Britain at the Polls, 1983

A Study of the General Election

Edited by Austin Ranney

Britain at the Polls 1983

A Study of the General Election

EDITED BY AUSTIN RANNEY

An American Enterprise Institute Book, Published by Duke University Press 1985

© 1985 AEI (American Enterprise Institute

for Public Policy Research)

All rights reserved

Printed in the United States of America

Library of Congress Cataloging in Publication Data

Main entry under title:

Britain at the Polls, 1983.

"A American Enterprise Institute Book."

Includes bibliographies and index.

Contents: Thatcher's first term / Anthony King—

The Conservative campaign / Michael Pinto-Duschinsky—

The Labour campaign / Peter Kellner — [etc.]

1. Great Britain. Parliament — Elections, 1983 —

Addresses, essays, lectures. 2. Great Britain—Politics and government—1979——Addresses, essays, lectures.

JN956.B743 1985 342.941'0858 84-24646

ISBN 0-8223-0619-0

ISBN 0-8223-0620-4 (pbk.)

Preface AUSTIN RANNEY

On 9 June 1983 the United Kingdom of Great Britain and Northern Ireland held its twenty-third general election in the twentieth century. A total of 30,670,905 voters cast valid ballots. This constituted a turnout of 76.3 percent of the registered voters, slightly up from the 76 percent in the 1979 general election but slightly below the mean turnout of 77 percent in general elections since 1945.

This book is the third produced by the American Enterprise Institute for Public Policy Research on recent British general elections; the previous two were under the editorship of Howard R. Penniman. As in the previous volumes, this book has a multinational roster of authors: one is French, two are American, and four are British.

Under Howard Penniman's direction, I contributed to the volume on the 1979 election an introductory chapter seeking to introduce to non-British readers, mainly Americans, the principal features of the British system for conducting general elections. In this preface I shall update some of that information and highlight the most noteworthy 1983 developments.

Dates and Dissolutions

The first Conservative government led by Margaret Thatcher took office on 4 May 1979. By law there had to be a general election no later than five years from that date, but Thatcher, like every British prime minister, had the power to ask the queen for a dissolution of Parliament and a new general election at any time before I June 1984. After discussing alternative dates with her party colleagues and weighing the advantages and disadvantages of each (a process described well by Michael Pinto-Duschinsky in chapter 2), on 9 May 1983 the prime minister announced that Parliament would be dissolved on 13 May and the election would be held on 9 June.

Table P.1 British parliamentary constituencies, 1979-83

	Population (est. 1977)	Number of constituencies		Mean population of constituencies	
		1979	1983	1979	1983
England	46,351,300	516	523	88,830	88,626
Scotland	5,195,600	71	72	73,180	72,161
Wales	2,768,200	36	38	76,890	72,847
Northern Ireland	1,537,300	12	17	128,100	90,429
United Kingdom	55,852,400	635	650	87,960	85,927

Source: The figures for 1979 come from Howard R. Penniman, ed., Britain at the Polls 1979 (Washington, D.C.: American Enterprise Institute for Public Policy Research, 1981), table 1-2, p. 5. The figures for 1983 are taken from the appendix to this volume by Richard M. Scammon.

The first Thatcher government thus lasted four years and one month, a period almost identical to the median duration of four years and no months for all Parliaments from 1945 to 1979.²

The Constituencies

The 1983 general election was the first fought after the post-1979 redistribution of seats,³ called by one scholar, "the most sweeping since the granting of universal suffrage in 1918." ⁴ The total number of constituencies was increased from 635 in 1979 to 650 in 1983, and only 66 constituencies remained exactly as they had been in 1979. All the others were altered in some way, many of them substantially. The changes are summarized in table P.1.

There were two main reasons for such a sweeping redistribution. The first was that there had been considerable population movement within Great Britain since the previous redistribution, which was recommended in 1969 but did not go into effect until 1971. The main trends were declining populations in the core big cities and increasing populations in the suburbs and in the rural "shire" counties, especially in the south of England. Thus most of the big cities lost seats, the biggest losers being London (-8), Manchester (-3), Glasgow (-3), Liverpool (-2), and Birmingham, Bristol, Edinburgh, and Salford (-1 each).

