previous chapter, the apparent guarantee of smaller party support to get the next Queen's Speech voted through Parliament. Tacit support from the SNP and at least some Ulster Unionist MPs theoretically secured the Callaghan Government against the threat of being forced to go to the country in late 1978. Even in December 1977, a paper on electoral timing, produced at Callaghan's request by the No. 10 Policy Unit, began by emphasising the importance of the minority government situation, but also argued that a 1978 election was not inevitable, given the parliamentary arithmetic. Certainly in his meetings with Steel, the Prime Minister had frequently referred to the end of the Pact, and resultant end of a stable government majority, as triggering or likely to lead to an early election. While, as suggested above, the Government planned for a possible election being forced by a major legislative defeat, Callaghan wanted to avoid this if possible. There were also differences in terms of what would be considered an 'acceptable' defeat in terms of a parliamentary vote. For example, Callaghan could at least entertain the possible risk of defeat over the Budget, but not over the autumn Queen's Speech. Rather than differences in terms of the legislative issue at stake, this concern was as much a reflection of the practical reality that a defeat during the autumn opening of Parliament would necessarily lead to an election in November or December, times deemed particularly bad politically, not least because of poor weather affecting turnout.<sup>25</sup>

Callaghan's meeting with Steel in March 1978 is one of the most definitive statements of his reasoning, stipulating that if there were no guarantee of support, an autumn election would be necessary, while simultaneously endeavouring to secure Liberal support for the Queen's Speech, even in absence of the Lib-Lab Pact. The Prime Minister's reactions to internal correspondence with strategy-makers also reinforce the importance of the secured majority for the Queen's Speech as a factor in terms of electoral timing. In

<sup>24</sup> Callaghan Papers, Box 19, 2737: Lab/Elec: 78-79, 'Personal and Secret – Prime Minister', 2 May 1979; J. Callaghan, *Time and Chance*, p. 516.

<sup>25</sup> TNA: PREM 16/1621, Bernard Donoughue to Prime Minister, 'Pre-Election Strategy – Prospects, Policies and Options for 1978/9', 22 December 1977. See *infra*, footnotes 12-15.

addition, he sought to lay the groundwork for an autumn session, requesting a paper that outlined what actions would have to be taken to ensure that the Government could carry on if there were no autumn election, in terms of critical votes that could not be delayed and handling other events including the Devolution Referenda.<sup>26</sup>

Callaghan also did not seek deliberately to set up a legislative defeat that would trigger an election, as has been practised in other instances of minority governments cited above, and which had been contemplated during the 1974 Wilson Minority Government. In fact, one of his major concerns was that an autumn election risked appearing opportunistic, given that there was “no great issue requiring settlement by [a] General Election” and no major piece of legislation whose passage had been prevented by the Opposition. Although the Government had continued to suffer parliamentary defeats, these were on isolated or more technical points, which the Government felt were not important enough to warrant dissolution, nor that such issues would serve to move public opinion towards the Government in an election campaign. Thus, although previous preparations had been made in the event of a major parliamentary defeat, the Government rejected the possibility of seeking a parliamentary dissolution on the basis of an ‘obstructionist’ Opposition during autumn 1978. Callaghan also alluded in private to other fears of opportunism producing negative election publicity, considering the timing of particular benefits such as tax concessions, which would be coming into effect. When faced with defeat in the March 1979 confidence vote, this attitude had shifted somewhat, Callaghan himself increasingly opposing the use of deals with smaller parties to stay in power. Indeed, several whips were even willing to suggest at this stage that such a defeat would give a possible basis for an appeal to the country in an election, although presentation of this line of thought appears more to have been an attempt to make light of a desperate situation, rather than an indication of a shift in strategy, as will be discussed further in Chapter 9.<sup>27</sup>

Another consideration Callaghan faced was that of counterbalancing the uncertainty of having no parliamentary majority by creating electoral uncertainty for the Opposition – building up to an election without committing to a date and then either calling one if conditions favoured the Government, or delaying the election, in order to catch his opponents off-guard. The experience of minority governments in other countries

<sup>26</sup> TNA: PREM 16/1794, ‘Prime Minister’s Meeting with Mr David Steel’, 7 March 1978; J. Callaghan, *Time and Chance*, p. 513. See *infra*, footnote 25.

<sup>27</sup> Callaghan Papers, Box 19, 2743, ‘Abortive General Election 1978’, strategy paper annotated by the Prime Minister as ‘Very Helpful’, examining implications of March 1979 election; TNA: CAB 128/54, 1<sup>st</sup> Meeting, 5 March 1974; PREM 16/1621, Policy Unit 346, 22 December 1977; ‘Note for the Record’, 6 September 1978; PREM 16/2214, ‘Note of a Meeting held in the Cabinet Room’, 21 March 1979; B. Castle, *The Castle Diaries 1974–1976*, pp. 41-5; B. Donoghue, *Downing Street Diaries*, vol. i, pp. 68-73; H. Wilson, *Final Term*, p. 39; P. Bell, *The Labour Party in Opposition, 1970-1974*, p. 237.

has shown instances of this approach, such as occurred in the build-up to the New Zealand election in 2002. Prime Ministers have also sometimes used a potential election as a threat to compel the Opposition (or their own supporters) not to vote down a particular piece of Government legislation, such an approach being used to secure passage of the Queen's Speech during the 1974 Wilson Minority Government. As suggested by some scholars, the calling of elections in relatively quick succession may also be used as a tactic to wear down the material and financial resources of opposition parties, particularly those of smaller parties, or as an attempt to compel those parties to reveal their plans prematurely, in anticipation of polls which do not then occur.<sup>28</sup>

While electoral delay after a false build up has typically been portrayed as an inherently detrimental approach for a government to adopt, popular perceptions during late 1978 were, in reality, more nuanced. Although political elites and groups including trade unions were annoyed by Callaghan's decision not to hold an election, the electorate's response was more mixed. As highlighted during correspondence between Patten and other CRD members, opinion polling immediately after Callaghan's September announcement of no election showed a relatively even split between those for and those against the election being delayed (42% to 43%), and that the delay had not in itself significantly influenced which party people intended to vote for.<sup>29</sup>

Some of those involved in shaping Government strategy, including Walter Harrison, Labour's Deputy Chief Whip, viewed unsettling the Opposition as being of particular significance when they gave advice to Callaghan on election timing. By building up the expectation of an election and then delaying, it was thought possible the Conservatives might reveal some of their policy plans or use up funds early on campaigns which, through the changing political climate, would not necessarily be relevant months later during an actual election. The Conservatives' relative financial strength over Labour was even greater during 1977-78 than had previously been the case, and there were certainly calls by some advising Callaghan, including McNally, that it was important to seek a way to negate these material advantages. To some extent, this uncertainty over election timing did have an effect, unsettling the Conservatives, who went to the verge of printing their manifesto in large quantities in September 1978 before the no-election announcement. Conservative groundwork for an autumn campaign had also been laid

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<sup>28</sup> R. Hazell and A. Paun (eds), *Making Minority Government Work*, pp. 5-8, 18-22; J. Vowles, *Voters' Veto*, pp. 12-15; J. Boston, *et al.*, *New Zealand Votes: The General Election of 2002* (Wellington: Victoria University Press, 2003), pp. 38-44. See *infra*, footnotes 8, 13.

<sup>29</sup> CPA: CRD/L/4/46/9, 'The New Political Situation', 12 September 1978; A. Seldon and K. Hickson (eds), *New Labour, Old Labour*, p. 96; J. Boston, *et al.*, *New Zealand Votes*, p. 28; A. Smith, *Election Timing*, pp. 48-9.

through various publications and the buying up of costly advertising space which could not be recouped. Spending in anticipation of an autumn election had also certainly affected the limited finances of the smaller parties, including the SNP's using up £12,000 on poster advertising.<sup>30</sup>

Beyond the autumn of 1978, the choice over an election date was to some extent restricted by political events, not least the widespread industrial action during the 'Winter of Discontent', but nevertheless remained an important issue which was given some consideration by the Government in different meetings.<sup>31</sup> In a meeting with Steel on 6 March 1979, Callaghan discussed the response to the failed Devolution Referenda and the question of electoral timing. Once again, the absence of a majority conditioned his response, and was explicitly stated as the main reason for rejecting the suggestion made by Steel that October 1979 be announced as the election date well in advance, citing the practice of Sir Alec Douglas Home in 1964.<sup>32</sup>

The Opposition was, to some extent, wrong-footed by uncertainties over electoral timing and the using up of some of their party funds. In spite of this, however, Conservative resources and planning over the timing of the election were also being employed toward endeavouring to cope with alternative outcomes, and to capitalise on the opportunities presented by subsequent events.

## Opposition Planning – Electoral Timing

Conservative planning had begun early on in the Parliament to anticipate the timing of a potential election, as indicated in Chapter 3. The absence of a government majority made an early 'snap' election much more of a possibility, reminiscent of 1974. Efforts to forecast when such a poll would be called and how to prepare for it ranged from CRD calendars charting important upcoming events to papers that analysed the multiplicity of factors which could influence Callaghan's decision. There was also significant debate as to how uncertainties caused by minority government should affect electoral preparations.<sup>33</sup>

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<sup>30</sup> Callaghan Papers, Box 19, 2742: PP/Elec/Lab: 77, Tom McNally to Prime Minister, 24 June 1977; 2743: Abortive General Election 1978, Minute of Whips discussion concerning election timing, sent to the Prime Minister with Chief Whip's covering note, 1 August 1978; Transcript of Mr William Deedes Interviewed on World at One, 8 September 1978; TNA: PREM 16/1621, 'Note for the Record', 6 September 1978; P. Lynch, *SNP: The History of the Scottish National Party*, 2<sup>nd</sup> edition (Welsh Academic Publishing, 2013), p. 151; G. Wilson, *SNP: The Turbulent Years*, p. 156; J. Callaghan, *Time and Chance*, p. 517.

<sup>31</sup> B. Donoghue, *Downing Street Diary*, vol. ii, pp. 412-16, 420, 427-8, 434-5, 439-40, 442, 448-9, 452, 455, 458-62.

<sup>32</sup> TNA: PREM 16/2201, Prime Minister's Meeting with Mr David Steel, 6 March 1979.

<sup>33</sup> See *infra*, pp. 57-61, 153-6, 161-2.

While the Government principally determined election timing, the Opposition also dedicated significant efforts towards anticipating any future election date. After 1976, the first serious Shadow Cabinet discussions on preparations for a General Election were held in April 1977. These discussions concluded that production of the campaign guide in May would enable an election to be fought whenever it was called, and suggested that more policy documents should be produced to supplement existing plans. Although an autumn election in 1977 was briefly considered, it was also viewed as very unlikely.<sup>34</sup>

Opposition efforts directed towards anticipating the potential election date largely built on the methods used in 1974, and were increasingly framed against the backdrop of the minority government situation.<sup>35</sup>

Attempts to predict Callaghan's decision considered a multiplicity of factors, including: the economy; recent political history; opinion polls; by-elections; the Prime Minister's 'cautious' temperament, and even sporting events (in the context of Scottish and Welsh nationalist parties). The overall conclusion derived from all these factors was the almost certain belief that the election would occur in 1978 rather than in 1979. Timing of actual preparations for an electoral campaign would suggest that the Opposition expected the dissolution of Parliament to come in the autumn of 1978, including requests for Shadow Cabinet manifesto contributions from January 1978 onwards to the circulation of the first draft manifesto in July. Discussions of organisational arrangements were also very much based upon this timetable.<sup>36</sup>

Nevertheless, even in spring 1978, the prospect of an earlier election had not been ruled out. When examining the question of whether a 1978 election would be held in late June, one of the most important factors identified was that of the minority government situation, and the prospect that the Government would face difficulties in securing a majority for getting the Finance Bill through Parliament, which would force a summer election. Discussion and papers on the drafting process questioned whether it would be necessary to accelerate the pace of manifesto composition in the light of these developments.<sup>37</sup>

<sup>34</sup> CPA: CRD/D/7/20: 'Staff in Confidence' (from Chris Patten), 20 September 1977; LCC 1/3/13, 160<sup>th</sup> Meeting, 27 April 1977; 1/3/14, 176<sup>th</sup> Meeting, 26 October 1977.

<sup>35</sup> CPA: CRD/D/7/20, Angus Maude to Chris Patten, 29 October 1976; OG 52: 50<sup>th</sup> Meeting, 21 March 1974; 51<sup>st</sup> Meeting, 4 April 1974; OG 74/145, 'Preparing for a June Election: Notes towards a new part I', 19 April 1974; 52<sup>nd</sup> Meeting, 25 April 1974; MF: Reel 95, 00211-30, Letter from Michael Fraser to Heath, 23 April 1974.

<sup>36</sup> CPA: CRD/D/7/19, The General Election, 3 January 1978; CRD/L/4/46/4, Note of Research Department Meeting, 3 April 1978; LCC 1/3/14, 186<sup>th</sup> Meeting, 18 January 1978; 1/3/15, 208<sup>th</sup> Meeting, 7<sup>th</sup> June 1978; 1/3/16, 216<sup>th</sup> Meeting, 19 July 1978; 218<sup>th</sup> Meeting, 31 July 1978.

<sup>37</sup> CAC: THCR 2/11/9/6, 'Some Thoughts on the Date of the Next General Election', [date unknown? Early 1978?]; CPA: CRD/D/7/19: 'A Paper by Lord Thorneycroft', 26 June 1978; CRD/D/7/23: Directors Meeting,

The removal of any threat of a summer election presented Conservative planners with the challenge of the summer parliamentary recess and prospective autumn election. Periods of recess when a Parliament does not meet have sometimes provided an opportunity for an incumbent government, and have been used particularly by minority governments – not having to face the prospect of parliamentary defeat during these times. Sometimes such breathing spaces have acted as launching platforms to seize back political initiative in terms of greater publicity, maybe even building up to starting an election campaign. The Wilson Minority Government capitalised on a long summer parliamentary recess to set up and win their election in October 1974. The Conservatives sought to thwart any Government attempt to recapture political initiative during the 1978 recess, through such measures as a special summer campaign which sought to foster greater awareness of issues that were a core part of the Conservative political programme and to provide a platform in anticipation of an autumn election. In the autumn, some within the Government privately acknowledged the effectiveness of this campaign in allowing the Opposition to maintain political momentum. It is difficult, however, to tell how far these campaigns were inspired by the minority situation, rather than in response to ongoing general concerns regarding publicity and a desire to build up party membership.<sup>38</sup>

The purpose of some contingency planning, was, by contrast, spelt out more clearly. While convinced that the election would likely be held in the autumn, the possibility of the election being delayed to attempt to wrong-foot the Opposition was given some brief consideration by the Shadow Cabinet in the spring of 1978. Measures were adopted by the Opposition to avoid being caught out by changes in the ‘expected’ date of an election, not least, for example, in preparing an alternative series of publications on policy for autumn 1978 to be used in place of election literature, and in building up the autumn party conference to act as a substitute “high point”.<sup>39</sup>

The subsequent delay in September 1978 led to serious reconsideration of Government planning by the Conservatives, although it was assumed that no poll would be called during the winter period, which was, as already stated, traditionally seen as a less favourable time for General Elections. Callaghan’s definitive September announcement of there being no election reinforced this assumption. Attempts to anticipate timing resumed in the beginning of 1979, although these appear to have presented even more of a challenge

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10 January 1978; ‘General Election Arrangements’, 5 January 1978; LCC 1/3/15, 199<sup>th</sup> Meeting, 17 April 1978 (and attached Chairman’s Note).

<sup>38</sup> CPA: CRD/D/7/23: Directors Meetings, 14 March 1978; 21 March 1978; 23 May 1978; 6 June 1978; LSE: ABEL-SMITH/7/6, Folder 1 of 2, Meeting of Special Advisers, 21 September 1978.

<sup>39</sup> CPA: LCC 1/3/15, ‘Chairman’s Note’ - Meeting, 17 April 1978. See *infra*, footnotes 36-8.

in spite of there being fewer than eight months of the Parliament remaining. The CRD January predictions, sent by David Nicholson to Patten, of an election in March, June or October, did not carry any firm conclusion as to which was the most likely. In fact, Nicholson went so far as to question whether it was incorrect to assume that Callaghan's sole motivation was that of gaining a parliamentary majority, and that he might, in fact, have more interest in securing longer-term goals rather than immediate political concerns:

“All our considerations over the date of the election assume that Callaghan wants Labour to win with a majority [...] why should he? [...] would it not suit him to risk a Hung Parliament or even a slender Conservative majority?”<sup>40</sup>

Given the Conservatives' surprise at the election not happening in autumn 1978, contrary to the predictions of most commentators, and the difficulty of discerning Callaghan's mindset, this uncertainty was understandable. By March 1979, other considerations were being factored in by the Conservatives, such as the possibility of the election being held at the same time as European Elections scheduled for June, a development which was seen as creating potential difficulties in terms of campaign finances. This possibility was not, however, viewed as practicable, requiring legislation establishing the UK framework for European Elections, which could not be passed by a minority government without Opposition support. Similarly, any extension of the Parliament to the final October deadline was viewed as unrealistic, primarily because of the absence of the Government's majority and likely difficulties with important legislation. As such, the most likely election date considered was 10 May, ironically not far off the actual date of 3 May.<sup>41</sup>

One other method for opposition parties actively to seize the initiative from a minority government in terms of electoral timing is that of winning a vote of no confidence, as already highlighted in previous chapters. A sizeable number of minority governments have been removed from office by being defeated in no confidence votes, both in Britain and abroad. While the Conservatives continued to seek to defeat the Callaghan Government, and ultimately succeeded in a no confidence vote on 28 March 1979, there is no indication that Opposition leaders perceived a forced dissolution as an integral part of their overall strategy. There is also no indication that the Conservatives wished to try to impose a specifically preferred election date upon the Government, prior to the loss of the confidence vote. Delaying an autumn election in 1978, when the

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<sup>40</sup> CPA: CRD L/4/46/9: Letter from David Nicholson to Chris Patten, 10 January 1979; Memorandum on Election Timing, 23 February 1979; 'General Election Timetable' [Memorandum to Mrs Thatcher], 8 March 1979.

<sup>41</sup> See *infra*, footnote 40.

Government appeared to be enjoying a period of greater political successes, ultimately benefited the Opposition, but was not necessarily viewed beforehand as a goal. Throughout the period, the main focus of the Opposition remained that of trying to win the election whenever it was called by the Government.<sup>42</sup>

Following the March 1979 confidence vote, discussed further in the penultimate chapter, the need for an immediate election was established and the question of electoral timing effectively diminished in terms of both sides' room for manoeuvre. However, even at this stage, Government and Opposition were making final calculations of strategy over the preferred election date. Callaghan wanted to avoid being pressured into an April 26 election, to allow for a full rather than temporary Budget to be passed, albeit with the agreement of the Opposition. As highlighted above, the Government's preference was also for fighting a longer electoral campaign, which it was believed would be to the Conservatives' disadvantage. The Shadow Cabinet, fearing that the Government would seek a postponement to 10 May, decided to "press strongly for April 26<sup>th</sup>" following the confidence vote. In the event, 3 May was settled upon as the election date and a largely uncontroversial Budget was agreed upon by both parties.<sup>43</sup>

The 1979 General Election and preceding campaign have, in some ways, been regarded as an anti-climax, when compared to the dramatic events of the 'Winter of Discontent', and of the Government's defeat in the March confidence vote. In spite of some encouraging signs for the Government in terms of individual polls that showed Labour gaining ground during the campaign, a significant Conservative victory was consistently predicted by commentators and polls. Detailed reconsideration of these extra-parliamentary events are beyond the scope of this study, the minority status of the Government no longer presenting added strategic challenges that either main party had to manage before the election. In line with previous minority governments in British history and administrations elsewhere, after the no confidence vote, the Callaghan Administration was effectively operating as a caretaker government. Such an approach was, in fact, consistent with that of any British government in an immediate pre-election period, avoiding major policy announcements and either putting off substantial political decisions for whatever government was formed after the election, or else taking such decisions with the agreement of the Opposition, not least over the essential business of passing an uncontroversial Budget. However, in the same way that the timing of the election had been

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<sup>42</sup> See *infra*, pp. 149, 161-2.

