The Conservatives enjoyed a great electoral triumph in 1983 but its aftermath was not so sweet. A succession of misfortunes and mistakes have engulfed the Government. Many incidents like the Prime Minister's eye operation or Mark Thatcher's Oman contract were trivial in themselves but the way in which they were handled helped create an atmosphere of muddle, indecision, and drift. The greatest single embarrassment the party suffered was the resignation of Cecil Parkinson from the Government in September. This seemed to symbolise the Government's malaise. Parkinson had emerged as one of Thatcher's key ministers and supporters and was expected to rise high in the new government, perhaps even emerging as Thatcher's eventual successor.

The epidemic of banana skins has received much comment. Does it mean that the Government is losing its sense of direction and purpose, drifting into the kind of inertia and immobility that prevents it responding either wisely or well to events? Radical Thatcherism, some have suggested, is now dead, killed off by the very size of the parliamentary majority which the Conservatives won in June 1983. The Government, it is argued, is gradually becoming a more familiar kind of Conservative Government, content to grapple with problems of administration rather than seeking to change institutions, agendas, and constraints.

It would be remarkable were such a change to have taken place since exactly the opposite was so widely expected, particularly by the Government's most fervent supporters. Victory in June 1983 gave the Thatcherites an unusual opportunity. They had always proclaimed the need for at least two terms in office to introduce the changes they sought. In June 1983 they had secured their second term, breaking with the cycle of economic and political failure established since 1959. Their victory had been aided by the fragmentation of the opposition and had occurred after the British economy had suffered its deepest postwar slump, and while official unemployment still stood above three million. The opportunity for a determined government to influence the restructuring not merely of the British economy but of British politics and British society appeared greater than at any time since the 1940s.

The two strands

The New Right has not been slow to grasp the historic opportunity with which they have been presented, and which they have worked so hard to earn. They sense that the times have never been more favourable for throwing off the chains of social democracy and constructing a new social and economic order in Britain. Many think that the Government's chief task should be to assist the consolidation of the new social market consensus on how the economy should be organised, while continuing to bolster the authoritarian populist consensus on race, law and order, and the family. There are important tensions between these two strands, but it is precisely what makes Thatcherism an indispensable concept for analysing recent British politics that so far they have been successfully reconciled through the political strategy and practice of the present Conservative leadership, and British politics is being transformed as a result. In the last four years Britain has been moving both towards a freer, more competitive, more open economy and towards a more repressive, more authoritarian state.

The politics of these two movements are complex, sometimes complimentary, sometimes contradictory, but what unites them is the extent to which both depend on the success of Thatcherism in transforming what is politically possible. The constraints which the Keynesian consensus on economic management, and the liberal consensus on race and law and order, imposed on policy-making and debates about policy have been successfully breached at several key points. The tolerance of mass unemployment and mass poverty, the scale of the privatisation programme, the extension of police powers and surveillance techniques, the restriction of
civil liberties mark some of the New Right's greatest successes.

Yet remarkable as the gains of the New Right have been in reconstructing the field of debate in many areas of policy, few New Right adherents are blind as to how much remains to be done. The achievements of Thatcherism measured by policies and by specific acts of legislation is much less than its rhetoric would suggest. Its real achievements have been ideological - shifting the focus of political debate, and making a chain of future institutional and legislative changes possible. For these achievements to be consolidated, however, the Government needs to maintain the momentum of change. Otherwise the initiative could be lost, and the forces of opposition could reassert themselves.

Cautious and calculating
It is this that makes the signs of government malaise so worrying to its supporters. Walter Goldsmith became apoplectic at the beginning of the year about the Prime Minister's refusal to commit herself publicly to reducing taxes. Similarly for many hardline Conservatives, the Government's failure to give a stronger lead in the debate to restore hanging and the hostility of the Conservative hierarchy to Harvey Proctor's motion on immigration at the Blackpool Conference, were dismaying.