The second reason was the changes in the boundaries of the counties wrought by the local government reforms of the early 1970s. The Boundary Commission, which drew up and recommended the redistribution, adhered strictly to the tradition of permitting no constituency to cross county lines. Accordingly, since so many county lines had been changed, the boundaries of the constituencies were bound to change as well, and many old seats were broken up or even eliminated because their boundaries crossed the new county lines.

Party	Popular vote	Percent of vote	Seats	Percent of seats	Percentage point difference
Conservative	13,012,602	42.4	397	61.1	+18.7
Labour	8,457,124	27.6	209	32.2	+4.6
Alliance	7,780,587	25.4	23	3.5	-21.9
Other	1,420,592	4.6	21	3.2	-1.4

Table P.2 Votes and seats in the 1983 British general election

Source: Calculated from the appendix to this volume by Richard M. Scammon.

Any such sweeping change in the allocation and boundaries of constituencies is bound to favor some parties and disadvantage others. Most observers concluded that the redistribution damaged the Labour party more than the others, especially by reducing the number of its safe seats in the core big cities and in the heavy-industry areas of the Midlands and Scotland. Labour's leaders evidently shared this view, for in 1982 a suit in the name of Party Leader Michael Foot, General Secretary Jim Mortimer, Chief Whip Michael Cocks, and National Agent David Hughes was brought in the Queen's Bench division court. It charged that Parliament's enactment of the Boundary Commission's new scheme did not fulfill the legal requirement of establishing electorates of equal size both within counties and between seats in different counties and London boroughs.

In December 1982 the court held that the commission had acted properly and added that courts should be reluctant to interfere in a matter so clearly within Parliament's jurisdiction. In January 1983 a division of the appeal court upheld the lower court's ruling, and in February the House of Lords, acting as Britain's supreme court, refused to hear a further appeal.

The redistribution appears to have made a significant difference in the outcome of the election: several analysts concluded that the Conservatives won around thirty more seats in 1983 than they would have won under the old distribution.⁵

Votes and Seats

The 1983 election produced the greatest differences in the conversion of shares of the popular vote into shares of parliamentary seats in any general election in this century.⁶ The parties' shares of each are shown in table P.2.

The British system for electing members of Parliament combines singlemember districts with a first-past-the-post rule for determining winners. Observers have long noted the tendency of this system (and all like it) to give the first and second parties shares of the seats that are substantially greater than their shares of the popular votes—and to give the third party and smaller parties disproportionately small shares of the seats for their votes. This tendency operated with a vengeance in 1983: the Conservatives won 42.4 percent of the popular votes but 61.1 percent of the seats. This 18.7 point "bonus" was the second greatest for any party in this century; it was exceeded only by the Conservatives' windfall in the 1924 general election, in which 48.3 percent of the popular vote brought them 68.1 percent of the seats—a bonus of 19.8 points.

The other side of the picture was equally striking. The Liberal-Social Democratic Alliance won 25.4 percent of the popular vote, but only 3.5 percent of the seats. Their "penalty" of 21.9 points was the largest in this century; it was approached only in 1906, when the Conservatives' 43.6 percent of the votes brought them only 23.4 percent of the seats, a penalty of 20.2 points.

The discrepancy between the Alliance's shares of the votes and seats is even more striking when it is compared with Labour's performance. With 27.6 percent of the popular votes—only 2.2 points higher than the Alliance's share—Labour still won 209 seats (32.2 percent of the total), over *nine times* the Alliance's total of 23 seats. Accordingly, despite its precipitous drop in popular support (see Ivor Crewe's analysis in chapter 7), Labour nevertheless remained, by a wide margin, the official opposition party, and the Alliance still had a long way to go to equal or surpass Labour where it counts—in the House of Commons.