<sup>43</sup> CPA: LCC 1/3/16, (239<sup>th</sup>) Meeting, 28 March 1979; TNA: CAB 128/65, 14<sup>th</sup> Meeting, 29 March 1979. See *infra*, p. 159.

subject to the influence of the Government's minority status, the election itself also presented a significant challenge to both main parties, that of potentially leading to another indecisive result, which would necessitate a further immediate election, minority government or even a coalition.<sup>44</sup>

## Conclusion

Both main parties sought an exit from minority government through an election, and had to confront the particularly important strategic question of electoral timing and to adapt their strategies accordingly. The considerations faced by Labour and the Conservatives were distinct from those of minority administrations operating in fixed-term Parliaments, but were shared by contemporary minority governments in countries including Canada. The formulation of strategies conducted by both parties shows the clear and central influence of the state of minority government upon their planning. In the Government's case, the questions of deciding when to hold an election and the impact of not having a legislative majority were given much consideration. Labour's planning over election timing began even in 1977, to some extent drew upon their minority government experience from 1974, and sought to anticipate the possibility of an early dissolution or an election being forced by a legislative defeat in Parliament. Callaghan's often discussed 'mistake' of delaying an election in autumn 1978 was based upon a wide-ranging consultation within Labour. It showed an understanding of the dynamics of the 'hung parliament', and recognised the inappropriateness of the 'obstructionist opposition' argument often used by minority governments while simultaneously making construction of a stable majority a central objective. Anticipating the uncertain timing of an election forced the Opposition to consider alternative electoral strategies, including that of a 'doctor's mandate', and compelled researchers to question their assumptions about the mindset of their political opponents. Conservative planning started early on in the Parliament, developing from their existing fears of a snap or crisis election, and sought to anticipate possible election dates and to prepare for contingencies when the expected autumn election in 1978 did not materialise. Even in the final days of the Government following the no confidence defeat, both sides continued making strategic calculations over the more limited choice of date for the election, but were also able to continue cooperating where necessary to settle practical issues before the dissolution of Parliament.

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<sup>44</sup> See *infra*, pp. 6-7, 213-15.

Confronting the challenges of electoral timing in a minority government situation helped to develop the strategic understanding of both main parties, and affected their wider approaches to campaigning in the General Election. Although contemporaries from both sides sought a decisive outcome from the election, another indecisive outcome was privately thought to be a significant possibility. The prospect of another Parliament without a majority government further affected the main parties' planning, as will be explored in the next chapter, both sides privately seeking to a greater or lesser extent to adapt and develop strategies in order to deal with the outcome of a future minority or coalition government.

## **Chapter 8**

# **Future Minority and Coalition Government**

The Election of 1979 is seen as a crucial moment in the development of modern British politics, providing a change in government which would have significant ramifications from the ending of the postwar economic consensus to the ideological and organisational transformation of Britain's major political parties. While much scholarly work has been done on political parties' advance preparations for this election and its aftermath, including, particularly, in terms of manifestoes and media presentation, there has not been significant consideration of the impact of minority government on strategy-making. Accounts since 1979 have tended to follow an established pattern, either expositing the seeming inevitability of Conservative victory and the inexorable decline of Labour, or cautioning that there was considerable uncertainty among contemporaries regarding the result, but not examining the strategic reaction in any great detail. Both main parties staunchly clung to their majoritarian philosophies in public and private discourses, seeking an outright electoral victory.<sup>1</sup> However, at the same time, both the Government and the Opposition were considering contingency scenarios that were publicly unmentionable, and making plans for what would happen if the General Election were to produce another indecisive result. This chapter will firstly examine some approaches that have been used by parties elsewhere to adapt to future minority and/or coalition government, but which were not pursued by the Callaghan Government or Conservative Opposition. Both parties continued to adhere to a majoritarian British tradition, in terms of institutional reform, the preparation of the groundwork for interparty negotiations, and consideration of pre-electoral alliances. Secondly, the chapter will examine the instances of pragmatic adaptation by Government and Opposition, looking at some of the preparations for a future minority government or even a coalition that were explored. In Labour's case, this was very much a sporadic effort, tied into day-to-day survival as a minority government. Consideration of a future minority administration was evident only from occasional references in meetings, and from papers produced immediately in advance of Election Day itself, to consider whether or not Callaghan would stay on as Prime Minister, along with some possible ideas about how to seek further interparty agreements. For the Conservatives, more planning for this eventuality is apparent. A short-lived minority

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<sup>1</sup> A. Thorpe, *A History of the British Labour Party*, pp. 207-9; J. Campbell, *Margaret Thatcher*, pp. 318-19; A. Seldon and K. Hickson (eds), *New Labour, Old Labour*, pp. 97, 321-2, 330; J. E. Cronin, *New Labour's Pasts*, pp. 195-6, 203-11; K. O. Morgan, *Britain Since 1945*, pp. 221-2; H. Young, *One of Us*, p. 128; P. Hennessy & A. Seldon (eds), *Ruling Performance*, pp. 241-2; B. Särilvik & I. Crewe, *Decade of Dealignment*, pp. 20-2, 326-7; P. Whiteley, *The Labour Party in Crisis*, pp. 2-5, 148, 187; D. Butler & D. Kavanagh, *The British General Election of 1979*; H. R. Penniman, *Britain at the Polls, 1979: A Study of the General Election* (Washington DC: American Enterprise Institute, 1981). See *infra*, pp. 6-9.

government followed by another election appears to have been the preferred option of the Opposition, although plans for a potential coalition were also formulated.

The mindset of contemporary policymakers in both main parties was very much conditioned by uncertainty and influenced by previous inaccurate forecasting of the General Election results in 1970 and February and October 1974. On two out of three occasions the polls predicted the wrong winner (Labour in 1970 and the Conservatives in February 1974), and, in the case of the third (October 1974), overestimated the Government's majority. The continuation of significant dichotomies in opinion polls between Conservative strength as a party and Thatcher's weakness as a leader when compared to Callaghan, further reinforced this uncertainty about the prospective electoral result, even during the actual election campaign itself in 1979.<sup>2</sup>

Moreover, in the post-mortems of both parties following the election, there were also significant concerns expressed about the possibility that the result could have been indecisive. This feeling was reflected in Conservative ranks by the party's internal 'Inquest on the Election' a week later, the opening question of which asked whether the party had really come close to 'defeat or deadlock' during the campaign. More recent scholarship argues that neither side viewed the outcome as inevitable in 1979, even during the campaign itself, but does not adequately recognise the importance of the existing minority government in shaping the formulation of post-electoral strategies of party leaders'.<sup>3</sup>

Theoretical considerations of the breakdown of a minority government and possible subsequent elections have tended to concentrate on explaining why breakdown occurs or on forecasting what type of government will be formed based upon the resulting composition of a legislature, rather than providing insight as to what effect a minority government has on strategists deciding on how parties plan for the possibility of future minority or coalition governments. In some countries, the greater frequency of minority governments has led to their acceptance by political elites, whose plans and strategies are based on the significant possibility of not achieving outright electoral victory.<sup>4</sup>

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<sup>2</sup> A. Seldon and K. Hickson (eds), *New Labour, Old Labour*, pp. 96-7, 293; N. Moon, *Opinion Polls*, pp. 99-102; B. Särilvik & I. Crewe, *Decade of Dealignment*; D. Butler and D. Kavanagh, *British General Election of 1979*.

<sup>3</sup> CPA: CRD L/4/46/7, Inquest on the Election, 9 May 1979; K. Coates (ed), *What Went Wrong: Explaining the Fall of the Labour Government*, 2<sup>nd</sup> ed. (Nottingham: Spokesman Books, 2008), pp. 7-11, 28-32.

<sup>4</sup> P. V. Warwick, 'Dissolvers, Disputers, and Defectors: The Terminators of Parliamentary Governments', *European Political Science Review*, Vol. 4, No. 2 (2012), pp. 263-281; L. W. Martin and R. T. Stevenson, 'The Conditional Impact of Incumbency on Government Formation', *American Political Science Review*, Vol. 104, No. 3 (2010), pp. 503-518; K. Strom, *Minority Government* (1990), pp. 78, 91, 237, 244; V. Herman and J. Pope, 'Minority Governments in Western Democracies', pp. 191-212.

Britain, by contrast, is frequently identified as a country where electoral majority governments are the norm, suggesting that political leaders experiencing minority government would generally perceive it as an abnormal experience and would not feel the need to accommodate future minority governments when conducting their electoral planning.<sup>5</sup> Some of the smaller parties have typically been perceived as those more likely to engage in such planning, particularly the Liberals, who, during the Callaghan Administration, gave significant weight to the prospect of another minority government and gave some consideration as to how they would strategically respond to such an eventuality. Liberal planning for an indecisive outcome is unsurprising, given their experience of interparty cooperation through the Pact, and Steel's desire to seek further influence through cooperation with other parties in a Parliament with no majority government. This trend of planning for an indecisive result is something which has continued up to and beyond the 2010 Coalition involving the party's successors in the form of the Liberal Democrats.<sup>6</sup>

## **Future minority or coalition planning**

### Academic literature

The state of minority government led both main parties to plan for the possibility of another indecisive election result and to devise strategies for coping with such an eventuality, through either a minority government or a coalition. As highlighted in the introductory chapter, academic literature on minority government has tended to focus on parties' response to government formation, following on from an indecisive election or the collapse of a coalition, rather than on the preparation undertaken by strategy-makers for a potential future minority administration. The possibility of another indecisive election was taken seriously by commentators and political strategy-makers in Britain during the late 1970s, and presented a significant challenge to the main parties. Against the backdrop of an ongoing minority government, both Labour and the Conservatives publicly ridiculed the idea of planning for another indecisive election. However, both main parties were simultaneously secretly conducting such planning, to a greater or lesser extent, either on

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<sup>5</sup> A. Lijphart, *Patterns of Democracy: Government Forms and Performance in Thirty-Six Different Countries*, 2<sup>nd</sup> ed. (New Haven, CT: Yale University Press, 2012), pp. 5-6, 9-12; T. Bergman, 'Formation Rules and Minority Governments', *European Journal of Political Research*, Vol. 23 (1993), p. 60; G. B. Powell, *Contemporary Democracies: Participation, Stability, and Violence* (Harvard University Press, 1984), p. 143. See *infra*, pp. 15-18.

<sup>6</sup> See *infra*, pp. 190-2.

how to form and operate a new minority government after an election, or even, in spite of the historic hostility within the parties to the concept, a more formal interparty coalition government.<sup>7</sup>

Minority governments abroad have made plans for future indecisive results which may have to accommodate pre-existing constitutional conventions, such as the British case of a Prime Minister remaining the incumbent until (s)he decides to resign, (theoretically) irrespective of the majority in Parliament. Lines of interparty contact may be established prior to the loss of a government's majority, creating pre-electoral agreements or alliances, or signalling potential negotiating positions through a manifesto or other communications.<sup>8</sup>

Both the Labour and Conservative leadership in the late 1970s, in most public and private discourses, sought nothing short of an outright victory through a parliamentary majority. However, while neither of the two main parties harboured any desire for further minority governments and post-electoral political alliances, both sides came to suspect that their principal opponents might, in fact, be attempting to aim for such a situation, as has already been cited in previous chapters. Such fears manifested themselves in different ways, from Labour worries about a Tory-led Unity Government in the face of economic turmoil, to Conservatives' questioning whether Callaghan was actively seeking a future coalition, during attempts to forecast the timing of the General Election.<sup>9</sup>

The creation of certain coalitions and interparty agreements may be largely unplanned reactions to circumstances, as has been seen with the case of the Lib-Lab Pact. However, when faced with the prospect of a future coalition, particularly in countries with an established tradition of coalition government, different political parties have often sought to make plans regarding their approach to the coalition formation process. To varying degrees, Labour, the Conservatives and the Liberals made plans of this nature during the Callaghan Minority Government which highlighted elements of some of the above-cited aspects.

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<sup>7</sup> See *infra*, pp. 176-87.

<sup>8</sup> G. Loomes, *Party Strategies in Western Europe*, pp. 5-10, 30-40, 89-90; I. Stefuriuc, *Government Formation in Multi-Level Settings: Party Strategy and Institutional Constraints* (London: Palgrave Macmillan, 2013), pp. 1-33; B. E. Rasch, 'Why Minority Governments? Executive-Legislative Relations in the Nordic Countries', pp. 9-17; R. Hazell and A. Paun (eds), *Making Minority Government Work*, pp. 56-9; S. N. Golder, *The Logic of Pre-Electoral Coalition Formation* (Ohio State University Press, 2006), pp. 26-9; K. Strom, *Minority Government* (1990), pp. 47, 224.

<sup>9</sup> See *infra*, pp. 28-9, 163, 181.

### Institutional Reform

In some countries, institutional arrangements have been modified in order to assist the process of forming and operating a minority or coalition government after an election, whether in terms of extended time before the first meeting of a new Parliament to allow for interparty talks, the provision of official civil service support for such discussions, and/or the formal appointment of a person to examine coalition possibilities (i.e. a *formateur*). A legislature primed for government by minority or coalitions may include such arrangements as the timetable for business being worked out through an all-party committee, greater involvement of different parties in the legislative process and a stronger committee system, as seen for example in the Nordic countries. Initial acceptance of some of these constitutional reforms has, in many cases, also served as a requirement for larger parties to secure cooperation with potential coalition partners.<sup>10</sup>

The Callaghan Government and Conservative Opposition spent a lot of time considering constitutional reform in terms of legislation on subjects including Devolution and Direct European Elections. However, while Devolution was used by the Government in an attempt to retain support of SNP MPs, such reforms were primarily designed to safeguard the political advantage of the main parties against new challengers. There was no serious consideration by either main party of changing constitutional arrangements in order better to facilitate the formation and operation of future minority or coalition governments, nor any suggestion of a move towards a formalised *formateur*. As already highlighted, Foot's resistance to committee reform was, in fact, partly motivated by a desire not to weaken the power of a future minority government. This was very much in line with Labour policy, not least as expressed in an NEC report of 1978 which, while pressing for reforms to create more powerful committees that responded to the concerns of backbenchers, wanted these to reflect the parliamentary party balance along largely majoritarian lines, seeing "no future in consensus government".<sup>11</sup>

The only area in which any serious work on constitutional reform linked to a possible future minority government situation was that of Proportional Representation, and, even here, it was limited in scope and inspired more as an immediate response to circumstances. Many countries with experience of minority and coalition government have PR electoral systems, while the two main parties in Britain have traditionally been opposed to PR. The most visible example of PR being contemplated was for the European Direct

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<sup>10</sup> See *infra*, pp. 76-8, 101-3, 128-30, 169.

<sup>11</sup> LHASC: HART 12/31, Reform of the House of Commons, April 1978. See *infra*, footnote 10.

Elections. A majority of the Cabinet did consider a List voting system to be their preferred choice for European elections when the matter was discussed. This preference was, however, as already indicated, out of a desire to prevent the Conservatives gaining large numbers of seats at European elections, predicted to be the case under a First-Past-the-Post system, rather than as a means to facilitate future interparty cooperation in a minority or coalition situation at Westminster. That barely half of Labour MPs backed the PR system in the subsequent vote on European Elections meant that it would have been very difficult, if not politically impossible, for the Government to get PR approved for the House of Commons. As highlighted in Chapter 3, the hostility of some Cabinet members to PR in Direct Elections reflected wider Labour fears that PR reform at Westminster would be “paving the way for coalitions and the undermining of the legitimacy of Governments”.<sup>12</sup>

Another instance in which PR was raised was in relation to Northern Ireland. While the Cabinet had shown some understanding of this possibility as reflecting the unique political situation there, this was not ultimately acted upon. When meetings had occurred between Labour NEC representatives and the SDLP in the early months of the Callaghan Government, the SDLP wanted the Alternative Vote system to be considered for use in elections in Northern Ireland. The response from the NEC representatives confirmed the wider Labour hostility to notions of reform that necessitated formal interparty cooperation, considering that such a move would pressure reform at Westminster, and that “there was not a wish for a system which would force coalitions on Britain”.<sup>13</sup>

### Groundwork for negotiations

The possibility of a post-electoral minority government or coalition in other countries has, in some cases, led to political parties evolving tactics to prepare the groundwork for subsequent negotiations. One of these devices is that of setting out particular future policies or manifesto pledges in a format which more clearly distinguishes those whose adoption would be essential as part of any interparty agreement from those of a lesser importance which could be amended or shelved in potential negotiations. Examples of this have already been cited in the Chapter on Interparty Cooperation, not least in the UK General Election of 2010. Even if the structuring of manifestos is not so explicitly in the mould of a negotiating position, commitments within a manifesto may still be framed

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<sup>12</sup> See *infra*, pp. 102-3, 124-5, 177.

<sup>13</sup> LHASC: NEC Minutes, ‘Report of Meeting with SDLP Representatives’, 24 June 1976. See *infra*, footnote 12.

vaguely to consult with other parties or to examine different possibilities in areas potentially of particular cross-party importance, such as constitutional reform. The aforementioned convening of a Speaker's Conference had been a device used on several occasions during this period by the British Government to address certain issues of constitutional reform desired by different political parties.<sup>14</sup>

However, there were no significant moves towards this approach in the final manifestoes for either Labour or the Conservatives, reflecting the continued long-established hostility toward interparty agreements. Within Labour, this position also represented an increasing loss of patience towards deal-making among leading Government members, hardened by their ongoing experiences of having to do political deals with the smaller parties in return for the Government's day-to-day survival.<sup>15</sup>

### Pre-electoral Pacts/Alliances

Another area besides the manifesto that has typically been used as a route toward fostering cooperation between parties is that of pre-electoral alliances, pacts, or, at the very least, some form of assistance or of establishing channels of communication for future negotiations. There has been a long-established history of major British political parties engaging in such cooperation, from a local to a national level over the course of the early to mid-twentieth century.<sup>16</sup> Some Government discussions did raise the possibility of helping parties such as the Liberals during the election, which would potentially be useful in the event of another indecisive result, not least in Donoughue's meeting with Steel's assistant Archibald Kirkwood on 12 July 1978.<sup>17</sup> There were also indications of continued cooperation being raised even in the latter stages of the Lib-Lab Pact. As indicated above, Callaghan discussed the prospect of a "hung parliament" and further minority government with Steel during several of their regular meetings. However, it does not appear that the Government sought to develop or coordinate pre-electoral alliances, pacts or special channels of communication with other parties. If any support was being offered to smaller parties, rather than serving as groundwork for future interparty cooperation, it would have been more likely aimed at preventing Conservative vote and seat gains from Liberals

<sup>14</sup> See *infra*, footnotes 9-12.

