

The labour government in 1960- 1970



' The record of Labour governments in the years 1964 and 1979 was one of continuous failure. ' Asses the validity of this view. (45 marks) The Labour governments throughout the years 1964 and 1979 can be considered a period of continuous failure. 1964, Harold Wilson came into power riding a wave of expectation and idealism, fuelled by the ' the white heat' of technological change. By 1970 however, Labour was in some difficulty and resulted in its time in power to slowly be ebbed away. At the time of their election, Wilson's government seemed well suited to the tasks at hand.

Wilson was calm, relaxed and a skilful performer on television. His personality could not be matched as Heath, the leader of the Conservative party, realised. Wilson also seemed to be in tune with modern trends and had a genuine commitment to science and technology and a lot of scientists were employed as government advisors. As a result he strengthened the department of education and science and the 1963 Robbins Report on higher education was implemented. By 1966 seven new universities, Sussex, East Anglia, Kent, York, Essex, Lancaster and Warwick, were set up and running.

Several new modernising acts aimed at social issues were created like the home secretary Roy Jenkins promotion of liberalisation, the Parliament voted against capital punishment in 1965 and a new Race Relations Act was passed. However, for the Wilson government, reorganising the economic policy was less successful. Many Labour ministers' blamed matters outside the governments control, for example, the difficult balance of payments situation they had inherited from the Conservatives.

There were also anti-Labour attitudes from the vast majority of senior civil servants and from the Bank of England. However, other people felt that it

was simply Labour that made a mess of their attempts to reconstruct the economy, especially the National Plan introduced by George Brown in 1965. Wilson was worried about his small parliamentary majority from 1964 and showed a lot of anxiety, maybe even paranoia, about what he felt was biased, creating hostile coverage by the BBC and national press. In 1966, Wilson called for a general election.

There was a clear-cut election win with Labour winning a majority of 98 seats. Modernisation of the British economy was one of the key priorities for the Labour government. However, it was evident that by 1964 Britain was far behind the more advanced economies of West Germany and Japan. As Labour came into power they inherited a serious balance of payments crisis with a deficit of 400 million, the worst since the Second World War. The solutions to the problems were either deflation or devaluation.

However, Wilson did not want to do any and was desperate to prove that Labour was not 'the party of devaluation'. Wilson and Callaghan made a huge effort to avoid devaluation as the Attlee government had been forced to do so in 1949. The drive for economic expansion resulted in the creation of a new department of economic affairs which was led by George Brown. However, there were problems with the DEA as it overlapped with the Treasury and the role of the Chancellor, Callaghan. This resulted in the Civil Servant finding it difficult to know who they were listening to.

However after the 1966 election, George Brown was moved sideways to the foreign office and the DEA faded away. After bringing in a prices and incomes policy to keep down inflation there was another sterling crisis in 1966, which was caused in part by a long bitter strike by the National Union

of Seamen. There was also another major docks strike in 1967, affecting London and Merseyside and the sterling crisis threatened to run out of control. The government decided in 1967 to devalue.

The devaluation crisis damaged Labour's credibility and their second application to join the EEC was rejected. French President de Gaulle still played a defiant role, even though their application to join was on economic grounds. However, having their application rejected hard on the heels of the devaluation crisis made the government's economic policies look futile. Roy Jenkins, the new Chancellor, used deflation methods and raised taxes and tightened government spending. Although this made the government unpopular, by 1969, Jenkins had achieved a balance of payment surplus.

After losing the 1970 general election to Edward Heath Labour went into opposition but kept Harold Wilson as their leader. However, Heath's government soon ran into trouble with the miners which led to the 'three-day week' which was created to conserve energy levels in Britain. However, the 70s proved to be a difficult time for both the Conservative and the Labour Party who struggled with high inflation due to the 1973 oil crisis. In 1974 the Labour Party returned to power, however Wilson seemed to be in a much less promising situation than he was in 1964.

The Labour government had to highly rely on other parties to gain legislation through parliament. The economic situation was awful and the Labour Party was less united than ever. Wilson himself was less energetic and less certain in his way of governing and was anxious to call another election. Wilson acted quickly about the inherited economic and industrial relations that caused Heath's fall. The Industrial Relations Act and the pay boards were

abolished, the trade unions were sent a clear message that the government was not looking for any confrontation.

Denis Healey, Wilson's new chancellor, issued two budgets. They aimed to deal with the economic crisis without annoying the unions. However, Wilson suddenly resigned in 1976 due to ill health and a promise to his wife that he would retire, leaving James Callaghan as the Labour leader. The Wilson and Callaghan government tried to control inflation by issuing a policy of wage restraint. This was fairly successful, reducing inflation to 7.4% by 1978. However, this led to increasingly strained relations between the government and the trade unions.

The nationalist parties demanded devolution to their respective constituent countries in return for their supporting the government. The Welsh Devolution in 1979 was rejected outright while the Scottish referendum returned with a narrow majority in favour without reaching the required threshold of 40% support. When the Labour government refused to push with setting up the proposed Scottish Assembly the SNP withdrew their support, this finally brought down the government through a vote of confidence the Callaghan's government lost by a single vote on necessitating a general election.

It was widely expected that Callaghan would call a general election in the autumn of 1978 when the opinion polls showed that Labour had a narrow lead over the Conservatives. However he decided to extend his wage restraint policy for another year hoping that the economy would be better shape for a 1979 election. However during the winter of 1978 there were widespread strikes among lorry drivers, railway workers, car workers and

local government and hospital workers in favour of higher pay-rises that caused significant disruption to everyday life.

The events of the ' Winter of Discontent' caused Labour to suffer electoral defeat by the Conservatives, now led by Margaret Thatcher. However, the number of people voting Labour hardly changed between 1974 and 1979 but in 1979 the Conservative Party achieved big increases in support in the Midlands and the South of England. In conclusion, throughout the years 1964 to 1979 the Labour government where not a continuous failure. The Wilson government introduced many positive and successful policies such as the opening of new universities, a new Race Relations Act and laws involvingabortionand homosexuality.

However, Wilson's government regarding the reorganising of economic policies failed, although it could be argued that these where not entirely Labours fault but that they inherited problems from previous governments or the actual mismanagement by the Labour Government themselves. However, Callaghan failed to maintain the government in 1978 during the ' Winter of Discontent' by miss judging the timing of a general election while he still had a chance to succeed. Instead they lost to Margaret Thatcher's Conservative government.