In the light of these discrepancies, it is not surprising that perhaps the leading item on the Alliance's policy agenda, as Jorgen Rasmussen makes clear in chapter 4, continues to be reform of the electoral system leading to some form of proportional representation.

Winners and Losers

One apparently inevitable postlude to a major national election in any democratic country consists of election analysts' comments on who "really won" and who "really lost"—a calculation that often turns out to be more complicated than one would suppose from a first glance at how many votes and offices went to each of the contending parties. The British general election of 1983 was certainly no exception, as the chapters to follow will show.

Perhaps we should begin our assessment of these comments by recognizing that, at the simplest and most obvious level of analysis, there is no question whatever about who won in Britain in 1983. The greatest of all prizes in the British political system is control of a majority of the seats in the House of Commons for, given the high cohesion and strong discipline of all the parties, such a majority gives the winning party the power to form the government, fill all the top political policy-making offices, and largely determine what public policies Britain will follow during the life of the new Parliament. In short,

British government is, to a degree far beyond anything known in the United States, government by the majority *party*.

By this first and most basic standard, the Conservative party and the government led by Prime Minister Margaret Thatcher won the 1983 election and won it big. They increased their number of seats in the House of Commons from 334 (out of 635, or 52.6 percent of the total) at the dissolution to 397 (out of 650, or 61.1 percent of the total). This not only returned them to power for another four or five years, but it increased their majority over all other parties from 33 seats at the dissolution to 144 seats in the new Parliament.

Seen in historical perspective, this was an impressive achievement. Of the twenty-three general elections held in this century, only ten have returned the incumbent government to power while eleven have brought in a new government (the others continued coalition governments in power). Of the twelve elections held since 1935, six have returned governments to power and six have forced changes in governments. Moreover, the Conservatives' increase-in-majority of 111 seats in 1983 is the greatest increase by a reelected government in the twentieth century; only the Labour increase of 92 seats in 1966 comes even close.

Thus 1983 was a Conservative landslide and a complete vindication of the Thatcher government's performance in office. Or was it? The answer depends upon what measure one uses: yes, if one looks only at the number of seats won; no, if one looks only at the shares of the popular votes. In 1983 the Conservatives won a total of 13,012,602 votes, which constituted 42.4 percent of the total. But this was 685,088 fewer votes than they had won in 1979, and their 42.4 percent of the total in 1983 was the lowest for any Conservative government taking office since Bonar Law became prime minister in 1922. Accordingly, while Thatcher and the Conservatives were big winners in terms of parliamentary seats and power, their victory certainly did not come from any great upsurge of popularity among the voters.

However, while the Conservative party's victory was somewhat clouded, the Labour party's loss was downright disastrous. Labour's total popular vote in 1983 was 8,457,124, which constituted 27.6 percent of all votes cast. This was over 3 million votes fewer than the 11,532, 148 they had won in 1979. Indeed, it was the smallest vote Labour had won in any general election since 1935. Moreover, their 27.6 percent of the votes was the lowest share Labour had received in a general election since it first became a serious contender in the 1922 election. If one uses the criterion of the average share of constituency votes going to Labour candidates (which holds constant the factor of the number of constituencies contested), Labour's showing in 1983 was its poorest in *any* general election since the party was founded in 1900. The London *Economist* summed it up well:

Labour was forced back into its recession-racked city redoubts, and even there it was not always safe. In Wales and the north of England its share fell by almost 10%. South [of England apart from inner London] Labour barely exists, with just three seats to its name (Bristol, Ipswich and Thurrock). An aspiring Labour member of parliament must now find a decaying city centre with high unemployment, an ageing population and an air of despair. It is not much of a basis for a party of the future.⁷

What brought Labour so low and what, if any, are its prospects for recovery are discussed by Peter Kellner in chapter 3.