<sup>15</sup> *The Labour Way is the Better Way, 1979* [General Election Manifesto 1979]; *1979 Conservative Party General Election Manifesto*; PREM 16/2214, 'Note of a Meeting held in the Cabinet Room', 21 March 1979. See *infra*, footnotes 9-10.

<sup>16</sup> M. Oaten, *Coalition*, pp. 185-6; W. C. Müller & K. M. Strom, *Coalition Government in Western Europe*, pp. 39, 47, 133, 174, 539; M. Laver (ed.), *Estimating the Policy Position of Political Actors* (London: Routledge, 2001), pp. 210-11; G. Searle, *Country Before Party*.

<sup>17</sup> B. Donoughue, *Downing Street Diaries*, vol. ii, p. 347.

during the election, and, consequently, seeking to reduce the prospect of an indecisive outcome instead of preparing for one. Callaghan's discussions with Steel were as much bargaining tactics, trying to prevent the Lib-Lab Pact from being ended early, or trying to end it cleanly, without causing political damage to the Government. Although Callaghan had a relatively good working relationship with Steel, he remained unwilling publicly to accept another indecisive result and potential continuation of having to negotiate with other parties to construct a majority.<sup>18</sup>

The Conservatives similarly did not seriously consider adopting pre-electoral agreements or pacts before the 1979 General Election, partly because of the aforementioned adherence to a British majoritarian desire to win outright, borne out by opinion polls which consistently gave the Opposition a significant lead over the Government. One of the few notable instances of a prospective electoral interparty agreement being raised was in a CRD paper in March 1978 on the 'Hung Parliament Contingency', discussed further below, which considered "a limited electoral pact" with the Liberals when contemplating possible conditions that would enable a post-electoral coalition. This option was, however, couched in terms of a possible future measure that might be adopted for "the next but one General Election", after 1978-79. The paper was also generally discouraging in terms of an electoral pact's utility for the Conservatives, and ended on the note of practical concerns that "There would, of course, be great difficulties in persuading Conservative Associations not to contest seats".<sup>19</sup> The Party had also previously given greater consideration to prospective electoral agreements with the Liberals during the 1974 Minority Government. A number of papers had been prepared at the time to study the implications of such a move, some of them actively advocating a pact. The party leadership, including Heath, had decided not to pursue this approach, fearing, not least, that it would be likely to reduce the prospects for any future Conservative Government obtaining a majority.<sup>20</sup>

Both main parties during the late 1970s avoided the implementation or even the planning of measures that would better facilitate the conduct of minority or coalition government following an election, whether in terms of institutional reforms, laying the

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<sup>18</sup> TNA: PREM 16/1794, 'Note of a Meeting held in the Prime Minister's Room', 14 December 1977, 4.05 p.m.; 'Note of a Meeting held in the Prime Minister's Room', 14 December 1977, at 1930; 'Prime Minister's Meeting with Mr David Steel', 26 April [1978]; 16/2201, 'Note of a Meeting held in the Prime Minister's Room', 24 May 1978; B. Donoghue, *Downing Street Diaries*, vol. ii, pp. 307, 331, 341, 347. See *infra*, footnotes 16-17.

<sup>19</sup> CPA: CRD/L/4/46/6, 'The Hung Parliament Contingency', 16 March 1978.

<sup>20</sup> CPA: CCO 20/2/7, various letters, March-October 1974; OG 54, Letter to Michael Fraser, 17 April 1974; LCC 1/3/4, 36<sup>th</sup> Meeting, 30 October 1974; MF: Reel 95, 00202, Letter from Michael Fraser to Heath, 6 May 1974.

groundwork for negotiations, or creating pre-electoral agreements. In this respect, they continued to adhere to the British tradition of minority government, firmly grounded in a majoritarian desire to win outright electoral victory. In spite of this, the dimension of pragmatic adaptation within the British tradition was also in evidence, potential plans being drawn up by both sides in the event of an indecisive result.

## **Plans for minority government or coalition**

### Government Plans

Some Government internal papers, such as the Number 10 Policy Unit's June 1977 work on Government strategy, viewed another indecisive General Election result as a potentially more favourable outcome than defeat, even though anything other than an outright victory was still regarded as undesirable. However, there is no immediately apparent development of this position, or indeed of any strategic measures being drawn up to handle such an electoral result. Although unwilling publicly to state what he would do in the event of an indecisive result, Callaghan's thoughts on the matter are made clearer in a February 1978 Note for the Record, in which he discussed the matter with his Principal Private Secretary after a meeting with Steel. Callaghan considered the likelihood of an indecisive result to be "quite conceivable" and that, if the Government had called the election and lost seats, even if it were possible for Labour to get minor parties' support, he would, in the first instance, resign as Prime Minister. If Thatcher failed to construct a majority through agreements with the smaller parties, Callaghan would then attempt to do so, considering that it would not be feasible for the Conservatives to ask for another parliamentary dissolution so soon after the election.<sup>21</sup> In some respects, this approach would seem to build upon that recommended by Callaghan following the indecisive election in February 1974, when Labour waited for the Conservative Government to try to form a coalition and then resign after failing to do so, rather than trying to pressure an immediate resignation. The consideration was that waiting and allowing the Conservatives to try, for four days in 1974, would then strengthen Labour's position as the incoming minority government, removing any suggestion of an alternative viable opposition majority that could be invited to replace them. It is difficult to tell whether such an approach would have, in fact, been workable in 1978-79. Callaghan's resignation would likely have been viewed as an admission of failure

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<sup>21</sup> CAC: DNGH 1/1/17, Bernard Donoughue to Prime Minister, PU/281, Chequer's Cabinet: 'Thoughts on the Government's Future Strategy', 2 June 1977; TNA: PREM 16/1621: 'Note for the Record – The Outcome of the Next General Election', 7 February 1978.

by MPs from the different parties, and by the country at large. Even if the Conservatives had no majority, the removal of Callaghan would still have placed Thatcher as Prime Minister over a *de facto* minority Conservative Government, with control over the prospect of an early dissolution, in the same way that Wilson had been with Labour in 1974.<sup>22</sup>

It would certainly appear that such thoughts were not lost upon those in Labour who were considering the question of a future indecisive electoral result. Up until the end of the election campaign itself in 1979, there is little indication of Callaghan's approach being significantly developed, or of much further work being done on the prospect of another minority government. There were, however, two brief letters in May 1979 from members of the Policy Unit that presented summaries of options for the Prime Minister in the event of another 'hung parliament' – one written by Lipsey, the other by Roger Carroll. These reflections mark a significant departure from earlier sentiments expressed by Callaghan himself. Lipsey's two page letter argued that the Prime Minister ought to attempt to stay on if the result produced no majority, "Even if we [Labour] were not the largest party".<sup>23</sup> The letter also included a phoned-in message from McNally, stating in no uncertain terms "1. At all costs avoid letting her [Thatcher] get a toe-nail in the door" and "2. You have every right to announce that you intend to face Parliament (1923 precedent)". Both of those advising in this instance favoured Callaghan's staying on and attempting to form a Government. The 1923 precedent referred to Conservative Prime Minister Stanley Baldwin's meeting Parliament and attempting unsuccessfully to rule as a minority administration after losing his majority in an election. Invoking this precedent, would, in the first instance, suggest a preference for continuing the minority government, and maybe even adopting the approach of daring other parties to defeat them. At the same time, these advisers would have been more likely to push for either another interparty agreement in the style of the Lib-Lab Pact, or maybe even a more comprehensive arrangement. Lipsey suggested that the Government's recent practice would not be sustainable following another indecisive election:

"Because of the difficulties ahead, if we do stay on, it could not be on the basis that we have operated on since the end of the Lib/Lab pact, seeking to construct a majority from day to day. Something solider would be needed".<sup>24</sup>

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<sup>22</sup> See *infra*, pp. 29-30.

<sup>23</sup> Callaghan Papers, Box 19, 2737: Lab/Elec: 78-79, David Lipsey to the Prime Minister, 2 May 1979.

<sup>24</sup> See *infra*, footnote 23.

Carroll's letter, 'In the Event of Deadlock', briefly summarised some options for Labour to construct agreements with other parties while considering some potential scenarios.<sup>25</sup> Carroll appears to have favoured Lipsey and McNally's position of Callaghan staying on as Prime Minister, and, whether Labour or the Conservatives were the largest party, and "to try and have first crack in any event" of forming a government. The paper also considered, in the event of Labour being a few seats behind the Conservatives, the possibility of reinforcing the legitimacy of Callaghan staying on by presenting it as a 'caretaker government', so as "not to lose the advantage of being the incumbents". Carroll's reasoning was that of positioning Labour in the event of Conservative interparty coalition talks failing, stipulating that "Then, if their talks got nowhere, surely we [Labour] would be entitled to see if we could construct a majority". The parties considered as potential partners to an agreement in the letter were the Liberals, the SNP, and (by inference) the UUP and SDLP. The clearest statement of potential conditions that other parties might set concerned the Liberals, the two policies identified being "A House of Lords elected by PR", an attempt to present something of a preferred Liberal objective that still had some chance of being delivered by the Government, and "Allowing the Liberals to make some running on Pay Policy", thereby enjoying some significant economic influence. The letter's potential conditions for the other parties are less clear, referring to a possible review of "revenue raising power for a Scottish Assembly", and, even more vaguely, to having "detailed material ready on a possible Northern Ireland initiative" that sought to engage parties from both sides.<sup>26</sup>

While these documents demonstrate the potential willingness of some within the Government to engage with the possibility of further agreements or coalitions, and were considered by Callaghan, they, in of themselves, were also very much reactive, only being authored the day before the Election. The two letters appear to have represented isolated reactions to a possible outcome arising on the eve of the Election. The options and ideas which they considered do not appear to have been translated into any substantial preparation in such areas as the framing of the manifesto, or the setting up of teams or writing of briefing papers for negotiations which would have helped to realise such plans in the event that they were to be enacted.

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<sup>25</sup> Callaghan Papers, Box 19, 2737: Lab/Elec: 78-79, 'In the Event of Deadlock', 2 May 1979.

<sup>26</sup> See *infra*, footnote 25.

### Opposition Plans

Ironically, given Labour's past experiences of minority government and involvement with the Pact, greater strategic consideration of a potential minority or coalition government is in evidence from the Conservatives. A number of factors have tended to discourage consideration of the possibility that the Conservatives planned for an indecisive result after the 1979 election. Unlike the election of October 1974, there was no Conservative call for a coalition during the 1979 campaign. Thatcher herself made no secret of her hostility to the notion of coalitions during the course of the Parliament and the election campaign itself. While some individuals may have favoured being open to a more consensual approach, the Conservative leadership was firm in putting down any such proposals, as seen, for example, in Central Office's strongly-worded denials of reports in *The Times* that the Shadow Cabinet had discussed the possibility of a coalition. Oft-cited internal strategy papers on the election would engage in analysing the strengths and weaknesses of both parties, but tended to refer to a 'hung Parliament' as particularly unlikely, and emphasised the objective as being outright Conservative victory. The subsequent electoral successes for the Conservatives during the 1980s and 1990s, and the image of Thatcher as the strong, uncompromising party leader, may also have served to influence scholarly investigation in this area. The seemingly self-assured message and image projected by the Conservatives during the 1979 campaign would suggest that any thought of planning for a future minority government or making deals with other parties would have been flatly rejected by the leadership as unnecessary and defeatist.<sup>27</sup>

However, while the main Conservative emphasis focused on winning, senior party members were, in private, seriously considering the prospect of minority government or even a possible full coalition. The general preference expressed from 1977 onwards by those conducting planning for this eventuality would appear to have been for running a minority government with Ulster Unionist support before seeking a majority at another early General Election after a few weeks or months. A particularly important body in formulating these hypothetical plans for future minority or coalition government was the CRD. Even where the importance of this body may have been diminished or bypassed by the leadership during the late 1970s, particularly in economic matters, it continued to exercise influence over day-to-day Parliamentary affairs, as has been highlighted in previous chapters, from considering questions of electoral timing to supplying briefings on

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<sup>27</sup> CAC: THCR 2/6/1/248, 'Stepping Stones Report', 14 November 1977; *The Right Approach* (Conservative, 1976); J. Campbell, *Margaret Thatcher*, pp. 361-2; S. Ball & A. Seldon (eds), *Recovering Power*, p. 235.

confidence debates. Thatcher did not yet have the authority over her Shadow Cabinet that she would later possess, and, it is also likely that an indecisive result would have had to rely upon support from the Shadow Cabinet and official strategy-making bodies if the party were to consider how to run a minority government or interparty agreements. The apparently increasing polarization of British politics during the 1970s, and the widely perceived loss of the Conservatives' traditional position as the 'natural' party of Government, had also served to change opinions within the Opposition. A growing number of influential Conservative voices from 1974 onwards were willing to contemplate radical notions of entering into a coalition or reforming the electoral system if it meant preventing another Labour Government from being formed. Even before the Government had lost its majority in 1976, the Conservatives had been confronting the coalition question. During mid-1975 when, as previously mentioned, an economic crisis or Government split appeared imminent, there was serious discussion among political commentators that an alternative to a 'crisis' election would be a National Unity Government as the only viable solution. Conservative Steering Group meetings on the subject in May 1975 suggested that nothing should be said publicly about the prospects of a National Unity Government, but, went so far as to say that in the event that Labour dropped further nationalisation proposals, there could possibly be a basis for coalition discussions (although there is no evidence of any concrete preparations being made toward this eventuality).<sup>28</sup>

While no such Government was formed, these discussions provided the backdrop for planning after Labour became a minority government under Callaghan. This planning reflected ongoing uncertainty regarding a Conservative victory, and the belief that factors might conspire to produce another indecisive result: the vote swing required to win was greater than that achieved by an Opposition at any other election since 1945; national opinion polls had already proved themselves unreliable when predicting the result of the three previous General Elections; and, in any case, during the Callaghan Government, different polls had been showing periods of very small Conservative leads, or even, Labour leads. There were also persistent fears among some senior Conservatives that Callaghan would form a coalition to stay in power in the event of an indecisive poll. One such instance of these concerns being raised came in an October 1978 letter from Conservative Researcher Charles Bellaire to Patten and other senior strategy-makers including Adam Ridley (one of Thatcher's inner circle and future CRD Director), entitled 'The Future Scene'. This letter considered likely political developments following the delay of the

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<sup>28</sup> CPA: SC 14, 26<sup>th</sup> Meeting, 12 May 1975; 27<sup>th</sup> Meeting, 13 May 1975.

prospective autumn election. While the letter was primarily concerned with the Government's economic strategy, Bellaire warned that waiting for Labour's failing on industrial policy could usher in a Unity Government:

“in such circumstances, Mr Callaghan might take a leaf out of Ramsay MacDonald's book, and urge the formation of a coalition of all the moderates [...] I would hope that the possibility of such action by Mr Callaghan is not dismissed as completely beyond the realms of possibility. He would certainly be making such an approach from a stronger negotiating position than was the case with Ramsay MacDonald in 1931.”<sup>29</sup>

It is this context of continued concerns about the outcome of an election and Unity Governments that prompted some Conservatives seriously to consider future ‘hung parliaments’. In the first instance, it was suggested that the party's public discourse needed to accommodate, even in a subtle way, the possibility of future minority government. In a paper written in November 1977, ‘Some Thoughts on Strategy and Tactics: A note by the Research Department’, Patten stressed that while a “hung Parliament” after the next election was unlikely, there was a need for contingency planning, “The subject deserves discussion”, and for the tailoring of publicity to allow for any eventuality by designing:

“a form of words which, while making clear our determination to win a majority, does not rule out negotiation with other parties if we fall slightly short of that”<sup>30</sup>

Patten further suggested that:

“there may be a case for more positive, if discreet, wooing of other parties in the coming months”.<sup>31</sup>

Unsurprisingly perhaps, given the hostility within the party to this concept, such references appear to have been removed from subsequent redrafts of the paper. However, this statement was not only indicative of other discussions on the subject between those planning Conservative strategy that were not minuted, but foreshadowed further officially sanctioned planning within the party.<sup>32</sup>

<sup>29</sup> CPA: CRD/D/7/21, Charles Bellaire, Memorandum: ‘The Future Scene’, 20 October 1978. See *infra*, pp. 56, 163.

<sup>30</sup> CAC: THCR/2/6/1/246, ‘Some Thoughts on Strategy and Tactics’, 11 November 1977.

<sup>31</sup> See *infra*, footnote 30.

<sup>32</sup> CPA: SC 16, Covering Note from Chris Patten to Mrs Thatcher, 25 January 1978; ‘Implementing our Strategy’, 21 December 1977; THCR/2/6/1/233, [Extended Minutes] 51<sup>st</sup> Meeting, 30 January 1978.

Such papers were requested and considered by a special Co-ordinating Committee that had been set up in late 1977 to study important issues relating to party strategy and planning. It was chaired by Keith Joseph, with Thatcher kept informed of the planning being conducted.<sup>33</sup> While such strategy-making may not have been on the scale of that conducted by their European counterparts, Conservative preparations appear to have been more extensive than those preceding the October 1974 Election. The 1974 Conservative Opposition, faced with Wilson's Minority Government and the prospect of further indecisive elections, had produced several strategy papers on forming potential coalitions or electoral pacts with other parties, particularly the Liberals, in order to help ensure victory in a subsequent poll. The purpose of these documents, however, appears to have been as much to justify or condemn their authors' advocacy or rejection of interparty cooperative policies as to provide practical plans for their implementation. It would also appear that the internal argument against electoral pacts was decisively carried, perhaps explaining, as cited above, why these political devices did not form a significant part of the Conservatives' 1976-79 planning.<sup>34</sup>

In contrast to Conservative planners' efforts in both 1974 and 1975, interparty agreements for supporting a future Conservative minority government and potential coalitions with other parties were considered during the later 1970s. Even from mid-1977 onwards, CRD documents were outlining not only a series of hypothetical post-electoral scenarios involving 'Hung Parliaments', but were also going into greater detail over the conduct of negotiations, the possibility of reaching agreements with particular parties, and some of the tactics that might be used or required in order successfully to achieve a workable agreement. This planning was very much framed within the British tradition of minority government, asserting a firmly majoritarian vision of the need to keep the planning secret, but also acknowledging the purpose of such planning for alternative outcomes as being a pragmatic preparation. Such sentiments are perhaps best captured in the opening of the April 1978 'Hung Parliament' paper:

“Before and during a general election campaign there can be no public admission that the Party expects anything less than victory with an overall majority: to give any hint that we had planned for any other contingency would tend to increase the

<sup>33</sup> CAC: THCR/2/1/1/38, Keith Joseph to Margaret Thatcher, 28 November 1977; THCR/2/1/1/39, Keith Joseph to Margaret Thatcher, 22 May 1978.