There have always been many on the New Right in favour of bold decisive action to break the hold of social democracy on the economy and of the liberal establishment on social policy. The Thatcher leadership in spite of its reputation has always been cautious and calculating. It has never made many pledges and has been very careful about the battles it has chosen to fight. The 1983 election manifesto made few concrete proposals and committed the Government to do little in particular except govern. In its first term in office there were many examples of areas of policy where the Government had failed to do what it had promised. The most glaring were taxes and public expenditure. Both had risen.

Facts like these prompt the interpretation that the momentum of Thatcherism has started to falter. Apart from those who dispute that Thatcherism has ever existed, there have always been many observers who never expected Thatcherism to last indefinitely. They were sceptical of Thatcherism's radical pretensions, and have always expected it to founder on the reefs of circumstances and administrative practicalities. Many senior Conservatives belong to this camp, and no-one has been more surprised than they at how long radical Thatcherism has persisted. But some began to see signs once more after June 1983 that Thatcherism was ageing and becoming blunted in its purpose. Far from a large parliamentary majority ensuring radical Thatcherism a further lease of life, it was said to have hastened its collapse by encouraging more open expression of opposition within the Conservative Party to specific government policies.

The broader crusade
Yet perhaps the terms of this debate are misconceived. The Thatcher government has to be distinguished from the New Right, and Thatcherism as an ideology from Thatcherism as a set of policies and decisions. It is after all inconceivable that the New Right could be completely successful in all their aims. No political force ever is. But success is not to be measured by the actual achievement of all objectives, but rather by the extent to which a significant proportion of both the objectives and the priorities and the means to achieve them advanced by a particular group become endorsed and shared by other groups within the society. The progress of collectivist and socialist ideas in social policy and to a lesser extent in economic policy in this century is a striking example of this process, and the New Right constantly refer to it in their writings.

The real question to ask about Thatcherism, therefore, is how far is it creating this kind of broader consensus for its policies and objectives. This is perhaps the hardest question of all to answer about contemporary British politics because the battle is joined at many separate points so that there is not one but many battles in progress and assessments of the overall picture are constantly changing. Electoral contests and trends of electoral opinion, the shifting fortunes of the political parties and the political leaders are only one barometer, although often the one paid most attention. Of critical importance also is what is happening to attitudes and behaviour in schools, factories, offices, shops, hospitals and a host of other institutions. Our knowledge of these trends is often unreliable and very incomplete, but the real long term success or failure of Thatcherism will be registered here.

A new consensus
At the public level of parties and elections it is clear that Thatcherism has had some success with the open conversion of the leader of the SDP to the principles of the social market economy and his acceptance of the need to strengthen state powers to police the social market economy against those who seek to disrupt its working. This is a major step forward for the creation of a social market consensus, but it is qualified because the SDP partners in the Alliance, the Liberals, remain much more collectivist in their orientation, particularly as regards the size and purposes of public expenditure. But the greatest danger to a durable social market consensus still rests in the Labour Party. Either the Labour Party must be brought to accept it, or the Labour Party must never govern again. In the first case this would mean the Labour Party abandoning Clause IV: accepting the priority given to the control of inflation; renouncing protectionism whether in the form of tariffs, quotas or subsidies to shield any sector of the British economy from the need to be internationally competitive; and accepting a much smaller state sector, with lower taxation, selective rather than universal welfare provision, as well as the permanent weakening of trade union organisation and the institutions of popular sovereignty lessening their ability to intervene in the outcomes of free markets.

No-one really expects the Labour Party to head down this road, which means that if a social market consensus is to be established the Labour Party must cease to be a serious contender for government office. Otherwise many of the measures of the Thatcher government, however long it lasts, could at some stage be reversed. The Thatcherites are not interested in political ping-pong. They want policies and priorities established that are irreversible, which any future government is obliged to continue and dare not reverse, even if it wished to. Council house sales are a good example. A Labour government might start building council houses again, but it would never seek to repossess the houses that have been sold. If attitudes and behaviour can be transformed in the institutions of civil society then the support for collectivist solutions to economic and social problems will diminish, and the logic of privatisation will be asserted in its place.

