

10. The Twentieth Century

The Boer War placed a considerable strain on Queen Victoria who undertook a busy programme of visiting the wounded and widows, and encouraging ministers, regiments and nurses. She died in January 1901 aged 81, more revered and popular than she had ever been, a royal matriarch whose children and grandchildren occupied many European thrones. She was succeeded by her eldest son Albert ('Bertie') who chose not to use his and his father's Christian name but instead reigned as **Edward VII**. He was aged 60 and not in the best of health - his coronation was postponed while he had a major operation. As Prince of Wales he had married Alexandra of Denmark, a great beauty who became reconciled to her husband's insatiable interest in pretty women, and together they presided over the 'Edwardian era', a period when, following the fashionable lead of their king, the British upper classes enjoyed to the full a decade of elegance, confidence, and extravagance. Edward was never as influential with ministers as his mother had been, but he looked impressive, he had tact and charm, he spoke well, was considered thoroughly British and remained extremely popular. He also had a taste for the pageantry and display of monarchy which was welcome to the masses after years of his mother's determined widowhood.

In October 1900 Salisbury went to the polls in what has been called the 'Khaki Election' because it was undoubtedly intended to capitalize on successes in the Boer War. The desired result was achieved and the Conservatives were returned with a majority of 131. Salisbury retired as Prime Minister in July 1902 and the King asked **Arthur Balfour** to form a ministry, passing over Joseph Chamberlain who was in hospital recovering from a serious accident. Chiefly because of pre-occupation with the war there had been very little significant legislation since 1897, but under Balfour there were some landmark reforms. The Education Act of 1902 made county and county borough councils responsible for all secondary and technical education, and the Irish Land Purchase Act of 1903 empowered the government to lend money to Irish tenants so that they could buy their own land. In 1904 the Committee of Imperial Defence, with the Prime Minister as chairman, became a major new organ of government.

Balfour's control of his party was seriously upset in 1903 when Joseph Chamberlain, having recovered from his accident, announced that he no longer supported free trade and began to try to convert the Conservative party to the idea of 'Imperial preference' - making the Empire into a protected trade area. When he failed to win over the Cabinet Chamberlain resigned as Colonial Secretary in September, taking three colleagues with him. Over the next two years he campaigned enthusiastically for '**tariff reform**' and by so doing caused a disastrous split in the party. In December 1905 Balfour took a political gamble by announcing the government's resignation without calling a general election, in the hope that the Liberals would be so disunited that they would be unable to form a strong ministry.

This was shown to be a mistake when the Liberals took office under **Sir Henry Campbell-Bannerman** and called an election in January 1906 in which they gained a majority of 84 over all the other parties, with the Conservatives being drastically reduced to only 157 seats, while the Irish Nationalists had 83. The most sensational development, however, was the success of the 'Labour Representation Committee' which won 29 seats.

The Labour movement owed much to **James Keir Hardie**, a Glasgow miner who founded the Scottish Parliamentary Labour Party in 1888 and was elected as an Independent Socialist for West Ham South in 1892. The next year he founded the Independent Labour Party which

in 1900 became affiliated to the newly-formed Labour Representation Committee, an organization representing the trade unions as well as socialist intellectuals whose secretary was Ramsay MacDonald, another Scot of working-class origins. When the Taff Vale Railway Company successfully sued its employees in 1901 for damage done during a strike, the L.R.C. attracted many supporters determined to change the law and safeguard the right to strike. The L.R.C's success in the 1906 election owed much to the Liberals' agreeing to oppose only 18 of their 50 candidates, and after the election the name **Labour Party** was adopted.

Campbell-Bannerman was a wealthy Scot whose father had been Lord Provost of Glasgow. He made his way to the top of the Liberal party by steady application rather than brilliance, gaining popularity by becoming more radical in his later years. In 1906 he was seventy and in poor health, but he dealt wisely with the aftermath of the Boer War (which he had opposed) by granting self-government to the defeated Boer republics. At home his government introduced a wide range of reforming measures, many of which were defeated in the Lords despite having passed the Commons with a large majority. In 1907 he carried a resolution that the power of the Lords should be restricted, and this became the dominant issue in the next few years.