<sup>34</sup> CPA: CCO 20/2/7, various letters, March-October 1974; LCC 1/3/4, 36<sup>th</sup> Meeting, 30 October 1974; CCO 20/7/21, Meetings, 17 September-9 October 1974; OG 54, Letter to Michael Fraser, 17 April 1974; OG 56/74/158; SC 12 (4), 3<sup>rd</sup> Meeting, 1 April 1974; (8), 7<sup>th</sup> Meeting, 1 July 1974; MF: Reel 95, 00082-7, Letter from Michael Fraser to Heath, 5 October 1974; 00202, Letter from Michael Fraser to Heath, 6 May 1974. See *infra*, pp. 141-2.

minority parties' vote. We have thought it prudent, nevertheless, to set down, in case they are ever needed in the aftermath of an election, some considerations first on the constitutional and historical aspects of a hung Parliament, secondly on the contingency itself and thirdly on the psephological background.”<sup>35</sup>

While these papers stressed their authors' desire for an outright Conservative victory, they drew different conclusions as to potential minority government or coalition outcomes.

The three documents that will be considered here include that of James Douglas' paper on 27 May 1977, to which subsequent papers make reference, followed by Nicholson's paper of 16 March 1978, 'The Hung Parliament Contingency', and a paper of April 1978, written by Alexander 'Sandy' Walker, 'Appendix E', which appears to have been, in part, derived from Nicholson's paper.<sup>36</sup>

In Douglas' May 1977 paper, it is suggested that, in the event of an indecisive election: “the most likely outcome [...] would be either an exceptionally short Parliament [with a minority government]” or a “grand coalition” involving at least part of Labour and the Conservatives. Although the idea of a coalition between Labour and the Conservatives was (and as of 2015 would still be) publicly dismissed out of hand as impossible by many contemporary political commentators, the fact that this was even being considered shows something of the mindset of Opposition planners at the time, and the influence that the notion of a Unity Government continued to exercise. Both Labour and the Conservatives had been in coalition around thirty-two years previously, albeit in terms of a wartime government. This paper was also framed within the above-cited context of a potential Labour Party split that had dominated previous Conservative discussion on the subject in 1975 and 1976. While the economic turmoil of the IMF bailout had been successfully navigated by Callaghan, the early months of the Lib-Lab Pact and the tensions raised between Government leaders and Labour MPs, discussed in a previous chapter, once again raised the possibility of a party split in the minds of observers.<sup>37</sup>

By early 1978, the situation had changed significantly, as acknowledged in subsequent CRD papers. The Pact had not only survived, but had demonstrated the value of interparty cooperation, which led Opposition researchers considering 'hung parliaments' to fear “the recent narrowing of the gap between the two major parties in the opinion polls”

<sup>35</sup> CAC: THCR 2/1/6/194: Appendix E, 'The Hung Parliament', 12 April 1978.

<sup>36</sup> See *infra*, footnote 37.

<sup>37</sup> CAC: THCR 2/1/6/194: Appendix E, 'The Hung Parliament', 12 April 1978; CPA: CRD/L/4/46/6, 'The Hung Parliament Contingency', 16 March 1978.

or that it had become “more likely that Callaghan would seek to stay in power through a continued arrangement with the Liberals”.<sup>38</sup>

A later development of Conservative planning that addressed these issues may be seen in Nicholson’s ‘The ‘Hung Parliament’ Contingency’, a twenty-nine page paper considering likely Government behaviour, more detailed analysis of possible deals/coalitions between the Conservatives and other political parties, the likely political price of such deals, and an assessment of their viability. The twelve page “Appendix E: ‘The Hung Parliament’”, prepared in April 1978, conducted an extended study of plans for a potential minority or coalition government. Both papers share some of their material, not least when setting out the different possible courses of action in a ‘hung parliament’, the wording of which between the two is practically identical:

- “If Mr. Callaghan resigned, the main options facing the Conservatives would be:
- (a) to form a minority government with an understanding with some or all of the minor parties;
  - (b) to form a minority government without any formal understanding with the minor parties;
  - (c) to ask for an immediate dissolution and have another general election within a few weeks;
  - (d) to form a coalition with a combination of minor parties or a ‘grand coalition’ with the Right of the Labour Party and the Liberals.”<sup>39</sup>

Both papers also shared the idea of the initiative remaining with Callaghan after the election as the incumbent, and seeking to stay on, citing precedents including Heath’s experience in 1974. They both presented the notion of a Prime Minister losing seats at an election as having “forfeited” the right to govern, and that this represented a “powerful” argument for Callaghan’s resignation, a notion of electoral momentum that, as previously suggested, has been applied in other cases of minority government overseas. At the same time, both papers believed that Callaghan could dismiss the argument without facing significant public opposition, but that the Conservatives attempting a similar move would be met by trade union opposition that would make governing difficult. This position would appear partly rooted in the Conservatives’ experience of the February Election of 1974, following industrial action, and in the context of the ‘Winter of Discontent’. Walker’s ‘Appendix E’ also highlighted the aforementioned 1923 precedent, showing that both Labour and the Conservatives were drawing on the same exemplars:

<sup>38</sup> CPA: CRD/L/4/46/6, ‘The Hung Parliament Contingency’, 16 March 1978. See *infra*, p. 163.

<sup>39</sup> See *infra*, footnote 38.

“The possibility of the existing Prime Minister (presumably James Callaghan) attempting to soldier on is of importance since there are recent precedents for this”.<sup>40</sup>

After much discussion, the alternatives that Nicholson’s paper came up with notably featured the SNP in combinations with either main party, along with a Conservative-UUP option, while at the same time questioning the strength of such combinations:

“The most likely outcomes of a ‘hung’ parliament would be Labour-SNP, Conservative-SNP, or Conservative-Ulster Unionist arrangements and all of these would exist unstably and possibly involve undesirable policies”.<sup>41</sup>

In part, this focus on the SNP derives originally from Douglas’ paper, which forecast the possibility of a significant SNP presence at Westminster, as being the third placed party with around twenty to thirty seats. Although the SNP poll rating had diminished nearly a year later, the subsequent papers still considered an enlarged SNP to be a distinct possibility. Nicholson’s paper also examined the three above-cited arrangements in more detail, even going so far as to suggest that there were some conditions that the Conservatives could accept in order to reach an agreement with the SNP, not least that of offering a further devolution referendum in the event that the 40% threshold was not passed. Such a proposal was considered to be justified if it gained the parliamentary support of the SNP and could be “represented as avoiding the need to move into the murkier waters of federalism”, or, even more radically, of implementing devolution even without a further referendum. Evidence of multiple edits in this section of the paper, and the blotting out of entire paragraphs, shows something of the difficulty of considering these options, and that this was very much an area being repeatedly revised in Nicholson’s line of thought. Walker’s paper similarly considered conditions for an SNP agreement, such as “the power to raise revenue” for a future Scottish Assembly, but also spent less space discussing it, and couched the measures very much as temporary expedients designed to satisfy moderate devolutionists. Both papers also acknowledged the additional difficulties of a deal, including the absence of any previous “tradition” of cooperation with the Scottish nationalists, and viewed an enlarged SNP as being “further to the Left and [...] all the harder to make a deal with”.<sup>42</sup>

<sup>40</sup> CAC: THCR 2/1/6/194: Appendix E, ‘The Hung Parliament’, 12 April 1978. See *infra*, footnote 38.

<sup>41</sup> CPA: CRD/L/4/46/6, ‘The Hung Parliament Contingency’, 16 March 1978.

<sup>42</sup> See *infra*, footnotes 39-41.

While Nicholson's paper was very much grounded in the experiences under the Callaghan Administration, Walker's paper initially set out more of a history of minority governments in Britain. Subsequent discussion of options included drawing upon nineteenth-century precedents (possibly reflecting the paucity of twentieth-century British precedents for successful minority governments, none of which were Conservative). That the paper was prepared to cite the Derby and Disraeli minority governments of the 1850s, rather than contemporary minority governments from elsewhere, once again provides a good example of the British tradition of minority government as being self-referencing, viewing the unique experience and precedents of UK minority government as important exemplars.<sup>43</sup>

In spite of differences, there is, nevertheless, a consistent preference expressed across these different papers, opting for the Conservatives running their own minority government on a temporary basis in the event of an indecisive result, and then seeking another election and majority shortly thereafter. This is very much in line with the aforementioned approach adopted by other minority governments, including those of the Canadian Government under Trudeau in 1974. While the CRD was undoubtedly aware of international experience, there is no indication in this planning that the exemplars were drawn from overseas, potential actions being justified either through reference to precedents from British political history and contemporary experience from the Callaghan Minority Government, or through an appeal to pragmatic adaptation that would enable the Conservatives to return to power. Ultimately the only formal interparty agreement seriously entertained in these proposals was that of a coalition between the Conservatives and the UUP, in a post-election Parliament where it was assumed the Conservatives would be the largest party. In Nicholson's case:

“The Ulster Unionists, of course, present the best basis for a permanent arrangement. Some additional support might be obtained when needed from the Liberals though the strength and reliability of this are both doubtful.”<sup>44</sup>

Even where Walker's paper had criticised some of the earlier views in Douglas' 1977 paper on a prospective Unity Government, it explicitly cites the earlier work, supporting the conclusion that:

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<sup>43</sup> See *infra*, footnotes 39-41.

<sup>44</sup> CPA: CRD/L/4/46/6, 'The Hung Parliament Contingency', 16 March 1978.

“The only feasible course would seem to be the one James Douglas suggested in July 1977: to rule as a minority Government with Ulster Unionist support until another general election.”<sup>45</sup>

In terms of policies that could have been offered to the UUP, the preference appears to have been largely the same as those cited in the chapter on informal cooperation when the Conservatives were seeking Ulster Unionist support during the Callaghan Government: increased representation at Westminster and the reconstruction of local government in Northern Ireland along majoritarian lines, while continuing to reject any notion of home rule that did not involve power-sharing. In this regard, Conservative planners recognised that the UUP were divided over the power-sharing issue, majority rule “not supported by Powell, Molyneaux and other Unionists”, and that rejection of power-sharing would lead to wider political damage and loss of Conservative supporters in Britain, negating any short-term benefit. Other policies included modest changes or preservation of existing arrangements where preferred in areas from the structure of Secondary Education to improving Security. This is not to say that radical proposals were not being considered. Nicholson’s paper ended the section discussing the Ulster Unionists with a scenario reminiscent of the 1974 Wilson Government’s Doomsday plan, suggesting that, if events spiralled out of control, a future Conservative Government could be compelled:

“with or without the agreement of the Irish Republic or the SDLP to re-draw the border and arrange appropriate exchanges of population”.<sup>46</sup>

Nicholson’s closing sentence indicated that he had thoughts on the arrangements for this possibility but that it would not be appropriate “to specify them in a paper of this nature”, suggests this was very much a speculative and more general contingency scenario, rather than being connected to the paper’s main consideration of preparations for minority or coalition government.

The only other option which came up repeatedly in these Conservative plans was that of the ‘grand coalition’, cited originally in Douglas’ paper. Nicholson considered that the only situation in which a grand coalition would emerge as an issue would be if Callaghan made “an offer to the Conservatives and possibly the Liberals”, but thought that even such an attempt would be “highly improbable unless the constitutional impasse were to be accompanied by an economic blizzard worse than any previously experienced”. The option of a coalition with Labour was detailed in ‘Appendix E’ so that it could be

<sup>45</sup> CAC: THCR 2/1/6/194: Appendix E, ‘The Hung Parliament’, 12 April 1978.

<sup>46</sup> See *infra*, footnotes 39-41, 45.

dismissed as unworkable. However, the fact that both papers felt it necessary to outline such an option indicates the continued intellectual impact of the ‘National Unity idea’ among political elites, and the already-cited Conservative fears about Callaghan’s propensity for encouraging interparty cooperation.<sup>47</sup>

Others engaged in planning strategy for the Opposition also gave some consideration to questions of minority and coalition government, showing both awareness and concern for the issues involved. Those who provided much of the foundational work on subsequent Conservative economic policy have traditionally been considered as particularly hostile to any notion of compromise. These strategy-makers attached some weight to National Unity as viable, but, in their eyes, deplorable. Alfred Sherman’s extensive memorandum to Conservative strategist John Hoskyns in May 1978 is one example of this, arguing passionately for the need to counter the threat of a prospective Government of National Unity. However, even some of these planners were willing to contemplate the possibility of the Conservatives entering into coalition. The wide-ranging reforms that the Conservatives sought to achieve in areas such as industrial relations were known to be controversial, planners including Sherman and Hoskyns anticipating prolonged battles against trade unions and other powerful interest groups. As such, a focus in planning was not merely to win a General Election but also to gain the power necessary to achieve their goals, a particular emphasis being on the ability to win several Elections consecutively with a sufficient majority to implement the required legislation and executive policies.<sup>48</sup>

These papers give an insight into the Conservative approach to the question of potential minority government. While the idea of a National Unity Government involving Labour and the Conservatives was very unlikely, its inclusion in the above papers as a concept even worth recognising gives some insight into the effect of minority government on strategy-making. The possibility of such a government when faced with a weakened political system and economic crisis was not confined to the academic exercises of one or two strategists, but was, as already indicated, a view that had deep-rooted and significant influence among political elites during this period. The papers are also indicative of the Conservatives’ mindset when presenting their plans for minority or coalition government, framed very much within the continuation of experiences learned in the British political system, rather than looking toward innovation based on contemporary practices abroad.

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<sup>47</sup> See *infra*, footnotes 39-41, 45.

<sup>48</sup> CAC: HOSK 1/123, ‘Stand by to Repel Coalition – Press-gangs’, 4 May 1978; J. Campbell, *Margaret Thatcher*, p. 328.

Even where those making plans demonstrated their awareness of the experiences of minority governments in other countries, their papers on potential ‘Hung Parliaments’ drew exclusively from British examples. For instance, the Conservatives’ April 1978 paper on ‘Hung Parliament’, cites British minority governments going back to the mid-nineteenth century:

“Minority governments have often been formed, usually at periods when the Party system has been in transition, e.g. when the Peelites were drifting slowly from Conservative to Liberal allegiance, or when the Liberal Unionists were moving rapidly from the Gladstonian to the Conservative camp, or when Labour was taking over from the Liberal Party. Sir Ivor Jennings, in *Cabinet Government*: 3<sup>rd</sup> Edition, 1961, cited no less than eleven cases of minority governments since the 1832 Reform Act”.<sup>49</sup>

While minority government planning was conducted behind closed doors, the Conservatives’ official public discourse would appear to have continued to militate against the notion of minority government and prospective interparty cooperation. There were some instances where appeals to greater interparty cooperation would appear to have been adopted by the Conservative leadership. In January 1979, Thatcher was persuaded by those advising her to make use of the spirit of ‘National Unity’ – doing a party political broadcast on 14-15 January in which she offered the Callaghan Government the support of Conservative MPs to pass specific measures in Parliament: seeking to alleviate the industrial crisis through bans on secondary picketing; providing funding of strike ballots; and a no-strike agreement in essential services. Although the offer was made on the premise that it was bound to be rejected, Thatcher voiced her concerns when discussing the approach with those advising her, fearing that a pragmatic Callaghan could accept, and, as a consequence, out-manoeuvre the Conservatives. The offer was, as had been forecast, rejected by the Government. Although this broadcast was couched in terms of a ‘National Unity’ appeal, it was conceived of primarily as a political device for gaining the support of moderate voters, rather than as a genuine move towards opening up greater interparty cooperation between the two main parties.<sup>50</sup>

The framing of the Conservatives’ official discourse through the General Election manifesto also did not show any of the markers for potential negotiations that may be found in those of their counterparts abroad. It was suggested by Opposition strategists, including Patten, that, in spite of an indecisive outcome being unlikely, the

<sup>49</sup> CAC: THCR 2/1/6/194: Appendix E, ‘The Hung Parliament’, 12 April 1978. See *infra*, footnotes 21-3.

<sup>50</sup> CPA: CRD/D/7/24, Memorandum from Peter Utley to Lord Thorneycroft, 12 January 1979; J. Campbell, *Margaret Thatcher*, pp. 421-3.

Conservative manifesto should still contain a commitment to a Speaker's Conference on constitutional matters. The above-cited Conservatives' April 1978 paper on a 'Hung Parliament' similarly advocated a public commitment to a constitutional conference, as a means of gaining the support of additional voters, but, also because "it would give us [Conservatives] some room for manoeuvre after the election if we need to trade constitutional points with minor parties". A commitment of this nature would be very much in line with that promised in the Conservative October 1974 manifesto, and could have helped in the process of making an agreement with another party, judging that the Liberals, SNP and UUP were all likely to have had demands that could require significant constitutional changes.<sup>51</sup>

The final wording in the manifesto was somewhat vague on this point, naming a number of constitutional matters as concerning "which we shall wish to discuss with all parties", rather than putting forward any specific commitment to a Speaker's Conference or other formal body. The tone of the section highlighting these issues focused around opposing the perceived unconstitutional role of industrial workers on strike during the winter, as well as decrying changes to the constitution "for party political advantage". Although the need for more action on the constitution was noted by the Shadow Cabinet in July 1978, references to unifying the nation were qualified as precluding interparty cooperation. While the manifesto's avoidance of detailed commitments may have served as a useful basis for negotiations with other parties, it was conceived of by those framing the document purely as a reaction against too much detail in previous manifestoes from 1970 onwards, rather than as a preparation for a prospective minority government. Similarly, the avoidance of repeating anything resembling the October 1974 commitment on interparty cooperation, or even anything committing the Conservatives to examining wider constitutional reform, fitted very much with the party leadership's adherence to Britain's majoritarian political culture.<sup>52</sup>

While the Conservatives had largely ruled out the Liberals as potential post-electoral coalition partners, the papers exploring the possibility justified this more on the grounds of the Liberal Party not likely to have a significant number of seats in Parliament, rather than from a principled stand against such cooperation. As highlighted in the earlier chapter on interparty cooperation, the Conservatives were more interested in converting

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<sup>51</sup> CAC: THCR 2/1/6/194: Appendix E, 'The Hung Parliament', 12 April 1978; 2/6/1/250: Covering Note, Chris Patten to Margaret Thatcher, 7 June 1978; More Thoughts on Strategy, 31 May 1978.

<sup>52</sup> CPA: LCC 1/3/16, 215<sup>th</sup> Meeting, 12 July 1978; 216<sup>th</sup> Meeting, 19 July 1978; *1979 Conservative Party General Election Manifesto*.

Liberal voters, but did not fully cut off cooperation with their Liberal counterparts.<sup>53</sup> The Liberals' own planning also did not completely rule out future cooperation with the Conservatives. The natural instincts of the Liberal party in the country would appear even in the 1970s to have been more oriented towards Labour, including their rejection of coalition with Heath's Conservative Government in 1974 and the formation of the Lib-Lab Pact in 1977. However, internal planning by the Liberal leadership in the late 1970s did consider the possibility of working with the Conservatives after an indecisive election. The party's National Executive Committee accepted in a June 1978 meeting with Steel that an agreement between the two parties might become necessary depending on the outcome of any election:

“in the event of a hung parliament after the General Election, the Liberal Party would be willing to co-operate with another party in government, whatever its political complexion, in order to achieve certain Liberal objectives, foremost amongst these being positive progress towards the implementation of proportional representation, and therefore the possibility of an agreement with the Conservatives should not be dismissed, but agreed with Mr. Steel who had said that the Tories would have radically to modify their present dogmatic and intransigent attitudes, before such an agreement could be considered.”<sup>54</sup>

Precisely what these modifications would have entailed is uncertain. It is however very likely that the most significant would have been the removal of Thatcher as leader in favour of someone more palatable to the Liberals, such as the Deputy Conservative Leader, William Whitelaw. This device of leadership change as a price for coalition is very much in line with contemporary and more recent practices of smaller parties seeking to form coalitions, such as the Liberal Democrat demands for Prime Minister Gordon Brown's resignation as a condition for coalition in 2010.<sup>55</sup> Such a device would have served to remove perhaps the greatest obstacle to a Conservative-Liberal agreement in 1979, that of Thatcher's opposition to such a form of cooperation. At the same time, there was still considerable sensitivity within the Liberals and opposition to agreements with the Conservatives, Steel feeling compelled to respond to a *Guardian* article suggesting that the Liberal leader had outlined conditions for future Conservative-Liberal cooperation by apologising and providing reassurance in a letter to Liberal Parliamentary candidates:

<sup>53</sup> See *infra*, pp. 138-40, 182-7.