The vision of the 1990s
The Thatcherites have a vision of what they want the country to be like in the 1990s and beyond. Not a country in which the trains run on time but a country in which no trains run at all. It would centre around the creation of what Raymond Williams has called 'mobile privatisim'. It would be a society in which the majority of citizens had a property stake through
house and share ownership, in which
unions are weak and markets free and the
state strong. Every individual would be
self-reliant, forced to sell and compete and
accumulate. Risk-taking and initiative
would be rewarded, inefficiency and in­
adequacy penalised. All individuals would
work for the success of their families and
their companies, conflicts of loyalty would
disappear. Such a vision is one of the
Thatcherites’ greatest strengths since it
offers an image of a concrete manner of
living, one which has great and enduring
appeal because it is rooted in the universal
experience of being a commodity owner in
a capitalist society.

The success of the Thatcherites in build­
sing support for political initiatives that
advance their vision of how British society
should develop comes from their ability to
portray opposition to their proposals and
ideas as sectional and self-interested —
against the general interest of all citizens as
consumers and savers; and as embodying
ideas and values which are outmoded, or
which have been tried and failed. The
solutions of the New Right to the problems
of Britain’s decline have always been pre­
sented as both commonsense — the only
realistic path — and in the national interest
— above sectional pressures and express­
ing the national character.

New tensions
Towards the end of 1983 this ability of the
Thatcherites to identify their programme
with the national interest and widen the
consensus around it was encountering dif­
culties. New points of vulnerability were
emerging in the Thatcherite project as new
struggles broke out.

There were open and well publicised
disagreements about the need for further
major cuts in public expenditure with
leading supporters of the monetarist finan­
cial strategy like John Biffen arguing for a
period of consolidation. The Government
found itself on the defensive over cuts in
social welfare, particularly the NHS, and
was obliged to give very definite assur­
ances during the election that the NHS
would not but cut. The NHS is safe with
us’ became a major election message
though it was never widely believed. Pub­
lic anxiety about Tory intentions on the
NHS, fuelled by inept presentation by the
Secretary of State, gave the opposition
parties a major issue on which to attack the
Government. The Government’s sensitiv­
ity to charges that it is seeking to run down
the NHS has revealed important limits to
the progress so far made by the New Right
in creating the climate of opinion in which
major changes to collective welfare provi­
sion would become politically possible.

While the Government has been
flourishing about trying to prove itself a
true friend of the NHS it has also become
embroiled in conflict over its plans to
abolish the metropolitan counties and in­
roduce rate-capping to curb local spend­
ing. These proposals are designed partly
to weaken the Labour Party by abolishing
some of its most important power bases,
but their main purpose is to help impose
central financial discipline on local spend­
ing. The danger for the Government is that
they have been widely perceived as a
narrow partisan attack upon councils con­
trolled by the main opposition party. They
have also aroused extremely strong opposi­
tion within the Conservative Party itself,
primarily because of the constitutional
issues involved and the very serious loss of
local autonomy that is being prepared. The
Thatcherite enthusiasm for the strong
state clashes with the preference of many
Tories for decentralisation and autonomy
in local administration.

the Government badly
needs a victory over the
miners to overawe all other
claimants for subsidies
and government spending

The growing costs
The Government has also made the un­
pleasant discovery that there are limits to
the extent it can proceed against the
unions. The GCHQ affair ended in the
Government securing what it wanted, but
at a high political cost. Again the Con­
servative Party was split, and widespread
public sympathy and support for the trade
unions involved was generated. A large
majority of Conservative MPs while sup­
porting the Government’s case, were very
critical of how the Government had hand­
led the issue. The Government was force­
fully reminded of the political opposition it
could expect if it attempted open attacks
on trade union rights and the principle of
trade union membership. The right to
belong to voluntary associations that are
independent of the state remains a popular
cause.

