

# The 'Winter of Discontent' in British Politics

*The industrial strife that beset the Callaghan government in the winter of 1978–79, the 'winter of discontent', was seen at the time as a key factor in Labour's defeat in the 1979 general election. On 22 January 2009 – the 30th anniversary of that winter's first public sector 'day of action' – the British Academy hosted a panel discussion that brought together modern scholars and those who had been involved at the time, to consider the continuing significance of these events. Joint convenors of the occasion, Dr Hugh Pemberton and Dr Lawrence Black, here provide an account of the evening's lively debate – which began with a presentation by Professor Colin Hay that sought to offer new perspectives.*

THE LARGE audience that gathered for this discussion was testament not just to the perceived importance of the 'winter of discontent' in the trajectory of post-war British politics, but also to the way in which the events of that winter continue to resonate today.

Professor Colin Hay argued for the enduring significance of the winter of discontent, but suggested that it is nonetheless best seen as a 'manufactured crisis', lived and responded to through a particular construction of events. He argued that the 'mythology' of an overloaded state held to ransom by the trade unions and brought to this condition by its reliance on moribund Keynesian techniques, is difficult to reconcile with the evidence itself.

Discussion of Professor Hay's paper began with Peter Riddell (chief political commentator at *The Times* and senior fellow of the Institute of Government) asking Lord (David) Lea if the picture painted by Hay rang true. Lea, who was assistant general secretary of the Trades Union Congress at the time, began by welcoming the way in which Hay had brought out 'the very testing role'

that the unions played in incomes policy in the 1970s. 'We did a lot that was right' he thought. He noted that 'It was difficult running the pay policy'. The TUC was required to 'deliver what we agreed to deliver', and it succeeded in doing so, even though this often meant overriding agreements struck between unions and employers that were not consistent with the policy.

What the TUC could not be expected to do was to deliver what it had not agreed to deliver. This, for Lord Lea, was the nub of the matter. The logic of moving towards a 5 per cent limit on wage rises in 1978 might have been impeccable, but union members were simply not prepared to see a further erosion of their real wages.

The unions were not 'trying to run the country' in the late-1970s. For years, in the teeth of opposition, the TUC had conceded cuts in real wages in return for social spending. That was responsible collective bargaining 'at a high level'. The unions had 'bust a gut to get the economy on the move again' after the 1976 IMF crisis. Much had been achieved, but by the autumn of 1978 they were being expected to sign up to a pay policy that was no longer supported by their members. In this sense, the winter of discontent was a crisis of the government's making.

Lord (Kenneth) Baker, who was in the Conservative shadow cabinet during the winter of discontent, then offered his perspective. He began robustly: Hay's analysis was 'interesting and original and profoundly wrong'. The winter of discontent was not a 'constructed' crisis. It was the inevitable 'end of an experiment in government which had lasted for 34 years'. Between 1945 and 1979, Britain's was a 'largely state controlled, state ownership economy' in which the market was not allowed to operate. Instead government was 'collectivist and corporative'.

In Lord Baker's view, 'that system broke down because of one thing – inflation.' Once inflation was injected into the system in the late-1950s, trade unions sought to protect their members from rising prices via higher wages. Incomes policy was the means by which successive governments sought to prevent this; but incomes policy was doomed to failure because it was akin to trying 'to alter the laws of gravity'. Gradually 'the whole thing began to blow apart'.

Ultimately, thought Lord Baker, incomes policy gave the unions too much power. He quoted Lord (Joel) Barnett's remark that the social contract was meant to be give and take, but the only give and take in the contract was that the government gave and the unions

Figure 1. Participants at the 'Winter of Discontent' panel discussion: Colin Hay, David Lea, Kenneth Baker and David Lipsey



took. Not surprisingly, Lord Lea vigorously disagreed, but Lord Baker ended by remarking that the events of the winter of discontent were 'absolutely amazing', marking 'the end of civil order'. The election of May 1979, as it had been in February 1974, was essentially about who governed the country – the government or the unions?

The phrase 'winter of discontent' was first used in 1978–79 by Lord (David) Lipsey, then special adviser to the prime minister, in a memorandum in which he set out the likely outcome of the 5 per cent pay policy. In his comments, Lord Lipsey immediately took issue with the idea that the events of that winter have been overplayed. He noted that in Manchester there was no water for 10 days; people were getting water out of stand pipes in the street. In Liverpool 'the mortuaries were closed because the grave diggers wouldn't dig the graves, and serious consideration was being given to dumping bodies at sea'. In Leicester Square a huge pile of rubbish was alive with rats. For those in No. 10, however, the worst thing 'was the constant, terrifying fear that the whole thing might collapse around us'. A fear compounded by the fact that Tony Benn, who was on the side of the strikers, was involved in ensuring the supply of fuel.