Campbell-Bannerman became ill in February 1908 and resigned in April to be replaced by **Herbert Asquith**, a barrister who became a Liberal MP in 1886, served as Home Secretary from 1892 to 1895 and had been Chancellor of the Exchequer since 1905. He did not have an easy ride as Prime Minister, coming soon into conflict with first the suffragette movement and then the House of Lords and facing industrial rest at home, the threat of civil war in Ireland and ultimately the war of 1914.

Although many nations moved strongly in the direction of democracy in the nineteenth century, the right to vote was at first bestowed only on men. Organizations demanding women's suffrage were founded in the U.S.A. in 1869 and grew increasingly militant. Within the British Empire, New Zealand led the way by allowing women to vote in 1893. In Britain **Emmeline Pankhurst**, the wife of a barrister who specialized in women's rights, formed the Women's Franchise League as early as 1889 and, together with her daughter Christabel, founded the more aggressive Women's Social and Political Union in 1903, strongly backed by Keir Hardie. The initial tactics of the '**suffragettes**' were to heckle Liberal politicians wherever they spoke and at first they had much support, reflected in an act of 1907 extending the right of women to sit on local councils. Sympathy dwindled, however, when the suffragettes attacked property, committed arson, chained themselves to railings and went on hunger strike. Emmeline Pankhurst herself was arrested many times and went to prison twice, but the movement had to wait until the end of the war in 1918 for any concessions.

By 1908 it was clear that under the direction of Admiral Tirpitz the German navy had launched so many ships of the new 'Dreadnought' class that Britain's superiority was seriously threatened. A decision to build four more ships than originally intended upset budget planning, as did an Act of 1908 which initiated old age pensions. In 1909 the Chancellor of the Exchequer, David Lloyd George, announced a budget which intended to raise extra money by imposing heavier taxes on the rich, including death duties, income 'super tax' and a tax on the sale of land. He also aimed to raise large sums by taxing licences and fuel for a recent invention which came to dominate life in the twentieth century - the petrol-engined motor car.

The budget passed the Commons in November 1909 by 379 votes to 149 but then, in defiance of a long-established constitutional tradition dating back some 150 years that the Lords should not interfere with money bills originating in the Commons, it was rejected in the Lords by 350 votes to 75. Asquith's reaction was to appeal to the electorate in January 1910. The result was a loss of over 100 seats for the Liberals who returned with 274 MPs compared with 273 Conservatives and Unionists. However, the Liberals could rely upon the support of 40 Labour Party MPs and 82 Irish Nationalists so Asquith continued as Prime Minister though the price of the support of the Irish leader, John Redmond, was another Irish Home Rule Bill as well as a bill to restrict the powers of the Lords. Edward VII agreed to create a large number of new Liberal peers if the Liberals could win another general election but he died in May, to be succeeded by his son, **George V**. After the failure of negotiations between the parties the new king also agreed to create a large number of Liberal peers if Asquith could win another election. This took place in December with results almost identical to those of January.

In May 1911 a bill to reform the Lords easily passed the Commons with the support of the Liberals, Labour and the Irish Nationalists, and it was sent up to the Lords. When Asquith announced in July that the king had agreed to create up to 500 new Liberal peers if necessary, the Lords reluctantly gave way and the **Parliament Act** became law. Its main provisions were that in future the Lords would not be permitted to amend or reject a finance bill and, moreover, if any other bill passed the Commons in three successive sessions of parliament and was rejected three times by the Lords, it would automatically become law. This effectively meant that the Lords could no longer veto a bill, but only delay it by two years. The Act also reduced the life of a parliament from seven years to five.