Another major area of recent accidents
and mistakes is foreign policy. The inva­
sion of Grenada was an unhappy episode
for the British government because it
underlined what the success of the Falk­
lands taskforce had temporarily concealed
that Britain was no longer a major
political or military power and was for
most purposes obliged to be subservient to
the USA. This was also one of the main
messages highlighted by the CND cam­
paign and the Greenham peace camp.
Cruise was successfully installed but
amidst widespread popular opposition and
anxiety about Britain’s nuclear policy, and
much greater public awareness of the
extent to which Britain had become a
‘moated aerodrome’ for the United States.

By the end of 1983 the Government
might still have been winning most of its
battles but the costs were getting higher
and the opposition more vocal. The accu­
mulation of banana skins made the Gov­
ernment seem accident-prone, drifting
from one crisis to the next. Crisis manage­
ment, the art of staying afloat, is a skill
long practised by British governments in
the past. The Thatcher government had
always claimed to be doing more than this,
however. This is a Government which has
always confidently proclaimed its objec­	tive to be turning the country round,
reversing decline, playing for the long
term. But no long term strategy or objec­
tive was emerging from the first nine
months of its renewed lease on power.
Instead the Government seemed to reel
from one ‘affair’ to the next; its policies
appeared unconnected; and its leader
seemed increasingly drawn to the treacher­
ous marshes of foreign diplomacy, begin­
ning to enjoy the posturing as a world
leader which had beguiled so many of her
predecessors.

The phases of Thatcherism
Obituary notices for Thatcherism are pre­
mature, however. This became very clear
when the 1984 budget was announced. Up
to 1984 the Thatcher government had
passed through two distinct phases.
The first was dominated by the monetarist
experiment and the world recession, the
second by the Falklands war and the very
slow economic recovery. If the unpopularity
of the Government in the first phase
tends to be exaggerated in retrospect, so
too does its popularity in the second phase.
The Government’s prospects may have
looked extremely bleak in early 1982, but
it can now be seen that its fortunes had
started to improve, even before the Falk­
lands war so dramatically altered British
domestic politics to the Conservatives’
advantage. The strength of the Govern­
ment’s position was that it had succeeded
in defeating all opposition to its central
policies. The cabinet opponents of
Thatcher had been either purged or iso­
lated, and the Government had won a
number of important battles against the trade unions. As a result despite the rise in unemployment and the collapse of manufacturing output and investment which brought the Government much temporary unpopularity the Government was still able to preserve its image as a Government which was planning for long term recovery and which would persevere with its policies whatever the short term costs.

By 1982 the Thatcher government had already established this image. The severity of the slump, although unanticipated by the Thatcher cabinet, was used very adroitly to ram home the basic Thatcherite message: ‘Things could not be allowed to go on as they were. Thirty years of neglect and misguided policies cannot be put right overnight. But the problems are too serious to be ignored any longer. Everyone knows they have to be tackled.’ The Falklands war did not create this message or the Government’s reputation for toughness, but it did make many voters believe that the Thatcher government was serious about seeing its policies through. The political message of the Falklands war was that persistence and resolution paid.

In the months since the election there has been a gradual fading of the Falklands factor but no great erosion of the Government’s popularity. Most polls have shown the Conservative Party holding roughly the same percentage of the popular vote, slightly over 40%, as it won in June 1983. The succession of minor embarrassments the Government has suffered since the election has done little to shake confidence in the Government. Among the opposition parties the Alliance has lost momentum and Labour has reclaimed many of the Labour identifiers who deserted the party in June 1983. But it is a long way from achieving the kind of ascendancy over the Government which it secured in the twelve months following the 1979 election. The Government is still riding high, confident that it retains the political initiative and that no successful challenge will be mounted to its central policies.

**Danger signs**

Yet there are signs of danger for the Government. Since the election there has been a significant increase in the number and range of popular struggles and campaigns against various aspects of government policy. The shock of the 1983 result has also put an end to further demoralisation and fragmentation of the opposition and has become the spur for some revitalisation and rethinking. Labour not the Alliance has strengthened in this period.

The Government is attempting to carry through a radical reshaping of British society with a level of popular support that is lower than any Conservative government has enjoyed since 1922. It has so far succeeded in securing acquiescence and winning support from many groups beyond its own voters, but if either the Government’s handling of issues and events, or successful challenges to its authority threw doubt on its credibility and competence it could suddenly seem very vulnerable. The Government could not afford to give the impression that it was slowly drifting into impotence and inertia and becoming mastered by circumstances.