<sup>54</sup> LSE: STEEL/[A1], NEC Meeting, 24 June 1978. See *infra*, footnote 53.

<sup>55</sup> A. Boulton & J. Jones, *Hung Together*, pp. 186-9, 193-5. Smaller party coalition partners may also sometimes threaten to collapse a Government unless the leader resigns in a particular instance, or, if, when selecting a replacement their preferred candidate is not selected. See, W. P. Cross and A. Blais, *Politics at the Centre: The Selection and Removal of Party Leaders in the Anglo Parliamentary Democracies* (Oxford: Oxford University Press, 2012), pp. 30-1, 150-1.

“I am sorry that “The Guardian” misinterpreted my recent speech intended to illustrate Tory divisions as my “terms for a Lib-Con pact” and even sorrier that it was lifted as such straight into Liberal News”.<sup>56</sup>

While this speculative scenario of a coalition may have appeared unlikely, it is possible that, in the event of the Conservatives failing to gain a majority, Thatcher’s position would not have been secure against challengers in 1978-79. Even if a formal coalition could not have been formed, some form of more informal arrangement between the two parties would not have been totally inconceivable, given their cooperation on important votes during the Callaghan Administration.<sup>57</sup>

## Conclusion

Although the final outcome of the 1979 election was a Conservative victory with a solid majority, there was significant uncertainty for contemporaries about the likely result of an election which shaped their planning and conduct of strategy. The experience of minority government during the 1970s, whether in office or opposition, was significantly important in shaping this planning and the resultant actions of the two main British Political Parties.

While both main parties publicly rejected any outcome short of an outright victory, planning was conducted behind the scenes for the possibility of a future minority government or even the formulation of a coalition with the smaller parties. Papers were produced outlining possible scenarios for future ‘hung parliaments’, which involved the political leadership of both Government and Opposition in greater consideration of minority government and coalition questions than has previously been recognised. Limited debates within Labour focused around how Callaghan should respond to any indecisive result in terms of forming a new Government and potential conditions for cooperation with the Liberals, SNP, UUP and/or SDLP. The Conservatives’ multiple CRD papers on a ‘hung parliament’ considered everything from running a minority government to a full coalition with the UUP, as well as admittedly less likely outcomes which might have included a Conservative-SNP Coalition or a Grand Coalition with Labour.

However, clear hostility to the notion of interparty agreement remained strong within Labour and the Conservatives, and this work was, although significant, more sporadic and less extensive than that done by many of their European counterparts.

<sup>56</sup> LSE: STEEL/[A1], David Steel letter to Liberal Candidates, 8 June 1978.

<sup>57</sup> LSE: STEEL/[A1], NEC Meeting, 24 June 1978. See *infra*, pp. 190-1.

Planning work was also not translated by the two main parties into measures typically adopted in other countries to facilitate better post-electoral interparty cooperation or coalition. Such measures, including modification of the parties' public discourse through manifestoes to signpost potential negotiating positions, or establishment of additional pre-electoral assistance or communication with other parties, were not significantly developed by either of the two main parties.

Having to address problems of potential minority or coalition government helped to shape the thinking of both main political parties after 1979 until the present day. These experiences provided a platform on which future leaders would build when faced with prospective political realignments, including the emergence of the Social Democrat Party in the 1980s, and the prospect of possible minority governments following elections, which continued to feature prominently in considerations of General Elections, particularly in 1992 when most forecasts incorrectly judged that the outcome would be indecisive. The experiences of minority government and coalition politics in Devolved Parliaments after 1999, and, at a Westminster level following 2010, have reinforced the importance of strategy-making for parties with regard to participation in prospective minority and coalition governments. At the present time of political uncertainty, when another 'hung parliament' is being considered by commentators as a serious possibility following the General Election in 2015, this type of planning by parties is of increasing importance. The extent to which these later administrations have learned, or will learn, the lessons of their predecessors' experience in the 1970s will undoubtedly be the subject of much future debate.

## **Chapter 9: No Confidence Defeat – 28 March 1979**

The Callaghan Government's defeat in a no confidence motion by 311 votes to 310 on 28 March 1979 represents perhaps one of the most dramatic moments of recent British parliamentary history. As with the Pact, any attempt to comprehend the multiplicity of factors which contributed to this defeat, both in terms of the event itself and the backdrop of the preceding months, could reasonably be a significant self-contained study. Indeed, as highlighted in the introduction, some have produced articles or chapters which concentrate solely on explaining the downfall of Callaghan's Administration, in addition to a book-length study *Explaining the Fall of the Labour Government*. However, this latter work was primarily a collaborative effort among Labour MPs, produced immediately following defeat in 1979 and seeking to challenge Government policies and practices more widely, rather than concentrating on parliamentary strategy and the no confidence vote.<sup>1</sup>

There were a number of individual instances where the Government could have gained the additional vote to avoid defeat, involving numerous devices including, not least, the honouring of a gentlemen's agreement between a Government and Opposition whip always to find a pair if needed, signing one of the associated deals on a gas pipeline or gas price reduction for Northern Ireland, or getting an ambulance to bring in the Labour MP, Sir Alfred Broughton, who was seriously ill. The events surrounding the confidence vote itself were retold in a full-length BBC 30<sup>th</sup> anniversary documentary, *The Night the Government Fell (A Parliamentary Coup)*, including interviews with participants from different parties. Works considering the causes of the defeat have generally tended either to emphasise Government mistakes over handling the outcome of the Devolution Referenda, which lost SNP support, or to suggest that the Government's fate was already sealed by the 'Winter of Discontent', and that the loss of the confidence vote was a foregone conclusion or did not have a significant effect in terms of the subsequent election.<sup>2</sup>

The calling of a no confidence vote in March 1979 and its subsequent loss were by no means certain, even after the 'Winter of Discontent'. The vote was also significant in terms of what it highlighted about the British approach to minority government. The state of minority government led to Callaghan's defeat, but not only through the lack of votes. Ironically, the defeat also arose from the Government's experience as a minority

<sup>1</sup> T. Heppell and K. Theakston (eds), *How Labour Governments Fall*, pp. 8, 14-60; K. Coates (ed), *What Went Wrong: Explaining the Fall of the Labour Government* (Nottingham: Spokesman Books, 1979).

<sup>2</sup> See, for example, D. Sandbrook, *Seasons in the Sun*, pp. 765-81; T. Heppell and K. Theakston (eds), *How Labour Governments Fall*, pp. 127-8; A. Seldon and K. Hickson (eds), *New Labour, Old Labour*, p. 197, 200-1; E. Shaw, *The Labour Party Since 1979: Crisis and Transformation* (London: Routledge, 2002), p. 7; P. Hennessy, *The Prime Minister*, pp. 393-6; J. Callaghan, *Time and Chance*, pp. 558-63; BBC Documentary, *The Night the Government Fell (A Parliamentary Coup)* (31 May 2009). For an alternative view regarding the inevitability of the 'Winter of Discontent' see A. Thorpe, *A History of the British Labour Party*, pp. 205-6. See *infra*, pp. 6-7, 210-13.

administration over the course of the Parliament, conditioning the response of those formulating strategy. Additionally, the ‘rational actors’ from different parties did not behave in the way that contemporaries and most minority government theory would have necessarily predicted. This chapter will reconsider this vote in an effort to examine both main parties’ strategy development, and also the distinctive British tradition of minority government. In instances where this chapter selectively considers counterfactual outcomes, these will highlight some of the choices that were faced by the Government in handling the no confidence issue, and will be directed along the lines of attempting to evaluate some of the potential calculations that may have influenced contemporary strategy-makers. The first stage will be to consider the Government’s efforts to avoid the no confidence vote, followed by both Government and Opposition dealing with the no confidence vote, in terms of approaches to other parties and certain individual initiatives which highlight important aspects of the minority government over the previous three years. Finally, the chapter will consider how far the loss of the no confidence vote impacted upon the subsequent election.

## **Avoiding the vote**

While the Government had suffered significantly in early 1979 during the strikes and economic turmoil of the ‘Winter of Discontent’, the immediate trigger for the confidence vote was the outcome of the Referenda on Devolution on 1 March 1979, and the Government’s response. While a majority actually voted in favour of Devolution in Scotland, the 40% turnout threshold for Yes votes, added through Labour backbench rebellions in Parliament, was not met, requiring that the Government repeal the Act. The SNP response was to threaten that they would table a vote of no confidence in the Government unless a vote was brought forward in the near future on the repeal of the Scotland Act, and that Labour committed to voting against the repeal, as a means to bringing forward the implementation of Devolution.<sup>3</sup>

While it may be difficult to see how the Government could misinterpret such a statement, contemporary perceptions that the Devolution result would not threaten Callaghan’s survival extended beyond the Government to other parties, and affected their approaches and views towards any prospective vote. The Opposition were cautious about attempting any confidence vote at this stage, considering the SNP’s intermittent backing of

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<sup>3</sup> TNA: CAB 128/65, 11<sup>th</sup> Meeting, 8 March 1979. See *infra*, p. 35.

the Government over the previous couple of years, and that their own stance on Devolution ran the risk of losing the support of some of their own members and the SNP MPs, highlighted not least in correspondence between backbenchers and the party leadership. One such exchange of communications with Thatcher in the weeks following the Referenda involved Conservative MP Anthony Nelson, who warned that any publicly hard-line stance against Devolution would potentially not only alienate some Conservatives MPs but also “lessen the possibility of obtaining SNP support on other matters in the remainder of this Parliament”. The response of the Conservative leadership was very much along the lines of seeking repeal of the Devolution Acts, but also not to discourage the thought of a further negotiated compromise on Devolution, or to take action that would antagonise the smaller parties.<sup>4</sup>

The Liberals similarly were not certain in the early stages that the Government would necessarily lose a confidence vote. Even prior to the Devolution Referenda, when it appeared that the 40% threshold would not be met, others among the opposition parties did not necessarily consider the SNP likely to bring down the Government. On 23 February, Steel reported to the Liberal National Executive Committee that he believed:

“the nationalists would probably not be prepared to vote against the Government while there was still a prospect of securing the enactment of the Scotland Bill”.<sup>5</sup>

When meeting Callaghan on 6 March, the Prime Minister’s suggestion of Liberal support being crucial in preventing an early General Election was, in several instances, rebuffed by Steel, reiterating his view that the SNP would enable the Government’s survival.<sup>6</sup>

In line with the practices outlined in previous chapters, the Government first sought in March 1979 to avoid any confidence vote, or, at the very least, to delay one. Some of the different attempts by the Government to deal with the issue of the Scotland Act’s repeal in a way which would stave off SNP criticism have already been highlighted in contemporary reflections, not least Foot’s proposal to use a parliamentary technicality of trying to keep the Bill on the statute book without implementing it, which became known variously as ‘the Frankenstein solution’ or ‘the Frankenstein formula’. Such a move was not accepted by Callaghan and others in the Government, fearing that it would be perceived as a form of

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<sup>4</sup> CAC: THCR 2/1/3/14, Correspondence between Anthony Nelson and Margaret Thatcher, 13-15 March 1979.

<sup>5</sup> LSE: LIBERAL PARTY/1/10, Minutes of the Meeting of the National Executive Committee, 23 February 1979.

<sup>6</sup> TNA: PREM 16/2201, Prime Minister’s Meeting with Mr David Steel, 6 March 1979.

cheating, and would not satisfy the SNP.<sup>7</sup> The move did, however, arise in discussion with other parties, not least the Liberals. While the Liberals were no longer in any formal Agreement with the Government, Callaghan had met with Steel on 6 March, as cited in Chapter 7, after the Devolution Referenda but before any confidence motion was set down. Steel raised the thought of Parliament voting against the repeal but not implementing the legislation until after the election as being “an attractive scenario, particularly since the Scottish Liberal Conference was taking place in two weeks time”. Callaghan, however, did not directly answer this suggestion, delaying with the response “the Government did not wish to be rushed”, before opening up the prospect of discussing ways of taking Devolution forward.<sup>8</sup>

In line with the sentiments of Callaghan and Steel’s meeting, the Government’s approach was very much one of playing for time, while stipulating that, although they would lay the repeal order, it would be for Parliament to decide upon, while the notion of all-party talks to resolve the issue would become a focus of this approach. Such a view was shared by many of those formulating Government strategy, including among members of the Cabinet, and in a Policy Unit meeting of 5 March.<sup>9</sup> At the 8 March Cabinet meeting, a week after the poll, it was recognised that repealing the Act “would have immediate consequences for survival of the Government”. In this meeting, Callaghan did raise the prospect of an amended Act being implemented, while the proposition put was for talks involving all parties to try to consider how to handle the outcome of the Referenda. Although there was some suggestion of attempting to achieve a compromise, these talks were conceived of by the Government from the outset primarily as a tactical device, an attempt to expose differences of opinion between opposition parties, and to delay any no confidence motion. In the frank assessment of that Cabinet meeting:

“It had to be expected that interparty talks would be no more productive now than when attempted previously, but so long as they continued, the prospect remained of avoiding the Scottish National Party voting with the Opposition on any motion of confidence.”<sup>10</sup>

At the same time as this “prospect”, there was an appreciation of the other parties’ positions:

<sup>7</sup> Ian Aitken, “Callaghan Dilemma on Home Rule Acts”, *The Guardian* [London, England] 16 March 1979 [accessed 3 March 2015]; K. O. Morgan, *Michael Foot*, pp. 365-7; J. Callaghan, *Time and Chance*, pp. 559-60.

<sup>8</sup> TNA: PREM 16/2201, Prime Minister’s Meeting with Mr David Steel, 6 March 1979. See *infra*, p. 160.

<sup>9</sup> B. Donoghue, *Downing Street Diaries*, vol. ii, p. 454.

<sup>10</sup> TNA: CAB 128/65, 11<sup>th</sup> Meeting, 8 March 1979.

“It was nevertheless doubtful whether the Ulster Unionists and Plaid Cymru would be prepared to abstain on such a motion and the Liberal Party was committed to seeking an early General Election.”<sup>11</sup>

Several options were raised at this point. The above-cited solution of voting against the repeal order but not implementing the Act came up, with the suggestion that the SNP and Liberals “would be found ready to support such a proposal”. The counter argument to this appears to have focused on the pressure immediately to put forward the repeal orders and the danger that, if they did not, then the Opposition would put down a censure/confidence motion on the issue and probably win. All-party talks were once again stressed at this point as providing a viable means of delaying the requirement for Government action. Another option put forward was to avoid any such censure motion by the Government putting down its own confidence motion “containing a continued commitment to Devolution”. The counter to this was that of being unable to ensure Liberal support, and that Labour backbenchers opposed to Devolution would find such a move “divisive” and potentially vote against it. Rather than firmly deciding upon a course of action, Callaghan summed up the discussion by once again playing for time, hoping that a week later:

“some clearer assessment might be possible of the likely attitudes and intentions of the Scottish National Party and the Scottish Labour Party”.<sup>12</sup>

The inability to comprehend the reaction of some of the parties fuelled Government hesitation. While in some ways the avoidance of a hasty reaction was not unreasonable, the perceived delay also only served to frustrate further the MPs of the SNP, and to increase suspicions that the Government intended to avoid tackling the Devolution issue. As such, by the time of the next Cabinet meeting on 15 March, the SNP were insisting on debates on the repeal order being taken by 27 March “and that the Government should commit themselves to the rejection of the Order”. In this Cabinet, it was agreed to lay the repeal orders, but, instead of any firm commitment, to make a statement pressing for further reflection and an *ad hoc* forum for all-party talks. Although this time there was at least some suggestion of bipartisan consensus being reached, and that a time limit of four weeks should be set to avoid charges of delay, the device appears once again to have been aimed

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<sup>11</sup> TNA: CAB 128/65, 11<sup>th</sup> Meeting, 8 March 1979.

<sup>12</sup> B. Donoghue, *Downing Street Diaries*, vol. ii, p. 456. See *infra*, footnote 11.

at ensuring that the opposition parties remained divided on the issue, and even to embarrass the Conservatives if, as expected, they refused to participate in the talks.<sup>13</sup>

An even more detailed insight into the thinking and internal debates behind the Government approach to the Referenda outcome, and in terms of dealing with the no confidence vote itself, may be seen in the minutes of the meeting between Callaghan and the Government Whips on 21 March 1979, occurring just before the SNP put down their no confidence motion.<sup>14</sup>

Much has been made of the large number of Labour MPs, up to forty or even fifty, being prepared to rebel against the Government if it attempted to enforce a vote along SNP lines to prevent the repeal of Devolution. In fact, Whip James Hamilton suggested that, if the vote were made an issue of confidence, the number of rebels would be closer to only six, out of more than three hundred. While being challenged by some of the other Whips, even this estimate was unacceptable to Callaghan, who regarded such a rebellion as meaning “a split party”. Callaghan’s mindset was very much in line with how earlier confidence votes had been handled, as previously discussed in Chapter 4, where even a modest loss of Government members on such a vote was taken to represent a grave challenge to the Government’s authority. Although others, including assistant Whip James Marshall, supported a quick vote on the Order on the basis of a “Three line Whip”, Callaghan rejected this outright, making reference to a previous time in 1969 when he had set up the Government to vote against its own Order, and subsequently had had to live with charges of “gerrymandering”. One suggestion, raised by assistant Whip John Evans, in terms of interparty cooperation, was for a constitutional conference on Devolution as a means to retain support of the SNP, but was similarly ruled out by Callaghan as “not compatible with setting a date with the votes on the Orders which would lead to an SNP censure motion”. In fact, throughout the meeting, Callaghan also took a very harsh line against interparty cooperation, talking of his frustrations with “being blackmailed” and concluded the meeting with the sentiment that “he would make no bargains”. Most of the whips appear to have endorsed such a line at this stage, which encouraged the notion that no firm date should be given as the SNP had stipulated. Indeed, assistant Whip Ann Taylor suggested that, while a late election would be better, there was “nothing wrong, however, with the Government being defeated while it was acting responsibly”, a sentiment which

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<sup>13</sup> TNA: CAB 128/65, 12<sup>th</sup> Meeting, 15 March 1979.