The way at last seemed clear for a third **Irish Home Rule Bill**, which, though rejected by the Lords on both occasions, was passed by the Commons in 1912 and 1913. It therefore needed only one more success in the Commons to become law. However, during this time opinion in **Ireland** became bitterly divided over the prospect of Home Rule. A republican party calling itself **Sinn Fein**, ('ourselves alone') was founded in 1905 and by 1912 it demanded full independence from Britain. The Protestant majority counties of Ulster (Antrim, Armagh Down and Derry) rejected what they feared would be a Catholic-dominated parliament in Dublin and organized themselves into the **Ulster Volunteers**, led by Sir Edward Carson. In response the Nationalists set up their own paramilitary force and civil war threatened. When it became clear that Asquith intended to send British troops to Ulster in March 1914 the so-called **Curragh Mutiny** took place, in which about 60 British army officers stationed at the Curragh barracks near Dublin threatened to resign rather than force Home Rule on the counties of Ulster. In May the Home Rule Bill passed the Commons for the third time and automatically became law, but the Protestant counties refused to accept it and demanded partition. In August Great Britain declared war on Germany and Austria, and parliament suspended the implementation of Irish Home Rule until one year after the end of the war, whenever that should be.

The First World War (1914-1918) resulted in the deaths of tens of millions of soldiers, often very young men, in the most destructive conflict the world had ever seen. Its chief long-term cause was the determination of the warlike north German state of Prussia to achieve dominance over all the German peoples, and then over Europe. Prussia was served by two geniuses, Frederick 'the Great', king from 1740 to 1786, who established Prussia as a major military force in Europe, and Otto von Bismarck, a politician who by successful wars with

Austria and then France succeeded in moulding most of the German states into a new 'German Empire'. This was inaugurated in 1871 after France's humiliating defeat in the Franco-Prussian war, and the King of Prussia adopted the additional title of 'Deutsches Kaiser' (German Emperor). The first Kaiser, William I, died in 1888 and was succeeded by his wise and moderate son Frederick, who had married Queen Victoria's eldest daughter. But he died within months from throat cancer, and this brought to the throne his son **Kaiser William II**, a young man with a notoriously unstable temperament. Bismarck resigned in 1890 after disagreements with him, and William made it his policy to ensure that the German Empire would be feared and respected throughout Europe. This involved not only the maintenance of a powerful army but the building of a navy to rival and even outgun that of Britain. Hence by 1900 Germany had alienated the French, still smarting from their defeat in 1870, and had seriously alarmed Britain, partly because of the growing strength of the German navy and partly because, after a late start, Germany was rapidly overtaking Britain as an industrial power. For these reasons, Britain and France signed a formal alliance, the **Entente Cordiale**, in 1904.

Seeking European allies in response, Germany turned to Austria-Hungary, while Britain and France both signed treaties with Russia, and it was this series of alliances that turned what might otherwise have been merely a Balkan conflict in 1914 into a world war. In 1908 Austria seized the Balkan state of Bosnia and it seemed that Serbia would be next, so the Serbs made a defensive alliance with Russia. In June 1914 the heir to the Austrian throne was murdered in Bosnia by a Serb and Austria used this as an excuse to declare war on Serbia, with German support. Russia immediately responded by backing the Serbs, and, in support of Austria, Germany declared war on Russia and her ally, France. The **Schlieffen Plan**, a long-standing German strategy for the rapid invasion of France through neutral Belgium was quickly put into effect and when Belgium was invaded Asquith and his Cabinet decided to honour a treaty made with Belgium in 1839, and duly declared war on Germany and Austria-Hungary on August 4th. Britain could easily have stayed out of the war, but it seemed to most British people that Germany's conduct had become unbearable, not only by threatening British naval and industrial power, but by attacking Britain's allies Belgium and France in an act of unprovoked aggression.