One major aim of the 1984 budget and the Prime Minister’s statement issued to commemorate her first five years in office, has been to dispel this impression, and to rede dicate the Government to its original objectives. In defining so clearly what the strategy of the Government is the Thatcherites are inviting challenges to it and risking defeat on specific issues. Now that the special aura of the Falklands war has disappeared the Government is at the mercy once more of the vagaries of political events.

**Lawson’s budget**

The budget speech and Thatcher’s anniversary statement clearly mark the opening of a third phase in the life of this Government. The budget was particularly important. No wonder Tory MPs waved their order papers and the stock exchange boomed. Their response was not in appreciation of the marginal tax adjustments which the budget announced, but rather of its reaffirmation that the Government remained committed to its long term strategy.

Nigel Lawson’s budget was greeted with much more rapture than any of Sir Geoffrey Howe’s: yet it stands on the foundations Howe created, and Lawson himself was the author of the 1980 Medium Term Financial Strategy, the most distinctive innovation of Howe’s Chancellorship. Lawson’s reception was so ecstatic partly no doubt because he offered diversion from the Government’s numerous other problems, but also because of the flair with which he presented the budget. Lawson, a former City editor, sounds as though he understands business and what business wants in a way Howe never managed, but he combines this with an intellectual grasp.
of the tax system and how it needs reforming, and with very decided views on how the public finances can best be managed in the Conservative interest.

In his budget Lawson has charted a strategy for the whole of this parliament, one which ties together and makes sense of many separate aspects of government policy. What was increasingly appearing as a disparate collection of policies and issues has been made coherent by being located within a grand vision of economic and political advance. The great strength of the Lawson budget is its simplicity. It is a budget not for one year but for four. It proclaims the continuance of the tight monetary and fiscal stance. The aim is to hold inflation below 5%. Inflation is expected to decline slightly during this parliament. This commitment to the control of inflation within tolerable limits remains absolutely crucial — the central policy objective of the Government. Low inflation is intended to bring low interest rates, low wage settlements, and a climate of greater certainty about future costs.

Financial stability is expected to lay the ground for a steadily rising prosperity untroubled by major fluctuations or by stop-go policies. Lawson is assuming not a dramatic but a steady recovery, averaging 2% growth every year for the rest of the decade. With such growth the Government will seek steadily to reduce its borrowing in real terms and will hold levels of public spending constant. If it succeeds in doing this then Lawson predicts that by 1988 far from a major fiscal crisis the Government will have £13 billion to distribute in tax cuts.

The political objective

The political calculation is clear. Unemployment is not expected to fall very much, it might even rise slightly. This does not bother the Government. The unemployed are ignored. Lawson hardly referred to them in his budget speech. But for those in work, still the majority, substantial reductions in direct or indirect taxes will be made available. Tax cuts do not automatically buy votes, but tax increases are almost always unpopular. The aim of making tax cuts the Government’s central economic objective is to provide tangible evidence that the economy is improving, that it is being well managed, that Britain at last really is on the right track.

Howe made the control of inflation the Government’s chief objective. This opened him to the charge of being a doctrinaire monetarist, wedded to an intellectual theory of how the economy worked which he was determined to apply regardless of the evidence that showed the policy was not working. Lawson’s objective is more astute politically. He knows that no economic doctrine will ever be supported or understood by the bulk of Conservative MPs, still less by Conservative newspaper proprietors and Conservative voters. There has to be a clear political pay-off.

not a country in which the trains run on time but a country in which no trains run at all

Tax cuts provide this. They are probably the single most effective way of boosting confidence in the Government’s economic management. In his budget Lawson signalled that there is an electoral crock of gold lying at the end of the rainbow. Like other rainbow treasure, however, it will not be won without some pain, and may vanish before the searchers can find it. The central objective of the Government’s economic policy in this parliament is to maintain financial stability and secure substantial tax cuts. But in order to achieve this, the financial stability on which the forecast of 2% growth rests must not be disturbed. Secondly the line on public expenditure must be held. Otherwise all the scope for tax cuts could disappear.