In many respects, the most interesting question prior to the election was, Would the new force in British politics, the alliance between the Liberal party and the new Social Democratic party (SDP), win enough votes and seats to replace Labour as the Conservatives' main opposition and perhaps even become the official opposition party? The election results gave the answers: votes, almost but not quite; seats, not a chance. Alliance candidates won a total of 7,780,587 votes, or 25.4 percent of the total—by far the best showing of any third party since World War II. They came close to passing Labour in popularity, but not quite close enough. In terms of seats, however, the British electoral system did them in. Before the dissolution, the Alliance held 42 seats, 29 by Social Democrats and 13 by Liberals. After the election they held only 23 seats, and two of the SDP's "Gang of Four" founders—Shirley Williams and Bill Rodgers—lost their seats. In chapter 4 Jorgen Rasmussen portrays in detail the Alliance's hopes, strategies, failures, and prospects.

This is already too much for a preface, so I shall add only that in the chapters to follow Anthony King surveys the events between the 1979 and 1983 elections; Michael Pinto-Duschinsky, Peter Kellner, and Jorgen Rasmussen describe, respectively, the Conservative, Labour, and Alliance campaigns; Richard Rose analyzes the unusually powerful impact of the public opinion polls; Monica Charlot describes the special behavior and role of immigrant voters; and Ivor Crewe analyzes the voters' attitudes, motivations, and choices. In the appendix Richard M. Scammon provides a breakdown of the election results.

Contents

Preface Austin Ranney ix

- I Thatcher's First Term ANTHONY KING I
- 2 The Conservative Campaign MICHAEL PINTO-DUSCHINSKY 39
- 3 The Labour Campaign PETER KELLNER 65
- 4 The Alliance Campaign, Watersheds, and Landslides: Was 1983 a Fault Line in British Politics? JORGEN RASMUSSEN 81
- Opinion Polls as Feedback Mechanisms: From Cavalry Charge to Electronic Warfare RICHARD ROSE 108
- 6 The Ethnic Minorities' Vote MONICA CHARLOT 139
- 7 How to Win a Landslide without Really Trying: Why the Conservatives Won in 1983 IVOR CREWE 155

Appendix 197

Notes 201

Index 223

Contributors 227

Tables and Figures

TABLES

P.I	British parliamentary constituencies, 1979-83 x	
P.2	Votes and seats in the 1983 British general election xi	
I.I	Public standings of government, Conservative party, Thatcher,	
	1979-82 10	
1.2	Inflation and unemployment, 1979–82	
1.3	Public standings of Labour party, Callaghan, Foot, 1979-82	23
1.4	Public standings of Liberal party, Liberal-SDP Alliance,	
•	1979-82 29	
1.5	Public standings of government, parties, and leaders, inflation	
	and unemployment, 1982-83 33	
2. I	Conservative party central income and expenditure, 1979-83	62
2.2	Conservative party central precampaign and campaign	
	expenditures 63	
5. I	Nationwide polls during the 1983 general election campaign	113
5.2	Accuracy of the final poll forecasts, 1983 120	
5.3	Influence of the polls 131	
5.4	Accuracy of 1983 polls compared to polls in previous	
	elections I 32	
5.5	Popular views about the banning of opinion polls 137	
6. i	Places of birth of electors outside the United Kingdom 140	
6.2	Registration by sex and age of Asians and Afro-Caribbeans,	
	1983 142	
6.3	Turnout by ethnic group, 1983 147	
6.4	Voting intentions of Asians and Afro-Caribbeans 148	
6.5	Social class and voting intention of Asians and	
	Afro-Caribbeans, 1983 149	
6.6	Voting intention of first-time voters among Asians and	
	Afro-Caribbeans, 1983 149	
7. I	Party support in the opinion polls during the campaign 158	
7 2	Impact of campaigning 162	