The Germans envisaged a short war in which they would quickly gain control over Belgium and France before sending their troops eastwards to help the Austrians against Russia. Britain's entry into the war was unexpected, as was the stout resistance of the Belgian army which held back the invading Germans for two weeks - long enough for the French to organize themselves, assisted by a small British force of 100,000 men. The French and British held up the German advance at **Mons** in August and then made a strategic retreat to the river **Marne** where in a crucially important battle in September they forced the Germans back to the river Aisne. This was a body-blow to the German plans: a short war was now impossible and Germany would be forced to fight on in the west as well as in the east. From October to November the British force defended the town of **Ypres**, suffering heavy casualties, while at home Lord Kitchener, the Secretary of State for War, began an effective campaign to recruit volunteers for the army. Half a million joined up by September 1914 and another half a million by March 1915. It was clear that rapid advance by either side was very unlikely and the opposing armies took refuge in a vast network of trenches. The British tried to break through at **Neuve Chapelle** in March 1915, the Germans at **Ypres** in April and May and the British again at **Loos** in September, but all these campaigns were costly failures. The problem that faced the generals on both sides on the western front was that they had no

experience of trench warfare on this unprecedented scale, and they could see no obvious way to achieve victory.

On the eastern front the war was a more conventional one and the Germans repelled the invading Russians in battles at Tannenberg in August 1914 and the Masurian Lakes in September, after which Turkey joined the war as a German ally. In an attempt to break the deadlock on the western front and also safeguard supply lines to Russia, a British and French attack was launched on Constantinople in March 1915, but without success. In April British troops, with contingents from Australia and New Zealand (Anzacs) landed on the **Gallipoli** peninsula, near Constantinople, hoping to use it as a base for further attacks on Turkey. But Turkish resistance was fierce and the British and Anzac forces withdrew in December with heavy losses. A Franco-British force landed at **Salonika**, in Greece, hoping to relieve pressure on Serbia, but Bulgaria joined Germany in October 1915 and helped in the conquest of Serbia. Even a British army sent to protect British oil interests in Mesopotamia (modern-day Iraq) was successfully besieged by the Turks at Kut-al-Amara.

By the end of 1915 Britain had achieved very little success in the war and Sir John French, the Commander-in-Chief, was replaced by **Sir Douglas Haig**. In February 1916 France's armies successfully resisted a massive German attack at **Verdun** and in July Haig launched a counter-attack near the river **Somme**, where 21,000 British men were killed and more than 35,000 wounded on the first day. Despite fierce criticisms from politicians at home Haig persisted with the campaign until November by which time the British had advanced only a few miles at the cost of 418,000 men, while the French lost 194,000. However, German losses were even greater - 650,000. Asquith had attempted to counter criticism of his conduct of the war by admitting leading Conservatives to the Cabinet, as well as the Labour leader, Arthur Henderson. He also appointed Lloyd George as Minister for Munitions and after Kitchener's death in July 1916, as Secretary for War.

After the failure of the Somme offensive many leading politicians urged Asquith to resign in favour of **Lloyd George**, which he reluctantly did in December 1916. The new Prime Minister worried little about controversy or opposition and he appointed a small War Cabinet consisting of himself, Bonar Law (Conservative), Arthur Henderson (Labour) and Lords Curzon and Milner. This took all important decisions and dramatically increased the provision of men and munitions. In 1916 there took place the only major naval battle between the German and British fleets, at **Jutland** in May. The Germans lost fewer ships (11 to 14) but were the first to withdraw, so both sides claimed victory. After this the Germans kept their warships in harbour and instead concentrated on a campaign of unrestricted submarine warfare, hoping to starve Britain into surrender. This was one of the reasons why Haig persisted with the Somme offensive, to prevent the Germans capturing the Channel ports for U-boat use. The wholesale sinking of transatlantic shipping in the early months of 1917 persuaded the United States to enter the war in April but it was many months before American troops were able to make much impact.

In April 1917 **Vimy Ridge**, north of Arras, was captured by Canadian forces and the French under Nivelle launched a massive attack on the river Aisne, which was driven back with such heavy losses that many French soldiers mutinied. From June to November Haig countered with a prolonged assault at **Passchendaele**, which was wrecked by unseasonal heavy rain which turned the battlefields into muddy bogs. British losses were 324,000 compared with 200,000 German losses for a gain of only four miles. More successful was the battle of