This at once gives new importance to the major conflicts taking place in the public sector. Conservative MPs now have an additional reason to support the Government in its bid to phase out subsidies to loss-making state industries, to impose rate-capping, and to find ways of reducing the social security, education, and health budgets. For the more state spending in these areas is held down, the greater the scope for tax cuts.

The battlelines drawn

The battlelines have therefore been very clearly drawn. In this new phase that is now beginning, the Thatcher government is seeking to consolidate its broad financial strategy and to dismantle further some of the major institutions of the public sector. This will involve it a number of crucial political battles. The stakes are pitched high, but the battlefield has been chosen carefully, and the Government is confident it can win. Its ambitions are relatively modest. The radical options are being left for the moment to the intellectual skirmishers of the IEA, like Patrick Minford with his proposals for complete privatisation of education and health. What is noticeable about Lawson’s plan is that it does not envisage major cuts in existing public expenditures of the kind which would mean termination of whole programmes.

Lawson has not succumbed to the temptation to make wild ideological gestures about public expenditure because he has made a realistic assessment of the current balance of political forces. The main obstacle to rapid privatisation in the fields of education or health is that these are areas where the social democratic consensus is still strongest. The labour movement has to be weakened further before these can be attacked with success. The greatest need is to ensure that the recovery, now it is under way, is not accompanied by any reassertion of trade union power. Direct attacks on health and education might well provide battles which the Government could lose. That is why the Government wishes to move against other institutions of social democracy first, particularly the trade unions.

The miners dispute

The dispute with the miners has a special importance because the miners are such old class enemies and because of the more recent memories of 1972 and 1974. Many parts of the business press have declared that there is no better way for the Thatcher Government to renew its momentum than to win a dispute with the miners. Such an outcome would finally bury what remains of the myth of the miners’ invincibility, and would help convince all other groups of workers that they cannot hope to win in struggles against the Government. It would allow a rapid reduction in the number of miners and the number of pits and would lead to the break-up of many traditional mining communities. It would be a major step therefore in the restructuring of the working class that is taking place in this recession. The Government is evidently keen to seize the opportunity which the recession has provided to transform permanently British trade union organisation and influence.

The Government has accepted the rundown and eventual disappearance of most of the jobs in many traditional manufacturing industries. Thatcherism’s vision of Britain’s economic recovery does not include a revitalisation of the traditional manufacturing base. That has been written off. But it takes a considerable time to allow the old manufacturing base and the working class which depends on it to wither. The British labour movement re-
mains a significant adversary and the greatest political danger for the Thatcherite strategy is that the pains of transition to the new social and economic order of the 1990s may catapult into office a radical Labour administration pledged to interrupt, slow down, and transform the current restructuring. That is why the miners’ strike assumes such importance. After a few more years, if the business logic of MacGregor is pursued, the miners will no longer be numerous or powerful enough to offer significant resistance.

The Thatcher government and its allies know this very well. The decision to appoint MacGregor was a decision to accelerate the contraction of the mining industry and eliminate the subsidies, and to challenge the miners to contest the decision. The actual cost of keeping more pits open would not be enormous, but the political cost would be much higher. What the Government seeks is a symbolic affirmation that the logic of restructuring the economy to make all sectors internationally competitive cannot be resisted by any group of workers. Nevertheless the Government treads carefully. It has avoided involving itself too closely in particular managerial decisions. It merely sets the framework in which tough managerial decisions appear realistic and common sense and inescapable. But should the scale of resistance in any particular struggle prove too great, if the strike looked like spreading and uniting a broad coalition of workers against the Government, then the cabinet might well authorise a climbdown by the NCB. It would be embarrassing for ministers and they might well lose the services of Ian MacGregor, but it would not be catastrophic.