7.3	Campaign's effect on vote choice 164
7.4	Flow of the vote from 1979 to 1983 166
7.5	Vote by age and sex 168
7.6	Vote by social class 170
7.7	Vote by sector of employment and housing 171
7.8	Defection rates among 1979 Labour voters 172
7.9	Two working classes and the 1983 vote 173
7.10	Motivation of party choice 174
7.11	Party preferences on various criteria 176
7.12	The issues that mattered, 1983 178
7.13	Expectation of the effect of each party 180
7.14	The best (and worst) person for prime minister 181
7.15	Popular attitudes toward elements of "Thatcherism" 185
7.16	Thatcherism and vote switching, 1979–83 186
7.17	Attitudes toward Conservative economic positions 189
7.18	Conservative and Labour party identification, 1964-83
7.19	Strength of the parties' vote 193
7.20	Why the Alliance did not do better 194
FIGU	RES AND MAPS

- I.I Party voting support, 1979-82 37
- 4.1 Alliance support in polls, 1981–83 83
- 4.2 Alliance strength in polls, May-June 1983 93
- 4.3 Alliance distance behind Labour, May-June 1983 94
- A.1 Electoral map of the United Kingdom 200

Margaret Thatcher's First Term

The four years leading up to the 1983 general election were among the most turbulent in British political history. They saw the Conservative party sink to its lowest level ever in terms of popular support, only to recover spectacularly in the aftermath of the Falklands war in the South Atlantic. They saw Labour suffer its worst electoral defeats since the formation of the party at the beginning of this century. They also saw the formation of an entirely new political party, the Social Democrats, and the forging of a close alliance between this new organization and the long-established Liberals. Between 1979 and 1983, millions of British voters abandoned, or seriously considered abandoning, their traditional party allegiances (without, however, in the great majority of cases, forming new ones). By the time the 1983 election was over, Britain's traditional two-party system had all but been transformed.

"Can the Tories Win Again"?

On the afternoon of 4 May 1979, Britain's newly elected prime minister, Margaret Thatcher, stood on the steps of 10 Downing Street and quoted words attributed to St. Francis of Assisi:

Where there is discord may we bring harmony; where there is error may we bring truth.

Where there is doubt may we bring faith; where there is despair may we bring hope.

This was an odd passage for the new prime minister to have chosen. If the world's leaders are divided into a class of "warriors" and a class of "healers," St. Francis was indubitably a healer; Thatcher, by contrast, is a warrior—and has always acknowledged herself to be such. As she said in an interview shortly before her 1979 election triumph, "I'm not a consensus politician or a pragmatic politician. I'm a conviction politician." From the beginning her intention as prime minister was not to be emollient; it was to impose her will on the government and the country and to bring about, if she could, nothing less than a total reorientation of British public policy and the content of British political debate.

2 Margaret Thatcher's First Term

The need for her to impose her will arose from two sources. The first was her minority position within her own party. British prime ministers reach the highest office because they have been chosen, in the first instance, as leader of their own political party. Usually they have been chosen as leader of their party because they are well respected within it but also, more important, because their political views coincide with those of a majority of the party's members. So it was with Sir Anthony Eden, Harold Macmillan, Sir Alec Douglas-Home, and Edward Heath. But Thatcher became Conservative leader in a most unusual set of circumstances. The majority of Conservative members of Parliament in the winter of 1974-75 wanted to depose as leader Edward Heath, who was personally remote from them and who by this time had led them to defeat in two general elections in a row. At the same time, Heath's obvious successors, like William Whitelaw and James Prior, had served in Heath's government, felt ties of loyalty to him, and had no desire to make themselves the instruments of his political destruction. They accordingly refused to stand against him when the first ballot in the election for the Tory leadership was held in February 1975. Margaret Thatcher, however, had no such inhibitions. She stood against Heath, even though, like the others, she had served under him, and in the first ballot she won more votes than Heath, who at once resigned. Several other candidates, including Whitelaw and Prior, entered the contest in time for the second ballot, but by then it was too late. Thatcher's lead was commanding, and it was she who gained the credit for displaying the political courage that the others seemingly lacked. In the decisive ballot, she polled 146 votes, 70 more than Whitelaw, the runner-up.²