Cambrai in November where Haig made good use of tanks and at last punched a hole in the German defences. Victory celebrations at home proved premature because there was no follow-up and the Germans quickly reclaimed lost ground. Haig demanded more tanks and altered his strategy to make better use of them. Elsewhere the war went badly for the allies with an Italian defeat at Caporetto in October and the revolutionary coup in Russia in November, when Lenin and the Bolsheviks seized power and unilaterally made peace with the Germans in December, enabling them to switch troops from the eastern to the western front. Only in Britain's war with Turkey in the Middle East was there success. The British capture of Baghdad in March 1917 encouraged the Arab tribes of Syria and Palestine to revolt against their Turkish masters, assisted by the enigmatic English officer, Major T.E. Lawrence, (**Lawrence of Arabia**), whose activities helped General Allenby to capture Jerusalem in December 1917. It was also in 1917 that King George V, taking into account the strength of anti-German feeling in Britain, and on the advice of his ministers, officially declared that the British Royal Family should be known in future as the **House of Windsor**.

On the western front in 1918 the Germans realized that they needed to win the war before too many American troops arrived, and an offensive was launched on the Somme in March, bringing the German army within 40 miles of Paris where they were held by allied armies under the French Marshal Foch. In August Haig began a British offensive at Amiens, making full use of his tanks, and at last the German army was driven back to its defensive **Hindenburg Line** and beyond, so that an allied invasion of German territory seemed imminent. German morale in the field and at home began to crack, while Bulgaria, a German ally, was defeated by British and Serb forces in September and Italy inflicted a severe defeat on Austria at Vittorio-Veneto in October, the same month that Allenby captured Damascus and Turkey surrendered. In October the German commander, General Ludendorff, advised the Kaiser to ask for an armistice based on the US President Wilson's **Fourteen Points**. The Kaiser hesitated but on November 9th a Socialist revolution took place in Berlin and he was forced to abdicate. On November 11th the new German Government signed an armistice and the fighting at last came to an end.

In the world of European politics the war created an entirely new situation. The great empires of Germany, Austria-Hungary, Russia and Turkey were all swept away and replaced by republics. The **Treaty of Versailles**, an international settlement made in 1919, blamed Germany for the outbreak of war and required her to pay colossal sums to the allies in reparation as well as returning Alsace-Lorraine to France and losing many of her colonies. Germany's armed forces were reduced drastically and a **League of Nations** was set up to maintain international peace in the future. Victory enhanced Britain's international prestige outwardly, but she was weakened economically. During the war years British factories had been converted to the production of arms and ammunition and British industry lost ground to many countries not at war. About 40% of British merchant ships were destroyed and the cost of the war resulted in heavy borrowing, chiefly from the USA. Moreover the war resulted in major changes in all aspects of British life. About 750,000 men had been killed and 1.6 million wounded, and anger caused by these casualties was levelled at the traditional governing classes, resulting in a strong demand for a more democratic way of life. Women, in particular, who had during the war tackled very successfully the jobs vacated by men drafted into the armed forces, demanded to be treated equally as citizens. Their reward came in the Representation of the People Act of July 1918 which gave the right to vote to **women** over the age of 30 as well as all men over 21.

As a result of this, an extra six million women and two million men voted in the general election of December 1918. Asquith's forced replacement by Lloyd George in 1916 had fatally split the Liberal Party and though the popular Lloyd George was easily returned to power after the election it was at the head of a Coalition Government supported by 335 Conservatives, 133 Lloyd George Liberals and 10 Labour MPs. In opposition were 63 Labour MPs, 28 Asquith Liberals and 48 non-Coalition Conservatives. Hence one of the main political results of the war was the decline of the Liberal Party and the continued rise of Labour. During 1919 and 1920 post-war boom conditions prevailed as factories reverted to their pre-war roles and demand for goods was high. But from the beginning of 1921 the economy slowed down dramatically and unemployment rose to over 2 million. This slump was partly a continuation of Britain's slow economic decline since the 1870s and partly a result of the disruption of the war, which had forced Britain's foreign customers to look elsewhere for their goods