<sup>14</sup> TNA: PREM 16/2214, ‘Note of a Meeting in the Cabinet Room’, 21 March 1979.

would appear to have endorsed the notion of daring defeat, or even seeking it on this issue.<sup>15</sup>

Following on from the Government's proposal of interparty talks but without a firm commitment to a date or rejection of repeal order, the SNP put down a no confidence motion on 22 March. Once this motion was tabled, followed quickly by a Conservative no confidence motion, the room for manoeuvre of the different parties in Parliament was restricted, having to back up their statements of intent in order to maintain their political credibility. There was the suggestion by some Labour MPs in the days immediately prior to 28 March that the Government should immediately announce a date for the election before the no confidence debate, thereby seeking to avoid having to face a parliamentary vote. It does not appear that this option was given any serious consideration by Callaghan, mindful of the 'Frankenstein formula' and other previous innovations to avoid parliamentary defeat which might have been perceived as 'cheating' by opposing parties and the electorate. Having failed to avoid the no confidence vote, the Government now faced the challenge of having to win it in order to survive.<sup>16</sup>

## The No Confidence Vote

### Approach

There have already been accounts elsewhere that describe the vote itself, and the various attempts by the Government and individual Labour MPs to secure a majority. Although these will be looked at, to some extent, it is also worth considering the approach of both main parties to the confidence vote, in the context of the minority government as outlined in the previous chapters.<sup>17</sup> When looking at the different options explored by the Government, it is also worth bearing in mind not only the vote, but also how the methods employed might have affected the Government's subsequent ability to manage Parliament. As indicated by Strom, the survival of minority governments depends not only on their having the confidence of a legislature, but also effectiveness in terms of actually being able to pass legislation.<sup>18</sup>

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<sup>15</sup> See *infra*, footnote 14.

<sup>16</sup> Ian Aitken and Ann Clwyd, "Government Rejects Nationalist Pressure", *The Guardian* [London, England] 27 March 1979 [accessed 27 February 2015].

<sup>17</sup> See, for example, B. Donoghue, *Downing Street Diaries*, vol. ii, pp. 470-73; BBC Documentary, *A Parliamentary Coup*; J. Callaghan, *Time and Chance*, pp. 562-3.

<sup>18</sup> K. Strom, *Minority Government and Majority Rule*, p. 5.

While individual cases were important, and may be taken as indicative of wider approaches to strategy or issues concerning minority government, care must also be taken in any argument that seeks to emphasise the importance of one over another in terms of the final outcome. Given that the vote was only lost by a margin of one, it may be tempting to suggest, for example, that the Government lost on 2 March, the day immediately after the Devolution Referenda, when Labour MP Thomas Swain died in a car crash. Such an argument, however, can become an endless exercise in speculation devoid of historical analysis, and, even if limited in scope, also runs the potential risk of unforeseen factors, not least, for example, not knowing how the potential interaction of members who were not present might have changed the votes of those who were.<sup>19</sup>

As for the prospect of a no confidence vote itself, the Government's approach would, at first glance, appear very much reactive, almost passive. Indeed, Callaghan at this point is widely regarded as having grown tired of making deals to keep the Government in office, acting out of frustration rather than rational calculation. Ministers and MPs similarly made public statements predicting the end of the Government or decrying talk of deals.<sup>20</sup> At the same time, however, there were debates among those formulating Government strategy, some of whom, including Donoughue and McNally, argued in the days prior to 28 March that more should be done to prevent defeat in the no confidence vote. While the frustration with such deals experienced by Callaghan and the Government leadership is clear, there was still something of an underlying strategic rationale in their thinking, not least along the lines earlier identified in the practice of 'daring defeat', calculating (albeit incorrectly) that the smaller parties would not unite to bring down the Government.<sup>21</sup>

#### Deal or no deal – Plaid Cymru, Liberals, UUP, SDLP

Although the Lib-Lab Pact had reflected a significant instance of interparty cooperation, the main parties continued to adhere to the British tradition of minority government in 1978 and early 1979, preferring to eschew public acknowledgement of any deals, while media outlets variously characterised such agreements, particularly with reference to the Government, as a form of 'bribe' or 'cheating'. The substantial pay settlements made during the 'Winter of Discontent' almost certainly fed into this notion, and hardened the

<sup>19</sup> HC Hansard, Vol. 963, col 875 (5 March 1979).

<sup>20</sup> Ian Aitken and Ann Clwyd, "Government Rejects Nationalist Pressure", *The Guardian* [London, England] 27 March 1979 [accessed 27 February 2015]; J. Callaghan, *Time and Chance*, p. 562.

<sup>21</sup> B. Donoughue, *Downing Street Diaries*, vol. ii, pp. 469-71.

Government attitude against being seen to do deals with their political counterparts. The restrictions imposed by this political environment reduced the scope for such deals, and implied that any such arrangements would have to be limited and disguised as far as possible.<sup>22</sup> While interparty meetings were very much in evidence in the days prior to the confidence vote, these were often *ad hoc*, some lacking the participation or support of Callaghan, which had been crucial in delivering the Lib-Lab negotiations in 1977.<sup>23</sup>

Nevertheless, this is not to say that the Government did not give greater consideration to interparty cooperation in advance of the no confidence vote. In spite of publicly rejecting the notion of deals and Callaghan's evident frustration, the Government continued to be mindful of the smaller parties and reticent about taking actions that would imperil their support. Meetings were also subsequently held which, in some cases, led to successfully negotiated outcomes in terms of informal interparty cooperation, although others did not. The Government's experience showed that they were in some ways more able to handle these negotiations than had been the case in previous years, although there was still a generally negative view of such deals which limited the extent to which they could be implemented.<sup>24</sup>

In the Cabinet meeting of 15 March the importance of avoiding the quick repeal of the Wales Act on Devolution was stressed, "as this would drive Plaid Cymru into supporting the Conservative Party", looking ahead to the possibility of any confidence vote.<sup>25</sup> Foot went on to obtain the support of the Plaid Cymru MPs in return for legislation to help those in the quarry industry suffering from the lung disease pneumoconiosis. The Government nevertheless presented this as merely giving greater priority to something already announced in the Queen's Speech the previous autumn. In part, this approach reflected the above-cited charges that were levied by other parties and the media of the legislation being a "bribe".<sup>26</sup>

While the UUP MPs were under pressure from their party to oppose the Government after the enactment of the Bill increasing Northern Ireland's parliamentary representation on 15 March, their votes were not considered by either main party as guaranteed. When the Cabinet speculated on the likely support from smaller parties on 15 March, the UUP were seen as potentially pivotal in any vote, but "it was not possible to

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<sup>22</sup> See *infra*, footnotes 16-17, 39.

<sup>23</sup> TNA: CAB 128/65, 11<sup>th</sup> Meeting, 8 March 1979; 12<sup>th</sup> Meeting, 15 March 1979.

<sup>24</sup> See *infra*, pp. 204-8.

<sup>25</sup> TNA: CAB 128/65, 12<sup>th</sup> Meeting, 15 March 1979.

<sup>26</sup> B. Donoghue, *Downing Street Diaries*, vol. ii, pp. 466, 468; J. Callaghan, *Time and Chance*, pp. 558-63.

forecast their likely attitude”.<sup>27</sup> Conservative Northern Ireland spokesman Airey Neave, in a report to Thatcher during February, had warned that, even after passage of the Bill increasing representation “There seems to be no assurance however that [...] Enoch and his supporters will not make some deal with the Government”.<sup>28</sup> Any prospective deal to secure UUP support was initially believed likely to include elements of tougher security policy and local government reform favourable to the Unionist position. While these aspects remained important, the main condition that actually emerged and became reported upon was more one of material benefits, in the form of funding the construction of a gas pipeline between England and Northern Ireland, at a cost of £100 million. Both main party leaderships publicly rejected the idea of any such deal, not least because of the expense, as did those in Government’s 21 March Whips meeting with Callaghan. A subsequent watering down of the UUP position was the indication that they would be willing to sustain the Government in return for a reduction in gas prices in Northern Ireland, at a cost of around £10 million. Even prior to the SNP no confidence motion being put down, there was talk of the Government trying to do a deal with the UUP, and of Foot meeting with Powell, although it appears that Callaghan would not countenance acceptance of these demands. The votes of two UUP MPs were eventually gained in a last-minute deal by Hattersley, in return for a written agreement on a special prices index for Northern Ireland.<sup>29</sup> Possible implementation of the pipeline was considered by the Opposition, not least in a CRD paper by Michael Portillo on 23 February. Portillo believed that it was possible the Government would agree to the pipeline, and advised keeping Conservative options open. The paper outlined how to attack the Government depending on their response. If a Government commitment to the pipeline were only general, the paper advised pressing for “explicit” details, while any commitment to legislation would be challenged as “delaying the decision”. If the pipeline were rejected, the given response was to “denounce the Government [...] and pledge to re-examine the question on coming to office”. At the same time, however, the paper suggested that Conservative backing of the pipeline would not, in of itself, serve as a means to secure UUP support for the confidence vote:

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<sup>27</sup> TNA: CAB 128/65, 12<sup>th</sup> Meeting, 15 March 1979.

<sup>28</sup> CAC: THCR 2/1/3/14, The Situation in Northern Ireland, 8 February 1979.

<sup>29</sup> TNA: PREM 16/2214, ‘Note of a Meeting in the Cabinet Room’, 21 March 1979; Adam Raphael, “Only Two Votes In It”, *The Observer* [London, England] 25 March 1979 [accessed 27 February 2015]; B. Donoghue, *Downing Street Diaries*, vol. ii, p. 461; BBC Documentary, *A Parliamentary Coup*.

“it seems unlikely that a very enthusiastic response would actually bring more Unionists into our lobby at some crucial time”.<sup>30</sup>

While some meetings between the Government and the smaller parties were improvised, others were given greater attention in terms of the preparation of briefings, witnessed not least, for example, in the thirteen page memoranda prepared at Callaghan’s request before his appointment to see Fitt on 15 March. Although the document did not represent a negotiating brief, it was couched in terms of seeking to address the SDLP’s main concerns, including, as discussed previously, the allegations of a secret Government Pact with the UUP and hostility to the Government’s particular implementation of policies in Northern Ireland.<sup>31</sup> Another concern was that of the Northern Ireland Secretary, Roy Mason, perceived as favouring the Unionists in the implementation of policy. There is some suggestion that Hattersley had apparently promised to Fitt that he would replace Mason as Northern Ireland Secretary after the election in order to win over Fitt’s support the day before the confidence vote, although it is difficult to substantiate this.<sup>32</sup> It is also difficult to tell whether this offer would have been acceptable, Fitt more likely requiring the immediate removal or announced removal of Mason at the very least. Such a move, if it had become public knowledge, may well have imperilled Hattersley’s position in negotiating with the UUP, and pushed the remaining UUP members into opposing, not only on this issue, but also any subsequent legislation. No record was kept of Callaghan and Fitt’s meeting, and it would appear that, whatever reassurances may have been given by other members, these were not sufficient, as Fitt subsequently abstained. During the no confidence debate, Fitt’s speech brought out one of the difficulties in terms of interparty cooperation that was caused by the state of minority government and has been highlighted in previous chapters. At the same time as he severely criticised the Government’s policies in Northern Ireland, Fitt also, ironically perhaps, hoped that the Government would be re-elected “with such a majority that never again will they have to rely on the votes of the Unionists in Northern Ireland”. The Government’s pursuit of interparty cooperation with the UUP from 1977 onwards in order to ensure their majority had thereby helped to lose the vote of a man who had very nearly been invited to join the Government to maintain its majority in April 1976.<sup>33</sup>

<sup>30</sup> CPA: CRD/D/7/19, Gas Pipeline to Northern Ireland, 23 February 1979.

<sup>31</sup> TNA: PREM 16/2140, Assorted correspondence and briefing notes, 14-19 March 1979.

<sup>32</sup> B. Donoghue, *Downing Street Diaries*, vol. ii, p. 469. See *infra*, footnotes 31, 33.

<sup>33</sup> HC Hansard, Vol. 965, cols 521-2 (28 March 1979); BBC Documentary, *A Parliamentary Coup*. See *infra*, pp. 62-3, 109-10, 129-30.

While the Liberals would ultimately vote against the Government and appear not to have been amenable to making further deals in advance of the confidence vote, Callaghan's meeting with Steel on 6 March did also consider further Liberal cooperation with the Government in terms of any early election. Callaghan "raised the question of how far the Liberals could help in the Government's desire to put back the date of the election". Steel's response to this was "the Liberals could not be counted upon in any matter except that of the constitution", in particular if the Government gave a firm commitment to preventing the repeal of Devolution. In suggesting a possible way forward, Callaghan put it to Steel that such an option would only work "if the Liberals supported them [the Government] in any votes of confidence, otherwise there would be a precipitate General Election". Steel could not accept this, the Liberals already having made the position clear that they wanted an early election, not least in votes at the Liberal Party Conference. The then still recent experiences of, and hostility to, the Pact within the Liberals, and the Government's demonstrated inability to deliver certain Liberal priorities such as PR, also made it more difficult for Steel to offer deals in this situation.<sup>34</sup>

### The SNP

A deal with the SNP was considered unlikely by the Government, the nationalists having viewed the response to the Devolution Referenda as inadequate and put down a no confidence motion. The Government reaction appeared to have been one of daring defeat, expressed not least through harsh public rhetoric. An often-cited jibe made by Callaghan during the debate itself was that the SNP voting against the Government was "the first time in recorded history that turkeys have been known to vote for an early Christmas".<sup>35</sup> This statement had even greater significance in the context of interparty cooperation, being used previously by Liberal MP David Penhaligon in March 1977, as a statement to his colleagues against entering into the Lib-Lab Pact.<sup>36</sup> Whether or not the use of the phrase represented a conscious imitation of this earlier sentiment is unclear. Nevertheless, Callaghan's statement was not only a warning for the SNP, but also a reflection of what the Government believed the SNP MPs' approach to be, divided, uncertain and irrational. In the previous confidence vote in 1978, the SNP Parliamentary Party had supported Labour. Callaghan at the time had suggested to Cabinet that even without the SNP, "who were

<sup>34</sup> TNA: PREM 16/2201, Prime Minister's Meeting with Mr David Steel, 6 March 1979. See *infra*, p. 160.

<sup>35</sup> HC Hansard, Vol. 965, cols 471-2 (28 March 1979).

<sup>36</sup> A. Michie and S. Hoggart, *The Pact*, p. 156.

known to be anxiously reconsidering their position”, the Government were likely to win.<sup>37</sup> Now in March 1979, the assumption would appear to have been that, once again, the SNP would not seek to bring down the Government. When Steel suggested to Callaghan during their 6 March meeting that SNP support could enable the Government’s survival, Callaghan’s response was to dismiss this idea as being “no solution – the SNP were quite irrational”, and that “he would not enter into talks with the SNP on that issue [Devolution]”.<sup>38</sup> The position of the SNP MPs also appeared to be changing from the Government’s perspective on a daily basis, beginning with calls both for setting a definitive date that month for a vote on the Devolution Bills and the threat of a no confidence motion, but apparently subsequently dropping the requirement for setting a clear date. In the March Whips meeting prior to the confidence motion being announced, the views were very much that the SNP did not want to commit what was perceived as electoral suicide, expressed through such sentiments as “the SNP had put themselves on the rack and were now trying to get off it” or “the SNP were wavering”. Similar views were expressed in Cabinet, such as, “The SNP were unpredictable and not necessarily united”. The Government’s calculation, informed by these views was that, if pushed, the SNP would not vote against them, based both upon their previous voting behaviour during the Parliament, and the fact that it was not rational for them to do so, suffering from a low poll-rating and unlikely to gain anything from a Conservative victory.<sup>39</sup> While the early March Cabinet meetings discussed above had sought to push the line of dialogue on Devolution, the Cabinet meeting on 22 March, after the SNP had put down their no confidence motion, shows an increased toughening of this position, more along the lines of daring defeat, and perhaps even actively wanting to be defeated, with Callaghan’s summary of the SNP being that “if they chose to precipitate an election the Government would have a strong position on which to take their stand”.<sup>40</sup> These calculations by the Government were mistaken: firstly, they underestimated the strength of feeling among the SNP MPs as a result of the backlash for their supporting the Government in the previous confidence vote; secondly, they did not appreciate the extent to which efforts to delay any reaction to the Referendum result would only further antagonise the SNP; and, thirdly, they

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<sup>37</sup> TNA: CAB 128/64, 43<sup>rd</sup> Meeting, 14 December 1978.

<sup>38</sup> TNA: PREM 16/2201, Prime Minister’s Meeting with Mr David Steel, 6 March 1979. See *infra*, p. 160.

<sup>39</sup> TNA: PREM 16/2214, ‘Note of a Meeting in the Cabinet Room’, 21 March 1979; Ian Aitken, “Callaghan Uses Delaying Tactics”, *The Guardian* [London, England] 20 March 1979 [accessed 27 February 2015]; “Callaghan Sticks to Devolution as SNP Ponder Vote”, *The Guardian* [London, England] 22 March 1979 [accessed 27 February 2015]; Ian Aitken and Ann Clwyd, “Government Rejects Nationalist Pressure”, *The Guardian* [London, England] 27 March 1979 [accessed 27 February 2015]; J. Callaghan, *Time and Chance*, pp. 559-60.

<sup>40</sup> TNA: CAB 128/65, 13<sup>th</sup> Meeting, 22 March 1979.

did not fully recognise that once the SNP had announced their intentions to vote against the Government they felt compelled to follow through with them, even if it was on a Conservative no confidence motion.<sup>41</sup>

### The Conservatives

Given the breakdown of cooperation with the Opposition which characterised the early months of the Callaghan Government, and the adversarial competition between Labour and the Conservatives, it is perhaps surprising that there was no similar breakdown towards the end of the Government. While the Opposition did seek to wear down the Callaghan Administration, there was no wholesale blocking of legislative business, nor any attempt to defeat the Government on every piece of legislation. In part, this reflected a realistic recognition that it would not be possible to muster a majority along with the smaller parties against the Government on every Bill, nor was it desirable to do so where legislation was in the interest of both main parties. Wholesale opposition was also recognised as being more likely to alienate some of the smaller parties, who were in agreement with the Government on particular areas. Even in the days preceding the possibility of a no confidence vote in March, the Shadow Cabinet continued to adopt a mixed strategy towards legislation, opposing some and abstaining in other cases. In several instances, it was even decided that the Opposition would, in fact, support the Government against its own rebels, whether, as highlighted in the 7 March meeting that Conservatives “should be prepared to vote with the Government against any revolts by their backbenchers in these debates”, on a report and motion concerning Prevention of Terror, and, a week later, to “vote with the Government” against any backbench Labour amendment on Defence estimates.<sup>42</sup>

The Opposition were similarly reticent on Devolution and the question of a no confidence vote. The Shadow Cabinet meeting of 5 March decided that the Opposition “should not refer to any intention to table motions of confidence for the time being”, and to seek repeal of the Devolution Acts in the first instance, but also to “carefully avoid making any further commitments”. When subsequently considering the possibility of a no confidence motion at the 21 March Shadow Cabinet meeting, it was decided that any motion should only be tabled if “the SNP, the Liberals, and, if possible, the Welsh

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<sup>41</sup> See *infra*, footnotes 17, 34-40.

<sup>42</sup> CPA: LCC 1/3/16, 231<sup>st</sup> Meeting, 31 January 1979; 236<sup>th</sup> Meeting, 7 March 1979; 237<sup>th</sup> Meeting, 14 March 1979; 238<sup>th</sup> Meeting, 21 March 1979.