Needing a victory

The problem the Government faces is however not so simple when the miners’ dispute is placed in the context of Nigel Lawson’s budget. The Government badly needs a victory over the miners to lend credibility to the overall strategy the Chancellor has laid out and to overawe all other claimants for subsidies and higher government spending. If the miners were seen to be successful the Government might face an avalanche of claims. The Government has sought consistently to reduce the extent to which economic decisions become political ones. But this strategy of disengagement depends on all economic agents accepting the sanctity and integrity of the financial strategy. As so often before, the financial policy is the key to the political strategy. Just as the 1925 and the 1926 miners’ strikes were the direct outcome of the return to the gold standard in 1925, so the 1984 miners’ strike is the direct outcome of the financial strategy that the 1984 budget reaffirmed.

A government victory in the miners’ strike would mean that the privatisation programme which is already of considerable dimensions could be extended to embrace all state enterprises. For if all state industries can be made profitable commercial concerns, all can be sold, and there are now vocal lobbies urging just that. If the Thatcher government were to stay in office until the end of the century very few productive assets would remain in public hands.

The great advantage which the Government enjoys in the miners’ strike is that it is fighting on ground which it has prepared more thoroughly than any other. Industrial Luddism and revolutionary extremism are portrayed as the enemies that the whole community, not merely the Government has to fight. The Government may fear the industrial power of the miners, but it calculates that so long as the issue can be displaced from the industrial sphere into the political sphere, it can be treated as a problem of law and order— the defence of
the right to work against mob picket violence — and all the powers of the authoritarian populist consensus can then be enlisted on the Government's side. The public can be rallied much more easily in defence of social order than in defence of market order. The skill of Thatcherism is to present the two as the same. The Government seeks to mobilise support against the miners, so that were the strike to become a long and bitter one, the majority of the public will not condemn the Government for being heartless and doctrinaire, but will condemn the miners for obstinacy and bringing hardship on themselves.

Ratecapping and all that

The Government is on rather weak ground in its other major struggle — its bid to control the spending of local councils. The Thatcherite logic is impeccable. Why should local businesses pay rates when they lack direct representation on local councils or any veto on spending decisions? Local authority spending has become too redistributive, say the Thatcherites, because many of those who elect the councils have no incentive to be prudent or responsible; they receive benefits but do not pay rates.

Such arguments apply with equal force on the national level. So long as the Thatcher government accords overriding priority to maintaining its financial strategy and reducing the rates of personal and corporate taxation, then it is obliged to find ways of exercising detailed control over all its expenditure. Local government spending remains one of the major loopholes in the control system erected since 1975. The new centralising legislation is a blunt instrument, but no-one doubts it will be crudely effective if it can be implemented.

The problem is whether it can be implemented. The Government so far has not even convinced its own supporters that its policies for local government are either sensible or justifiable. Large electoral majorities disapprove of the abolition of the GLC. The same is likely to be true for rate-capping. The Government’s opponents have succeeded in portraying the Government as pursuing a narrow doctrinaire policy, one which will centralise power still further in Whitehall. The bills are increasingly perceived as attacks on local communities and the ability of local people to decide matters for themselves. Save our Services has proved a more effective slogan than Lower our Rates. Rates may be a highly visible and highly unpopular tax, and if the Government could have found a way of abolishing rates at the same time that they imposed financial discipline on local authorities they might have secured greater political support. But they could not. As a result they have created broad-based opposition, rooted in local communities.

The Government's difficulties over its bills to control the rates and abolish the metropolitan councils are reminiscent of the GCHQ incident. The Government imposed its will in the end but at considerable political cost. It became isolated and appeared as the arm of the alien and arbitrary state power rather than the instrument of national consensus. The Government cannot afford too many GCHQs if the momentum of Thatcherism is to be maintained. Thatcherism will be blunted if the numerous campaigns and struggles now in progress succeed in countering the appeal to commonsense and the national interest which Thatcherism has made so successfully in the past. The logic of the financial policy is extremely powerful and numerous institutions and groups have already adapted to it. But it is not all-powerful. It can be resisted, and the ideological power of Thatcherism pierced.