One of Lloyd George's most difficult tasks was to find a solution to the problem of **Ireland**. In 1914 the Home Rule Bill had been suspended for the duration of the war and most Irish people followed John Redmond and the Nationalist Volunteers in their support for the war effort, with many thousands enlisting in the armed forces. However, a small group of republicans, led by Patrick Pearse, attempted a surprise rebellion in Dublin on **Easter Monday**, 1916. The rebels received little support and the rising was easily put down, but the decision to shoot sixteen of the ringleaders inflamed anti-British opinion and gave new life to the republican movement. In the election of December 1918 Sinn Fein won 73 of the 105 Irish seats and they refused to attend the parliament at Westminster, proclaimed an Irish republic, set up an Irish parliament (the Dail) in Dublin and elected **Eamonn de Valera** as President. In January 1919 the Irish Republican Army (**IRA**) was formed and carried out acts of terrorism against British authorities. Lloyd George retaliated by sending over the **Black and Tans** - British troops who met violence with violence. After many fruitless negotiations the Anglo-Irish Treaty of December 1921 was eventually signed, setting up the **Irish Free State**, an independent Dominion similar to Australia and Canada, but not including the six northern counties of Antrim, Armagh, Londonderry, Down, Fermanagh and Tyrone. These remained a province under the British crown, with a parliament (Stormont) in Belfast. This arrangement did not please everyone, especially the Catholics in south Fermanagh, Armagh and Down, while many in the Irish Free State refused to accept the loss of the North. Civil war broke out within the ranks of Sinn Fein between factions led by Michael Collins, who had signed the Treaty, and de Valera, who had not. Collins was killed in the fighting which ended in April 1923 with de Valera reluctantly accepting the situation for the time being. In fact the partition of Ireland was opposed by many interested parties and it stored up much trouble for the future.

A movement demanding Home Rule for **Scotland** appeared in the 1880s, partly because of the Irish example, but Scots in general felt comfortable with the Union, which had brought considerable benefits to them in the nineteenth century. However, it was thought that devolution might improve the administration of Scotland and in 1885 Gladstone revived the post of Secretary of State for Scotland and established a Scottish Office in London while a Scottish Home Rule Association was founded and began campaigning for a parliament in Edinburgh. In 1908 a Scottish Home Rule Bill was passed by the Liberal majority in the Commons but was defeated by the Conservative Lords. Another Home Rule Bill passed its second reading in the Commons in May 1914 but was shelved when war broke out in August. In **Wales**, Tom Ellis, a Welsh Liberal MP, founded Cymru Fydd (Coming Wales) in 1887 to

campaign for a Welsh parliament, and after Ellis' death in 1899 Lloyd George became its leader. There was little enthusiasm for the cause in Wales, however, though a Welsh Home Rule Bill was also introduced to the Commons in 1914 and frustrated by the war. After 1918 both Scotland and Wales suffered badly from industrial decline and unemployment and most Scottish and Welsh people considered that there was more to be gained by supporting the Labour Party in Westminster than clamouring for their own parliaments.

In October 1922 the Conservative MPs who had kept the Lloyd George Coalition in power decided to withdraw their support from him, partly because they considered the time was no longer right for his high-handed, charismatic approach to leadership. Lloyd George immediately resigned as Prime Minister, to be succeeded by the Conservative, **Andrew Bonar Law**, who led his party into the general election of November 1922. This returned 345 Conservative MPs while the Asquith Liberals gained 62 and the Lloyd George Liberals 54. The Liberal total of 116 seats was less than the resounding score of 142 for Labour which now overtook the Liberals as the main radical party. Bonar Law resigned because of ill-health in May 1923 to be replaced by **Stanley Baldwin**, the son of a Midlands iron manufacturer and the first cousin of the renowned author Rudyard Kipling. In contrast to the brilliance and egotism of the 'Welsh Wizard', Lloyd George, Baldwin played at being the quiet, commonsense, average Englishman. However, he soon became convinced that Britain's policy of encouraging **free trade** was damaging the economy because other countries imposed import duties on British goods while British manufacturers had to compete with a flood of foreign products which were duty-free. Because Bonar Law had promised that the Conservatives would not abandon free trade Baldwin felt bound to hold another election to gain a mandate for his changed policy. The election took place in December 1923 and was a disaster for Baldwin, with only 258 Conservatives returned compared with 191 Labour and 159 Liberals. When his Government was defeated by a combination of Labour and Liberal MPs he resigned and King George V appointed **Ramsay MacDonald** Prime Minister because he was the leader of Labour, the second largest party.