The upshot was that the Conservative party, in its anxiety to rid itself of Edward Heath, elected a leader that it knew astonishingly little about. Most Conservative MPS were only dimly aware in 1975 of the content of Thatcher's economic ideas; only a handful were aware of the depths of her personal determination. If they had suspected the extent of her radicalism and known how single-minded she could be, many of them might not have voted for her. Even after their party's election victory in 1979, most Conservatives—including most leading Conservatives—were agnostic with regard to many of Thatcher's economic views or else were positively hostile toward them. Thus, if Thatcher were to succeed in translating those views into public policy, she was going to have to fight hard, inside her government as well as out.³

The second reason she was going to have to impose her will was related to the first. It is easy to overlook the fact that Margaret Thatcher was unusual—and is unusual—among British prime ministers in the very wide range of subjects on which she holds strong opinions. Most British prime ministers, like most American presidents, are content to give a general political tone to their administrations and to settle disputes among their colleagues and subordinates. Major crises apart, their involvement in the details of policy tends to be inter-

mittent, and they are not usually in the business of leading personal crusades. In practice, their own goals are seldom distinct from the goals of their party or their administration generally. For instance, when the Conservative Home succeeded the Conservative Macmillan in 1963, few changes of policy or political direction were apparent. It was the same when Labour's James Callaghan succeeded Labour's Harold Wilson in 1976. But—and this is crucial to an understanding of her prime ministership—Thatcher is different. She holds views on a remarkably wide range of subjects: monetary policy, fiscal policy, public expenditure, the appropriate economic role of the state, defense, Britain's relations with America, Britain's relations with the Soviet Union, Britain's relations with the European Community, education, immigration, crime and punishment, police methods, and many, many more. Not only does she hold views on all these subjects, she holds strong views; and she has an immense capacity for immersing herself in the detail of them. Furthermore, these views are her own views. They are personal to her. They are not merely emanations from her party, her government, or wherever. Thatcher's determination to assert as many of these views as possible, together with her minority position within her own party and government, determined from the outset her characteristic prime ministerial style.4

The cabinet that Margaret Thatcher appointed in May 1979 contained many members who were not "Thatcherites"—men (all of Thatcher's cabinet colleagues were men) who were skeptical of the feasibility, or even the desirability, of changing radically the overall direction of British economic policy. Thatcher, however, took care to appoint her supporters to most of the key economic positions. In particular, a Thatcher loyalist, Sir Geoffrey Howe, became chancellor of the exchequer, and he and the prime minister worked closely together throughout her first term. For purposes of economic policy making, they constituted, in effect, a duopoly inside the government.⁵

Theirs was a bold strategy. One specific aim, though not necessarily their most important one, was to reduce the rate of inflation, running when the Conservatives came to power at an annual rate of approximately 11 percent.⁶ The desired reduction was to be achieved by two principal means. First, the government sought a gradual scaling down in the rate of growth of money supply. This would act on inflation directly and also would reduce the overall level of demand in the economy. Second, the government intended to cut public expenditures drastically. This would permit substantial reductions in public-sector borrowing, thereby reducing pressure on interest rates and also making possible further reductions in the rate of growth of money supply. Thatcher and Howe, in addition to their broadly "monetarist" strategy, also wanted to see a reduction in the level of wage increases, but they were not interested in operating incomes policies of the type that had been characteristic of the Heath government and the Wilson and Callaghan Labour governments. On the con-

4 Margaret Thatcher's First Term

trary, they believed that such policies, applying uniformly to the whole labor force, led inevitably to economic distortions and also to unnecessarily high levels of industrial unrest, as traditional wage differentials were eroded and as workers employed in profitable firms saw their incomes squeezed to the benefit of workers in less profitable firms and the public sector. Thatcher's ministers instead set out to impose strict cash limits on spending in the public sector. With regard to the private sector, they were content to allow market forces to operate freely.⁷