Nationalists gave firm assurances of support”. The meeting similarly emphasised the importance of Opposition MPs communicating to Thatcher’s office “any reports they received as to the Government’s intentions or the intentions of the minority parties”. Such caution reflected previous attempted no confidence motions in 1977 and 1978, the failure of which had damaged the credibility of the Opposition. Interestingly, the required assurances did not include the UUP, which may have partly reflected Opposition considerations that, following passage of the Bill increasing Northern Ireland representation and pressure from constituencies, their votes were more likely to be deployed against the Government. This is not to say that Ulster Unionist support was in any way assumed, meetings being held between the Opposition and the UUP in the days running up to the vote. The assurances were also based upon numeric calculations that the Conservatives made of the minimum votes required to give the opposition parties a majority on a no confidence vote.<sup>43</sup>

While in some countries the loss of a confidence vote has led to an alternative coalition being formed in order to govern, this option was not even considered by the leadership of the main parties in the aftermath of the Callaghan Government’s defeat in 1979. As with the formation of the Government and the beginning of the Lib-Lab Pact, there was no question of any attempt to form an Opposition coalition that would immediately enter power. Such a practice was unnecessary, British precedents favouring an election following the loss of a confidence vote, Parliament being near the end of its term, and the Conservatives enjoying a substantial opinion poll lead.<sup>44</sup>

Opposition preparations for the no confidence vote itself followed similar lines to previous instances, including the preparation of notes for the debate itself by the CRD, primarily couched in terms of providing statistics on the comparable economic situation in other countries, and seeking to challenge the Government as having blocked previous Conservative attempts at all-party discussions on Devolution.<sup>45</sup>

Following the Government’s loss of the confidence vote, there were some concerns over the election date and the passage of a caretaker Budget. Nevertheless, as indicated in a previous chapter, this tacit cooperation between Government and Opposition continued in terms of tidying up any remaining legislative arrangements, showing that, no matter how adversarial the contest may have become, the leadership on both sides remained willing to

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<sup>43</sup> CPA: LCC 1/3/16, 235<sup>th</sup> Meeting, 5 March 1979; 236<sup>th</sup> Meeting, 7 March 1979; Ian Aitken, “Thatcher action on Vote Urged”, *The Guardian* [London, England] 15 March 1979 [accessed 27 February 2015]; BBC Documentary, *A Parliamentary Coup*. See *infra*, footnotes 44-5.

<sup>44</sup> See *infra*, pp. 57-61, 99-100, 138-9.

<sup>45</sup> CPA: CRD/B/23/5, No confidence Debate, 27 March 1979. See *infra*, p. 90.

accept existing conventions of British governance, smoothing the transition to the normal *modus operandi* of an election campaign.<sup>46</sup>

### Individuals

It is challenging to comment in terms of overall strategy on individual initiatives that would potentially have delivered the extra vote needed for the Government to survive, and not possible here, within the scope of this study, to consider in detail all the rumoured individual cases, some of which are difficult to substantiate, including hints at peerages or some other form of Government patronage.<sup>47</sup> Instead, it would be useful briefly to examine three of these individual cases which relate directly to aspects of minority government strategy faced by the Callaghan Administration during the course of its previous three years in office.

One such initiative was the honouring of the pairing agreement between Harrison and his Conservative counterpart, Deputy Chief Whip, Bernard Weatherill. This incident raised other issues that had come up during the early part of the minority government but not been dealt with, not least in terms of the aforementioned efforts to enable pairing for members who were unable to attend through illness. At the same time as highlighting a functional, indeed constitutional issue, the gentlemanly conduct of Weatherill offering to abstain himself in order to keep his word, but Harrison refusing to accept such a political self-sacrifice by his counterpart, illustrates something of the *ad hoc* nature of the British political tradition of handling minority government, where such instances of cooperation could exist even in the midst of a deeply divided and adversarial setting.<sup>48</sup>

Similarly, there are challenges when considering the apparent Government offer to Liberal MP Clement Freud, which was not acted upon, of obtaining his abstention by missing his train back from Liverpool, in return for the Government passing a version of his Private Member's Bill on Official Information.<sup>49</sup> The Government had opposed the legislation in the past, which undoubtedly presented an additional barrier, but did not, in of itself, necessarily make the attempt unworkable. Rather, what prevented success of this measure was the way in which it was approached, again indicating something of the negative side of the *ad hoc* nature of handling minority government. The contact with

<sup>46</sup> CAC: THCR 2/6/2/118, Meetings between the Opposition and Civil Servants in a Pre-Electoral Period, 30 March 1979. See *infra*, pp. 164-5.

<sup>47</sup> See, for example, B. Donoghue, *Downing Street Diaries*, vol. ii, pp. 476, 473; BBC Documentary, *A Parliamentary Coup*.

<sup>48</sup> D. Sandbrook, *Seasons in the Sun*, pp. 777-8; BBC Documentary, *A Parliamentary Coup*.

<sup>49</sup> T. Heppell and K. Theakston (eds), *How Labour Governments Fall*, p. 128.

Freud was apparently made by Labour MP Chris Price, on behalf of the Chief Whip, through an unscheduled phone call while Freud was out campaigning in Liverpool for the upcoming by-election. That this communication was only made in the final hours before the vote, contained no clear definition of what any legislation would actually look like, and was in such a form as to lack the direct communication of any senior Government figure, such as Callaghan or Foot, or even of a written assurance such as was given to the two UUP members, inevitably led Freud to question the veracity of the offer. Freud would also have approached the issue with the experiences of the Pact and the Government's failure to deliver Liberal priorities including PR on Direct Elections fresh in his mind. The covert nature of communications, reflecting the Government desire to avoid acknowledging deals, would also potentially have set Freud against his party, which he was unwilling to countenance.<sup>50</sup> The Government's view of the Bill was evident in Cabinet discussions on 15 March, before the no confidence vote had been announced, and showed no indication of attempting to enlist Freud's support. Indeed, criticism of the extensive nature of the legislation was scathing, albeit with some arguing for part of the Bill being considered in a modified form for a subsequent Parliament. Callaghan's view in the meeting was uncompromising, suggesting that, through the Government submitting their own counterproposals, even if the legislation could not be defeated, "the Government would be in a stronger position to hold back progress on the Bill". Unlike minority governments elsewhere, the Callaghan Administration had not sought greater co-authorship or collaboration between Government and opposition members on legislation. While there is no guarantee that such measures might have enabled the deal with Freud, the Government's continued majoritarian stance and handling of such offers certainly helped to restrict the possibility for successful cooperation with individuals from other parties in advance of the no confidence vote.<sup>51</sup>

The third difficult issue to consider here is that of Broughton, and the decision made not to bring him to Parliament by ambulance in order to vote, because of his serious ill health. This is perhaps the most widely recognised Government decision on a measure relating to the actual night of the confidence vote itself, inspiring a speculative radio drama thirty years later centred on Broughton and the events of that evening.<sup>52</sup> When the Whips were meeting after the vote, there were arguments over what could have been done differently so as to win, not least on the point of bringing in Broughton, who had been

<sup>50</sup> See *infra*, pp. 118, 122-3, 195.

<sup>51</sup> TNA: CAB 128/65, 12<sup>th</sup> Meeting, 15 March 1979; T. Benn, *Conflicts of Interest*, pp. 445-6, 472-3. See *infra*, pp. 130-1.

<sup>52</sup> BBC Radio 4, 'How are you feeling, Alf?', 8 June 2009.

willing to make the journey, even though his wife and doctor did not want him to go, fearing for his health. Broughton had been brought in for previously tight votes, going against his doctor's advice, although on this occasion, as indicated by Philip Norton, his doctor threatened to go public "if he were brought in for the vote". Broughton was reportedly unhappy in the following days that he had not been able to go. He died five days later on 2 April 1979.<sup>53</sup>

While it is important to maintain a scholarly distance in any historical study, it is difficult with what was clearly as much an emotional and very human decision not to risk Broughton's frail health, even if it could save the Government. There are no formulae in minority government theory or in political strategy more generally that can claim to be fit to judge what the right decision would have been in this instance. Looking briefly at the hypothetical outcomes from a rather cold and strategic standpoint, Broughton's vote could have saved the Government that night, assuming that all others were cast the same way, but its use would also have extracted an added political price in terms of reliance on ill members, and would not have been available in subsequent controversial votes on repeal of the Devolution Acts, and the Budget.

Even in the event that the Government had been able to survive and to muster majorities to remain effective over the subsequent weeks, if Broughton had died while travelling to or from Westminster, it would almost certainly have been presented very negatively in the press, whether fairly or unfairly, feeding into Opposition mantras of a dying Government that was willing to sacrifice its own people in order to survive, both literally and figuratively. It would also likely have been viewed as a callous act by the Labour leadership, and would have weighed heavily upon those who had taken the decision, including Callaghan. In discussion between the Whips, one thought raised was the dreadful prospect of Broughton dying while within the precincts of the Palace of Westminster. While there was some thought of post-rationalising this possibility, that since commoners were not permitted to die in the Palace by law he would be regarded as having died in the ambulance, or in the hospital, such a cold technicality was not shared by most members of the Government. Although there is some suggestion that Callaghan might have changed his mind at the last moment, it was too late to transport Broughton for the vote, even if this had been desirable. Although it had meant the end of his Administration,

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<sup>53</sup> "Too-ill MP 'upset'", *The Guardian* [London, England] 30 March 1979 [accessed 27 February 2015]; B. Donoughue, *Downing Street Diaries*, vol. ii, pp. 470, 473; D. Sandbrook, *Seasons in the Sun*, p. 777; A. Seldon and K. Hickson (eds), *New Labour, Old Labour*, pp. 200-1; BBC Documentary, *A Parliamentary Coup*.

Callaghan believed on reflection that, on the issue of Broughton at least, he had made the right decision.<sup>54</sup>

### Confidence Defeat and the Election Result

Those within the Government who had sought to avoid defeat on 28 March feared the consequences of the vote on the subsequent electoral campaign.<sup>55</sup> It is very difficult to establish how far defeat in the confidence vote made a difference to the final electoral result for the Government, whether in terms of forcing the election earlier than had been intended by Callaghan, or in damaging Labour's electoral prospects through depressing morale and providing a powerful symbol of its parliamentary weakness.

In terms of electoral timing, it is impossible to say what the impact of the extra month or several months would have had. In the event that the confidence vote had been won, Callaghan may well have chosen June, September or October as opposed to May as an election date, following on from planning discussed in Chapter 7. It is unlikely that another no confidence motion would have been proposed by the Opposition in the months following March 1979 for fear of a further loss of credibility, unless they could have been assured that such a vote would succeed by a reasonable margin. It was more likely that Callaghan would have been able to choose to dissolve Parliament one or several months later, nearer the absolute deadline of the five year parliamentary term. There were many within the Government, not least the Whips and those holding marginal constituencies, who preferred going on until autumn. Indeed, prior to the Devolution Referenda, Callaghan himself appeared to express such a preference for October.<sup>56</sup> Changes in opinion polls over the previous eight to ten months, oscillating between a Conservative lead of around three to eight, to a Government one of five to six in September, followed again by a Conservative lead of six to twenty-one, demonstrated to those in any doubt just how quickly the situation could be transformed. Another interesting point to note is that, although Government polling support dropped during the early months of 1979, it never reached the low point experienced during the financial crisis and IMF loan in late 1976. Some of the problems of the 'Winter of Discontent' would have perhaps lessened given more time, but there is no guarantee that an extra couple of months would have changed the underlying factors which led to a Conservative victory, whether in terms of the

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<sup>54</sup> J. Callaghan, *Time and Chance*, p. 562; B. Donoghue, *Downing Street Diaries*, vol. ii, p. 471; BBC Documentary, *A Parliamentary Coup*.

<sup>55</sup> B. Donoghue, *Downing Street Diaries*, vol. ii, p. 469.

<sup>56</sup> B. Donoghue, *Downing Street Diaries*, vol. ii, pp. 452-3. See *infra*, pp. 154-60.

economic situation or frustration with the, in some cases continuing, industrial action.<sup>57</sup> The Government would have had the advantage of delivering a pre-election Budget that was more than merely a caretaker measure, but would still have had to secure parliamentary support for this and other legislation through negotiations with the smaller parties. The financial situation had also left limited room for politically advantageous Budget measures, an issue raised by Healey in Budget discussions with the Cabinet on 1 March. According to Donoughue, Callaghan's preference for an October election would also appear to have changed to that of May over the days following 1 March, regardless of whether or not the Government won a prospective no confidence vote in Parliament. This sentiment was partly borne out of Callaghan's frustration of dealing with the demands made by the other parties following the Devolution Referenda.<sup>58</sup>

As for the effect of the confidence vote itself on the outcome, the opinion polls did not significantly change as a result of the defeat. Those published in the days immediately following 28 March showed a Conservative lead of between six and twenty-one points, largely in line with the eight to twenty point range in polls during February and early March. This trend is consistent even when considering the inaccuracies of polling already discussed, and even when discounting the eleven to twenty point Conservative leads perceived as overestimates, or polls deviating from the trend such as that showing a 0.7% Labour lead on 28 April. Although the Conservatives won the election with a 5.2% swing, the largest since 1945, and a comfortable 7% lead over Labour, it does not appear that the loss of the confidence vote itself had a significant or lasting negative impact on the Government's poll ratings.<sup>59</sup>

It is more difficult to calculate the intangible effects of the confidence defeat on Government members and their supporters. Undoubtedly the defeat further depressed the morale of Labour MPs and activists, but it could be suggested that it also helped to galvanise the campaign in terms of fighting the Conservatives. There is not scope here to discuss campaign strategy in full, but, even whether or not surveys that differed widely from the trend are discounted, the polls do appear to have narrowed over the course of the campaign. The result has also understandably been judged against the losses suffered, or as part of a longer term Labour decline, their percentage of the vote falling, as had been the

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<sup>57</sup> See *infra*, pp. 161-5.

<sup>58</sup> TNA: CAB 128/65, 10<sup>th</sup> Meeting, 1 March 1979; B. Donoughue, *Downing Street Diaries*, vol. ii, pp. 458-9.

<sup>59</sup> See polls of NOP, Gallup/Telegraph, MORI, Observer, 1 February 1979 to 2 May 1979; F. Conley, *General Elections Today* (Manchester: Manchester University Press, 1994), pp. 97-8.

case at every election since 1945, the only exception being the landslide victory of 1966.<sup>60</sup> At the same time, the Government actually won slightly more votes overall in 1979, 11.52 million, than they had in the previous election, 11.45 million. Even although this rise in votes may be partly explained by a poorer turnout in 1974, and despite losing fifty seats overall, Labour's performance did not represent a wholesale collapse in support. Although there were divisions within the party, these were more longstanding, and do not appear to have been exacerbated by the confidence vote defeat itself. These divisions also did not manifest themselves as splits or the formation of new parties prior to the election.<sup>61</sup>

## Conclusion

Although, to some extent, the Callaghan Government was brought down by the events of the 'Winter of Discontent' and loss of the Devolution Referenda, both main parties did give greater strategic consideration than has previously been recognised to how to approach the challenges of the no confidence vote in March 1979, whether in terms of either preserving or ousting the Government.

While attempting to avoid the vote, the Government's failure to do so, and the loss of SNP support, arose from miscalculations based upon previous experiences of dealing with the smaller parties during the course of the minority government, and the misreading of SNP intentions. Although partly motivated by frustration with previous experiences of interparty deals, Callaghan continued to pursue what he considered to be a rational strategy, daring some of the opposition parties to defeat him, while simultaneously, albeit reluctantly in some cases, trying to facilitate deals that would enable the Government's survival. In some of these cases of deal-making, or the potential employment of a seriously ill member to ensure victory, there were prices which the Government leadership, or individuals within the Government, were not willing to pay, whether for political or principled reasons. These possible initiatives reflected issues that had arisen but not been dealt with during the minority government, whether in terms of cross-party cooperation or pairing of MPs.

The Opposition were cautious, given their previous unsuccessful experiences with confidence votes, and sought to ensure that they had sufficient support from the smaller parties before proceeding with a no confidence vote. Their reticence over issues such as the outcome of the Devolution Referenda also sought to avoid unnecessarily alienating the

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<sup>60</sup> F. Conley, *General Elections Today*, pp. 97-9.

<sup>61</sup> See *infra*, pp. 34-5.

SNP, whose support they recognised as crucial in terms of winning against the Government. Opposition preparations included calculations of the numbers required to defeat the Government and some consideration of how their actions would influence the votes of smaller parties.

The confidence vote signalled the end of three years of minority government under Callaghan, and the beginning of an election campaign that would result in Conservative Governments with sizeable majorities for most of the next eighteen years.

## **Chapter 10: Reflection and Conclusions**

The previous chapters of this thesis have sought to reconsider the different aspects of the Callaghan Government and Conservative Opposition's experiences of minority government, from the Government's formation in April 1976, to dissolution in March to May 1979. This final chapter aims to look briefly at the British experience of minority government following Callaghan, before drawing together the different aspects considered in the study. In this way, we may attempt to re-conceptualise the place of Callaghan's Minority Government against the broader backdrop of recent British political history up to April 2015.

## Subsequent British Experience

Minority governments since Callaghan have, at the time of writing, occurred only during two brief periods in the 1990s at Westminster and in the new Devolved and distinctly more consensual legislatures of Scotland and Wales. While the 2010 Election resulted in the Conservative-Liberal Democrat Coalition, the Callaghan experience of minority government and wider British tradition of minority governments continue to exert significant influence upon decision-makers and commentators facing new situations in British politics.

On losing their majority in November 1994, John Major's Conservative Government faced the same questions as Callaghan in 1976, opposing MPs challenging the new "minority government's" authority to implement policy, and arguing that opposition parties should hold the majority of seats on parliamentary committees. Indeed, these challenges were issued making specific reference to the Callaghan Government's experience. The Major Government's response was also similar to their predecessors, a continued adherence to majoritarian principles and a public rhetoric of defiance that dismissed there being any alternative Administration, while simultaneously engaging in political compromises where necessary (albeit with limited success).<sup>1</sup>

Questions of interparty cooperation also formed an important part of this Government, with Major compelled to rely upon the support of the UUP, particularly in the latter stages of 1996-97, while Labour engaged in informal electoral agreements with the Liberal Democrats.<sup>2</sup>

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<sup>1</sup> HC Hansard: Vol. 250; cols 1073-4 (29 November 1994); cols 1222-24 (30 November 1994); cols 1327 (1 December 1994); Vol. 251, cols 196-8, 282-3 (6 December 1994); cols 431-4, 436-9 (7 December 1994); cols 490-2 (8 December 1994). See *infra*, pp. 76-8.

<sup>2</sup> G. Walker, *A History of the Ulster Unionist Party*, pp. 244-6, 254. See *infra*, footnote 3.