MacDonald was a Scot who had made his way out of a poor home, with little education, by virtue of an impressive presence, an outstanding speaking voice and exceptional political skills. Right-wingers feared that the appointment of a Labour Government would unleash Socialism on the nation, but this did not happen. In fact many socialists were disappointed with the Government's home record, amounting to little more than grants for council houses and an increase in old-age pensions and unemployment benefit. MacDonald combined the office of Prime Minister with that of Foreign Secretary and was able to gain international support for the **Dawes Plan**, a scheme which made more workable the demands for war reparations from Germany. He also took the controversial step of giving recognition to the Soviet regime in Russia. In October 1924 the Government was defeated in the Commons because of its decision not to prosecute an inflammatory article in the Communist *Worker's Weekly* and the ensuing election was dominated by the **Zinoviev Letter** which was printed in the *Daily Mail* four days before polling day and appeared to contain instructions from the Russian Communist leader to the British Government on how to bring about social revolution. To what extent the letter (which may have been a forgery), affected votes is difficult to prove but the result was a massive swing back to the Conservatives with 419 seats, while Labour fell to 151 and the Liberals were reduced to a mere 40. The reason for the rapid decline of the Liberals has caused much debate but the huge casualties of the 1914-18 war, the split between Lloyd George and Asquith, and the emergence of a serious radical alternative in Labour are all important factors.

Baldwin returned to power with a majority of more than 200 and with his party firmly behind him. In April 1925, Winston Churchill, the Chancellor of the Exchequer, took the decision to return to the **gold standard**, which in fact had an adverse effect on most British industries because exports were made more expensive. Worse hit was the coal industry, already in decline because of competition from gas, electricity and oil, as well as cheaper coal from overseas. Baldwin set up a commission under Sir Herbert Samuel to find solutions to the problem, but his proposals were acceptable neither to the miners nor the mine-owners, and the owners announced that wages would be reduced on April 30th 1926. When the miners retaliated by saying that they would strike on May 1st, the owners closed the mines on April 30th, locking the miners out. On May 3rd the Trades Union Congress, in support of the miners, called a **General Strike** which was supported by 1.5 million workers, but this came to an end on May 14th because the Government, buttressed by hard-liners such as Churchill, refused to give way, and because the TUC was unsure about the legality of general strikes. The miners did not return to work until December, when they were forced to accept longer hours and lower pay. In the sphere of domestic legislation an Act of 1928 gave women the vote at 21, while another in 1929 radically overhauled local government, especially the responsibility for care of the poor. Abroad, Britain signed the **Locarno Treaties** in 1925 which bound many European states, including Germany and France, to respect each others' frontiers.

Baldwin and the Conservatives were punished in the general election of May 1929 for their treatment of the unions and failure to deal with unemployment. They lost over 140 seats, falling to 260, while Labour rose further still to 288 with the Liberals on 59. Baldwin's dislike of Lloyd George was so strong that a Conservative-Liberal coalition was out of the question, so Ramsay MacDonald returned to power at the head of a second minority Labour Government. In October 1929 a slowdown in trade in the USA led to the **Wall Street Crash** when shares on the New York Stock Exchange fell catastrophically as the result of investor panic. Millions of savers were ruined, as well as nearly half of the USA's banks. A sharp recession followed in the USA and soon spread to Europe where most countries, especially Germany, were already heavily in debt to the USA. In Britain unemployment rose from 1 million in 1929 to more than three million in 1932 while exports fell by a third during the same period. The Government was anxious not to devalue sterling but were unable to decide what action to take and did nothing other than to commission Sir George May to produce a report which recommended drastic cuts in public sector pay and a 10% cut in unemployment benefit. The Cabinet was deeply divided on this issue and nine out of eleven threatened to resign if the cuts were imposed. Faced with this situation MacDonald decided in August 1931 that his Government must resign. In his interview with the King, however, he agreed to stay on as Prime Minister, leading an all-party **National Government** in order to see Britain through the crisis. Most Labour supporters were outraged at this decision and accused MacDonald of betraying the Party, from which he was expelled, and under a new leader, Arthur Henderson, most Labour MPs opposed the new Government. Whether MacDonald had agreed to the King's proposal from motives of personal ambition or for patriotic reasons is difficult to say.