This concentration on combating inflation constituted in itself a revolution in British economic policy. All previous postwar governments, Conservative as well as Labour, had given top priority to maintaining full or nearly full employment. Now, tacitly, this commitment was dropped. Restoring full employment was from now on to be a goal of policy, but by no means the only goal.⁸

Thatcher and her allies were, moreover, determined to carry their revolution into other fields. They believed in the necessity of creating greater economic incentives for both managers and workers, and they were emphatic that the proportion of British economic activity subject to market forces should be vastly increased, not just in the single field of pay bargaining. The Conservatives' 1979 election manifesto promised cuts in the higher marginal rates of income tax and also a pronounced shift from taxes on income and capital to taxes on spending (i.e., from so-called direct to so-called indirect taxation). Government intervention in the economy was to be reduced across the board. Residual price controls introduced by the Labour government were to be removed, and state agencies such as the National Enterprise Board—whose borrowing limit in 1979 was set at £4,500 million—would have their activities reviewed, possibly with a view to some agencies being abolished altogether. In the same spirit, the manifesto looked forward to the "privatization" of nationalized industries:

We will offer to sell back to private ownership the recently nationalized aerospace and shipbuilding concerns, giving their employees the opportunity to purchase shares. We aim to sell shares in the National Freight Corporation to the general public in order to achieve substantial private investment in it. We will also relax the Traffic Commissioner licensing regulations to enable new bus and other services to develop . . . and we will encourage new private operators. ¹⁰

Thatcher and those around her also were bent on reducing the power of Britain's trade unions, partly on economic grounds (to make it harder for individual unions to exploit their monopoly position in the labor market), but partly also on libertarian grounds (to make it more difficult for trade unions to impose

closed shops and operate in ways that the Conservatives maintained were undemocratic).

The Tories' 1979 manifesto was, on paper, a radical document. It foreshadowed a series of sharp breaks with the policies pursued by all previous postwar governments.11 But what makes the 1979-83 Thatcher government remarkable is that it not only fulfilled the majority of its manifesto commitments, in many fields it went well beyond them. It somehow contrived, as the Soviet planners say, to "overfulfill its norms." One factor was undoubtedly the logic of the revolutionary process itself: if one nationalized industry could be successfully sold off to the private sector, why not another, and another, and another? But a crucial factor was also the force of personality and the sheer determination of the prime minister herself. She often had to compromise. More than once she was defeated by her own cabinet (for example, in November 1980 when it refused to accede to public expenditure cuts on the scale that she and Howe were demanding),12 but she went on undaunted, and she frequently got her way. Given her minority position in the government, it is inconceivable that so much would have been accomplished so quickly without her constant prodding, exhorting, maneuvering, and cajoling. In its first term, the Thatcher government was "the Thatcher government" more than just in name. 13

Within weeks of the government's taking office, Sir Geoffrey Howe in his first budget cut the standard rate of income tax from 33p in the pound to 30p and at the same time, as promised, cut the highest marginal rate of income tax from 83p to 60p (bringing it into line with that of other European countries). To recover the revenue lost as the result of these measures, the two existing rates of value-added tax, 8 percent and 12.5 percent, were both raised to a standard rate of 15 percent. Targets for the rate of growth of money supply were announced for 1979-80 and subsequently for later years, and some £2.5 billion were lopped off the spending plans of the outgoing Callaghan administration. Going further than anyone had anticipated, Howe in October 1979 announced the total abolition of the system of exchange controls that had helped to protect the international position of sterling ever since the Second World War. Partly as the result of the government's tough anti-inflation stance, partly as the result of rises in the value of Britain's North Sea oil, the value of the pound against the United States dollar soared, from \$2.06 when the Thatcher government first took office to \$2.40 in little over a year. The outside world, it seemed, had confidence in Britain and in the British government.

But it was in the field of privatization that the prime minister and her colleagues went furthest, fastest. The commitments contained in their manifesto were relatively modest, amounting to little more than a reversal of Labour's most recent acts of nationalization and a loosening of controls over competition between state-owned and privately owned firms. Once in power, however,