Lord Lipsey went on to say that, even if one accepted that the winter of discontent was a 'constructed' crisis, that analysis missed an essential point: that the politics of that winter was essentially a battle between two 'very crude narratives'. The Conservative narrative was 'the unions are running the country, Keynesianism is at an end, an over-burdened state simply cannot cope'. Labour's narrative was that 'government is best carried on working with the unions'.

Lord Lipsey accepted that the 5 per cent pay policy was unattainable. He thought it unnecessary that the whole post-war settlement should have been rejected in 1979. That this happened was, in his view, the fault of the unions. They had not decided if they were part of an 'ameliorative project or a transformational project'. In practice he thought it often ameliorative. The rhetoric, however, was 'transformational, revolutionary'. Coupled with the weakness of the TUC (which lacked control over member



Figure 2. Shepherd Street, central London, February 1979. A woman walks past a pavement piled high with rubbish because of a strike by refuse collectors. Photo: Graham Turner/Getty Images.

unions) and of trade union leaders (who were unable to control their shop stewards), the unions 'did for themselves' by turning the pay policy into a trial of strength. The result was Margaret Thatcher and the creation of New Labour, the latter 'simply the post-war settlement with no trade unions'.

Contributions from the audience included Adam Ridley, in 1978–79 assistant director of the Conservative Party Research Department. He complained that Hay's account was 'unbalanced'. The social contract was about much more than incomes policy: it was about a much greater role for the unions in British society, for example in industrial democracy. Moreover, Hay was wrong to see 1979 as the point at which Keynesianism was replaced by monetarism; this had occurred in 1976. Thus Lord Baker was right to identify 1979 not as the end of Keynesianism, but as the end of the Butskellite consensus, and of the idea that unions should play a part in government. Nor did Ridley agree with the view that Labour had achieved much between 1976 and 1978. Economic growth was barely 1 per cent a year, public spending rose by 20 per cent, nominal wages more than doubled, but real wages grew scarcely

at all. He did not think any other OECD country had such a poor record, 'indeed it was probably the worst performance of any British government in the whole of our history'.

Professor Vernon Bogdanor FBA also thought Lord Baker right to see the winter of discontent as marking the, perhaps inevitable, culmination of the post-war settlement. He thought a key problem at the time had been that the unions had been seen as ameliorative and reforming; but that actually their role had come to be the preservation of 'an order that was already becoming politically obsolete'.

Lord (Kenneth) Morgan FBA agreed that the winter of discontent was 'a real crisis'. He highlighted the 'disloyalty' displayed by the unions towards Jim Callaghan. Robert Taylor, who in 1978–79 was labour editor of the *Observer*, thought it was too easy to blame the shop stewards, as Lord Lipsey had done. Nor was incomes policy unpopular – he noted a Gallup opinion poll showing two-thirds of people supported it. Rather the mistake had been to go for a 5 per cent pay guideline. This tightening of the policy when one might

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have expected a loosening was 'historically extraordinary'. **Jim Morh**, then a junior official in the Transport and General Workers' Union, agreed.

Lord Lipsey had support from **Lord Bill Rodgers**, who was Transport Secretary during the winter of discontent. He highlighted the intensity of events, the sense of helplessness in government at the time, and Labour's ideological infighting. 'There had to be a collapse, or a near collapse', to enable Labour to reinvent itself and to allow the Conservatives to solve problems which Labour had found itself unable to deal with.

In this vigorous debate, whilst there was disagreement between Lords Lea, Lipsey, and Baker about whether the cause of the winter

of discontent lay in government, the unions, or the entire post-war settlement, what was striking was the unanimity amongst those who spoke that it was a transformative moment in post-war British history. Also notable was a pervasive sense that the country might now be at a similar turning point, but with the banks taking the place of the unions as the villains of the piece.

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Colin Hay is Professor of Political Analysis, and Co-Director of the Political Economy Research Centre, at the University of Sheffield. The full text of his discussion paper, 'Chronicles of a Death Foretold: The Winter of Discontent and Construction of the Crisis of British Keynesianism', can be found via: [www.britac.ac.uk/events/2008/discontent/index.cfm](http://www.britac.ac.uk/events/2008/discontent/index.cfm)

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An audio recording of the whole panel discussion can be found via:

[www.britac.ac.uk/events/](http://www.britac.ac.uk/events/)

A fuller version of the discussion will be published in *Political Quarterly*.

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