It is worth noting that there was only one defeat in each of the six-month periods when the Major Government lost its majority (November 1994–April 1995 and December 1996–May 1997), far fewer than the comparative of at least three to six defeats every six months under Callaghan. This seems especially ironic when considering the comparable embattled state of the Callaghan and Major Governments, which have tended to be cited in the same breath as exemplars of parliamentary weakness. At the same time, however, Major's Administration was also in some ways more radical in adopting strategies relating to minority government, not least that of deliberately entering what was effectively a minority government by withdrawing party membership from eight MPs in November 1994, and only restoring them six months later. Confidence votes, rather more so than in Callaghan's experience, were employed by Major as a means to reverse actual policy defeats, including the adoption of the Protocol on Social Policy as a condition of the Maastricht Treaty in 1993.<sup>3</sup>

Commentaries seeking to examine the foundations and antecedents of the 2010 UK Coalition Government have also looked at many historic forms of cross-party cooperation, from recent Conservative-Liberal Democrat cooperation at local council level, or in the 2005–10 Parliament, to the formative experiences for the Liberals of the Lib-Lab Pact of the 1970s, the Social Democrat Party of the 1980s, and the Blair-Ashdown Project of the 1990s. However, while these influences were significant, the wider experience of the minority governments of the 1970s, and the distinct British tradition of minority government, may be regarded as having had an equally profound impact. The Callaghan Government provides perhaps one of the closest comparable situations to the post-2010 Coalition, and the early genesis of ideas that have helped to shape the contemporary political situation.<sup>4</sup>

Experiences of the Callaghan Government were also very much present during the coalition formation process in May 2010: whether in historical summaries of British experiences of minority and coalition government during media coverage of the campaign and negotiations, to some of the insights that have been given into the discussions between coalition negotiators within the different political parties. When contemplating the possibility of minority or coalition government in 2007, Prime Minister Gordon Brown's

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<sup>3</sup> N. J. Crowson, *The Conservative Party and European Integration Since 1945*, p. 61; D. Baker, A. Gamble, and S. Ludlam, 'The Parliamentary Siege of Maastricht 1993: Conservative Divisions and British Ratification', *Parliamentary Affairs*, Vol. 47, No. 1 (1994), pp. 37–60; 'Whips or Scorpions? The Maastricht Vote and the Conservative Party', *Parliamentary Affairs*, Vol. 46, No. 2 (1993), pp. 151–166. See *infra*, pp. 32–4.

<sup>4</sup> See, for example, BBC1 feature on the Callaghan Government, *The Andrew Marr Show*, 26 April 2015. See *infra*, pp. 18–21.

political advisers first turned to examining the civil service files of Britain's previous minority government experiences in 1974 and thereafter, showing the continued influence of recent history on current decision-making in the minds of those formulating strategy within Britain's political establishment.<sup>5</sup>

The examination of the Callaghan Minority Government in this thesis, its effect on more recent British experiences highlighted above, and the post-2010 Coalition experience at Westminster, are factors which have opened up many other potential areas for future investigation that affect both British political history and wider contemporary considerations of minority and coalition governments, both domestically and abroad.

## **Callaghan Government and Opposition**

This study has sought to demonstrate that both the Callaghan Administration and Conservative Opposition put far greater consideration into strategies for coping with their situation of minority government than has previously been recognised by scholars. Through examining the effect of this state of minority government on both main parties, aspects of their different approaches have been highlighted in areas including strategy-making processes, day-to-day operation within Parliament, and future planning. These aspects have been contextualised against a wider political science theoretical perspective and the experiences of minority governments internationally. The chapters have also sought to demonstrate the distinctively British tradition of minority government, firmly grounded within and inspired by its own historical majoritarian political culture, yet possessing a degree of pragmatic adaptation and development. In this tradition, discussion between decision-makers within both main parties led to the contemplation of potentially radical courses of action in strategy-making, selectively embracing some of these as parliamentary innovations, including formalised interparty cooperation, while consciously rejecting others, not least in terms of actively seeking parliamentary defeat.

Although no new strategy-making group or unit was created solely to deal with minority government, existing strategic procedures and methods considered the matter at length, and adapted their methods of operating, from the authoring of Government contingency planning specifically dealing with responses to potential parliamentary defeats, to attempts by both parties to anticipate the timing of an uncertain election. Time in Cabinet and Shadow Cabinet discussions devoted to dealing with parliamentary affairs

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<sup>5</sup> David Muir Speaker Series: 'Downing Street and the Realities of Power', University of Glasgow, 9 March 2012. See *infra*, pp. 18-21.

increased significantly, and bodies from the Policy Unit to the CRD were tasked to author papers that dealt with specific aspects of the challenges posed by minority government. Some groups within the parties that were set up during this period had proceedings of their meetings dominated by endeavours to respond to the state of minority government, and have provided a useful insight into the planning of decision-makers, including the periodic meetings between Callaghan and the Government Whips, or the meetings of Government Special Advisers. Even where advice generated in these different fora was not acted upon, it formed part of a wider strategic dialogue, indicating potential alternative ‘roads not taken’, providing added insight into the mindset of contemporary decision-makers, and, in some cases, acted as precursors and precedents for subsequent Administrations dealing with questions of minority and coalition governance.

In terms of drawing upon experience, both main parties were aware of something of the international instances of minority and coalition government, and were establishing greater contact with their counterparts at a transnational level during the 1970s. However, these experiences did not generally feature as part of the main parties’ rationale or internal strategic discourse, which was very much couched in terms of contemporary and nineteenth- and twentieth-century British experiences of minority and coalition government. In this regard, the British experience of minority government was, and arguably still is, very much viewed through the conventional majoritarian prism by the main parties and most commentators.

The Government’s formation represented something of an unusual case among other minority administrations, coming midway through a Parliament as a result of defections rather than following an election or coalition breakdown. Alternatives to minority government were given some consideration, whether in terms of the SDLP becoming part of the Government, or of calling a snap General Election. That these alternatives were not enacted reflected concerns to avoid the appearance of ‘cheating’, and recognition of the temporal dimension – considering longer-term political implications for a party in minority status beyond merely acquiring a day-to-day majority. The Opposition also recognised and sought to exploit the changed political situation, but made no attempt to construct an alternative majority coalition within Parliament and to replace the incumbent Administration without a vote. The Opposition recognised the difficulties of bringing together the smaller parties, and believed that governments changed as a result of clear electoral victory or defeat, rather than by shifting political alliances.<sup>6</sup>

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<sup>6</sup> See *infra*, pp. 52-64.

In terms of Parliament itself, in the first instance of April 1976, the Government paradoxically both recognised the changed state of minority government and simultaneously endeavoured to continue along pre-existing majoritarian lines: governing only one or two seats short of a majority; relying on their opponents' disunity; and reflecting the notion of 'almost a majority government'. Relentless pursuit of this policy of 'daring opponents to defeat the Government', and the perception of 'cheating' on the Aircraft and Shipbuilding Industries Bill in 1976, led to significant disruption by the Opposition breaking off all cooperation with the Government. Ending the pairing of MPs for votes was initially an *ad hoc* measure, although some Conservatives sought to turn it into a broader strategy. The limits of this device in a wider strategic context were, however, recognised by the Opposition, including the harm to their own political position. Although considered in subsequent Shadow Cabinet discussions, the approach was not repeated during the Parliament. Nevertheless, the threat had a potent effect on Labour's approach to minority government, with the breaking of cooperation continuing to be cited by the Government in subsequent years as a justification for not pursuing a particular course of action.

Partly affected by this confrontational atmosphere, Government and Opposition responses to the question of legislative committees in 1976 also reflected something of the early strategic dilemmas of minority government. In terms of legislative committees, the main focus has often been on a handful of high profile committee defeats, neglecting the over one hundred reversals suffered by Callaghan in legislative committees, and the even higher number of individual elements in Bills that were modified or dropped in anticipation of such opposition. The full effect of these defeats, as well as the growth of opposition parties' influence in the minority government context, both represent areas worthy of further detailed study. While the Government initially clung to majoritarian principles, it subsequently accepted alterations to representation for new committees that reflected the changed parliamentary situation, in line with the precedent of the 1974 Wilson Minority Government. At the same time, alternative means of maintaining Government committee majorities were considered, such as committee composition being dependent on a Bill's parliamentary majority rather than the political balance of the Commons. This move was rejected on strategic grounds, for fear of the Opposition using such a tool to their own advantage in influencing Bills. Over the course of the Minority Government, the tactical approach to committees continued, but with no further apparent significant innovation. Wholesale reform of the committee structure along lines that would strengthen opposition parties' influence were rejected by the Government, not least citing

such a move as detrimental to future minority governments, once again demonstrating the continued adherence to a majoritarian political culture. The Opposition also made use of the committees to deal with some of the issues of minority government, in some instances not opposing legislation in the Commons deliberately, with a view to amending it in committee, to avoid charges of being unnecessarily and visibly obstructive.<sup>7</sup>

The prospect and reality of parliamentary defeat, whether in the Commons or the Lords, was perhaps one of the greatest challenges faced by both sides. In the management of Bills, the Government initially sought to push forward a full legislative workload, regardless of the absence of a majority. Subsequent experience of legislative setbacks compelled a reappraisal of this approach, and, while the timetable remained crowded, greater consideration was given to legislative defeats. The first reaction of the Government was largely to fall back on using its institutional resources to try to compel the passage of its legislation in a minority government setting, very much in line with other minority governments as studied by De Tsebelis. Such resources, including the timetabling of parliamentary business, recesses, Guillotine votes, confidence votes, committee composition, patronage, and, particularly, the Government Whips, were used to attempt to ensure continued passage of Government business. The limits of these resources were recognised over time by the Government, as has already been noted above regarding the temporary breaking off of cooperation with the Opposition. Use of the Parliament Act to force through legislation blocked by the Lords was considered in the early stages, but never invoked, the Government recognising the political disadvantages and likely limited success of such an approach. While reform of the Lords to remove an inbuilt Opposition majority was contemplated, this option was recognised as not solving the contemporary minority government situation, and as being unlikely to succeed when the Government had no majority to begin with. Other, more unorthodox institutional tools were considered, not least putting the Government's Devolution Bill to a nationwide referendum when its passage through Parliament appeared uncertain, this approach being ultimately rejected by the Government as an innovation which would, once again, in itself require a parliamentary majority, as well as setting dangerous precedents for future legislation. In institutional terms, the Government did not make significant concessions toward long-term reform more conducive to the operation of future minority or coalition governments, whether in terms of all-party committee representation or PR – facing the prospect of significant internal division within its own ranks over such issues, and still viewing

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<sup>7</sup> See *infra*, pp. 76-8.

majority government as ultimately the only realistic objective to be pursued. Similarly, the Opposition, while contemplating such innovations as Lords reform and the use of referenda to break national strikes, did not seriously countenance this kind of institutional reform along minority government lines. Where changes were subsequently made, in terms of the parliamentary committee system after 1979, for example, this was still very much justified within the majoritarian political culture, by a first-term Conservative Government that possessed a significant working majority.<sup>8</sup>

As time progressed, the Government approach to legislative defeats came to work very much in line with that of other minority governments: legislation was increasingly not put forward or dropped entirely if regarded as likely to be defeated; some defeats, previously regarded as incompatible with a government surviving in the British system, such as over the Budget, were largely accepted; the selective use of successful confidence motions bolstered the Administration while trying to avoid tackling issues that would split the Party; and legislation was framed in ways seeking to attract the maximum amount of support from other parties. While adopting these approaches, the Government also remained within the majoritarian mindset, plans sometimes being dropped only following the internal assurances that these would be reintroduced following a future election, if and when the Government had regained its majority. At the same time, some of the tactical approaches used by other minority governments were raised but not adopted. While the Government considered engineering its own defeat on certain issues, either as a means to criticise the Opposition as obstructionist or even as an excuse for an early election, it was ultimately viewed as a step too far, weakening the Callaghan Government unnecessarily.

The Opposition also sought strategically to manage, and to bring about, Government legislative defeats, albeit operating with more limited institutional resources at their disposal in Parliament. Their strategic deliberations led to the framing of legislation to gain smaller party support, and development of different responses to the media in the event of particular Government legislation being either successfully passed or defeated. As indicated above in the discussion on committees, sometimes the Opposition selectively held back from attempting to defeat the Government, where it was not judged to be strategically expedient, would appear unnecessarily obstructionist, or concerned legislation that both main parties approved of, such as Direct Elections. At the same time as these instances of cooperation, the Opposition's focus was still largely grounded within the

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<sup>8</sup> See *infra*, pp. 73-96.

majoritarian framework of seeking to defeat the Government on major legislative items wherever possible.

Both main parties approached questions of interparty cooperation in Parliament, albeit primarily on an *ad hoc* basis, with greater consideration of strategic concerns than has usually been appreciated. Although lacking some of the features present in interparty coalition negotiations elsewhere – no attempts being made by potential partners to outbid each other; an absence of detailed negotiating briefing papers; and no single formalised negotiating structure – the Government did engage in some strategic consideration of the implications of a Pact with the Liberals. Although the short-term nature of the first phase of the Pact was forced on the Government contrary to their desires, this initial period acted as something of an ‘experiment’ which better enabled managing opposition to the Pact and ensuring its subsequent renewal. The Pact’s renewal, often taken for granted, showed greater strategic consideration by the Government than the initial formation, from more detailed briefing papers and attempts to control the negotiating process, to discussion within bodies including the special June Strategy Cabinet meeting about potential alternative forms of cooperation, including month-to-month renewal or a longer Pact lasting into 1979. The Government also sought, to varying degrees, to make use of the institutions of the Pact to its own advantage: preventing further concessions through reference to the original written agreement; using consultation between the two leaders to compel the reduction of Liberal demands; and avoiding staged conflicts that would benefit the Liberals by withdrawing or conceding points of legislation. These approaches were not always successful, and the Government continued to suffer significant defeats during the course of the Pact. However, while ending as a result of being unable to deliver the Liberal demand for PR in Direct Elections, the Government was able to manage the end of the Pact and prevent it from collapsing as has been the fate of so many other interparty agreements and coalitions, maintaining the commitment to passing Devolution legislation and leaving the door open for future cooperation. The Government was also able to continue other forms of interparty cooperation, contemplating, although not widely adopting, more radical notions that have been pursued in other countries, such as alternative legislative majorities for different parts of the same Bill, not least for fear of the political costs of reliance upon the Opposition, and the prospect of damaging relations with the smaller parties.

The Opposition, confronting questions of interparty cooperation, largely adhered to majoritarian principles of rejecting formal deals, their relations with Liberal MPs changing to become more antagonistic as a result of the Pact and primarily seeking to convert Liberal voters rather than appealing to their MPs. At the same time, elements of the

Opposition strategic discourse and day-to-day operation embraced other possibilities and requirements for greater interparty cooperation, highlighting the dangers of criticising the Liberals over the Pact, maintaining contact with Liberal MPs which helped in the authoring of major Government defeats, and recognising the need to avoid unduly angering smaller parties over *ad hoc* cooperation with the Government, in order to gain their support in future parliamentary votes. The Opposition sought to obtain such support of smaller parties, and even to contemplate more formal interparty links, particularly with the UUP.

Through these methods and innovations, Government and Opposition did seek ways to remove obstacles to cooperation with other parties. However, in other areas of interparty cooperation there was no significant progress, and a lack of the formalised cooperative mechanisms seen in other countries' experiences of minority and coalition government. Aside from Government agreements with the Liberals and the UUP, both Labour and Conservative attempts to reach out to other parties remained very much in a British pragmatic tradition, conducted on an *ad hoc* and limited basis. Although some figures in both parties raised the prospect of electoral agreements or alliances, these ideas were rejected from the outset. In part, this rejection reflected a continued majoritarian viewpoint and earlier strategic consideration of the subject in 1974, leaders not desiring to diminish their power by increasing the likelihood of future minority governments.

The uncertainty over a possible election date arising from the minority government situation compelled greater Government preparations for different electoral possibilities, and forced a multitude of forecasting efforts by the Opposition, as well as re-examining their core assumptions of Callaghan's strategic mindset. Attempts to plan the best possible time for a future election were based on a large number of factors, particularly conditioned by the ability of the minority government to pass legislation, overarching economic indicators, local factors such as holidays in key constituencies, major sporting events like the World Cup, and an attempt to wrong-foot opposing parties and leave room for manoeuvre. Callaghan's decision not to go for a much anticipated autumn 1978 election involved a wider strategic dialogue than has previously been examined, from meetings to briefing papers. Callaghan refused to countenance an election if it were likely to produce another indecisive result (at best, a further minority government), and, also had assurances that sufficient support from smaller parties would enable the passage of crucial legislation into 1979.

Short of defeating the Government in a confidence vote, the Opposition had little control over electoral timing, but put much effort into their attempts at forecasting the

potential date, and putting in place measures that would enable flexibility in responding to a changing situation in terms of campaign preparations.

Although not publicly acknowledged, both parties increasingly sought to consider the possibility of future minority governments or even coalitions, and to make contingency plans for these potential situations. Even if the development of these plans was more sporadic or embryonic in their outline, they represent a significant development from the earlier minority government in 1974, and highlight changes within the strategic mindset of both sides, attempting to adapt to a changed political reality, while remaining grounded within pre-existing British traditions. On the Government side, considerations raised included decisions over whether or not the Prime Minister should resign in the event of another indecisive result, calculating various hypothetical outcomes based upon precedent and past British experience. Wider questions of formalised interparty cooperation did not feature significantly, not least reflecting the continued hostility within Labour to coalition and interparty deals. A paper prepared for Callaghan immediately preceding the Election did raise the prospect of coalition, discussing some of the potential combinations and the best way to approach this situation. Although it appears very much as a last-minute initiative that never had a chance to be tested, the very consideration of the possibility at Prime Ministerial level highlights the extent to which minority government had impacted upon future planning.

On the Conservative side, plans for a future minority or coalition government, while similarly regarded less favourably, were given serious consideration as possible contingencies by senior Conservatives. Researchers were tasked to write different papers considering formal coalitions, including the examination of questions from the pre-selection of potential coalition partners, to the setting out of possible negotiating positions. These papers set out several competing visions and different practical approaches to government formation, from notions of a Grand Coalition to some form of coalition government with the UUP.

The approach of both parties to the no confidence vote in March 1979 was conditioned by their experiences of minority government over the previous three years. The Government engaged in significant discussion of strategy through the Cabinet and Whips, as well as seeking a mixed approach of daring defeat and adopting limited interparty deals. Ultimately however, the vote was lost through refusal to pay certain political prices and the misjudging of smaller parties including the SNP. The Opposition avoided the wholesale blocking of Government business and potential danger of alienating

smaller party support, while cautiously approaching the Devolution question, and the no confidence vote itself.

The 1979 General Election delivered a decisive Conservative majority. Nevertheless, the potential for an indecisive election result and minority government continued to be seriously considered by political parties and commentators in the decades following 1979, in an atmosphere of prospective political realignment with the Social Democrat Party/Alliance in the 1980s, and seeming inability of Labour to achieve a breakthrough in the early 1990s. The Callaghan Government's experience served as an important foundation for future approaches to questions of minority and coalition faced in these years, both in terms of the participants who had held high political office, and as an exemplar used by commentators, political scientists and historians.

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The Callaghan Minority Government saw both main parties adopting some of the techniques used by governments and oppositions facing minority government around the world. In their rationale and the carrying out of their strategies, both considered more radical alternative courses of action, from the breaking of parliamentary cooperation as a strategy to deliberately seeking defeats or even forming formalised interparty coalitions. Nevertheless, both Labour and the Conservatives remained firmly anchored within and built upon a distinctly British tradition of minority government, seeking to justify internal strategic dialogues through appeal to parliamentary precedents, or, where necessary, pragmatic innovation grounded in existing majoritarian principles. Within wider minority government theory, the British experience of the late 1970s affirms some long-established precepts about the operation of parties in a national Parliament without a legislative majority, but, at the same time, provides a unique case study challenging dominant ideas and their theoretical bases. The experiences and actions of these decision-makers helped to lay the foundations for British political parties up to the post-2010 Coalition, and continue to play an important role in the minds of current strategy-makers in Britain's political parties, as they grapple with considerations of how to approach the formation and working of prospective minority or coalition governments, in an increasingly uncertain political future.

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