The National Government's exceptionally small Cabinet of ten contained four Labour members, four Conservatives (including Baldwin as Deputy Prime Minister) and two Liberals. Income tax was raised and salary cuts recommended by the May report were imposed. These measures led to protests everywhere, even in the Navy where at Invergordon on September 15th there was a brief 'mutiny' over pay cuts. Confidence in sterling among

foreign creditors remained low and so on September 21st the Government abandoned the **gold standard** and the pound fell on foreign markets by more than a quarter. As paper money had replaced gold sovereigns seventeen years before the effect in Britain itself was not widely felt. In October MacDonald and Baldwin agreed to call a general election, seeking support for the National Government - a 'doctor's mandate' to remedy the crisis as they thought necessary, including the adoption of trade tariffs. The result was a victory for 554 'National' MPs (473 Conservative, 68 Liberal, 13 Labour), with 52 Labour MPs in opposition. The main casualty was Labour which was generally blamed for inaction during the early years of the crisis.

Free Trade was at last abandoned by the Chancellor of the Exchequer, Neville Chamberlain, the son of protectionism's greatest supporter, Joseph. His Import Duties Act (1932) placed a 10% tariff on all goods except those from the British Empire and it had the effect of increasing the sales of British goods at home. Meanwhile the devalued pound meant that British goods cost less abroad, and accordingly more were sold. Interest rates went down from 6% to 2% and stimulated the house-building trade. By 1935 overall unemployment was down to 1.5 million, though conditions were far worse in Scotland, Wales, Northern Ireland and the north of England which had once been the centres of Britain's coal, cotton, shipbuilding and steel industries. Foreign competition had proved too strong and for most working-class men in these areas, 'life on the dole' was the norm during this '**Great Depression**'. The Midlands and the south of England were more prosperous because of the recent development of factories producing modern consumer goods such as motor cars and household appliances.

By June 1935 MacDonald felt that he had little more to give as Prime Minister and he stepped down in favour of Baldwin who called a general election in November, after which there was little change in the number of Conservative MPs but Labour fared much better, with 154 seats, while the Liberals did even worse, falling from 33 to 20. During 1935 the nation had celebrated the Silver Jubilee of King George V, a dignified and popular monarch who had used his constitutional powers wisely on a number of crucial occasions. When he died in January 1936 Baldwin faced a serious crisis because the popular, 41 year-old, Prince of Wales succeeded as **Edward VIII** and soon announced his intention of marrying Mrs Wallis Simpson, an American who was twice divorced. To the British Establishment, social, political and religious, it was unthinkable that the King (who was also 'Supreme Governor' of the Anglican Church) should marry a divorcee and Baldwin made this plain to him. In a decision driven by high romance or dereliction of duty depending on one's point of view, Edward abdicated in favour of his younger brother and with the title Duke of Windsor left Britain for what proved to be a life-long exile with his Duchess.

The new king, **George VI**, was not only King of Great Britain and Northern Ireland but Emperor of India and King of the self-governing Dominions of Australia, Canada and New Zealand as well as many colonies in Africa, Malaya, Burma and the West Indies. The end of the war in 1918 had added the former Turkish provinces of Iraq, Transjordan and Palestine to the list of British 'mandates' which would be groomed for self-government by British officials, while Syria and Lebanon were put under the control of France. This had been decided in the Sykes-Picot agreement between Britain and France in 1916 and contradicted the impression given to the Arabs during the war that their reward for support against Turkey would be independence. Iraq, under its able King Feisal, and with an elected parliament, became fully independent in 1932 but Transjordan, ruled by Feisal's brother Abdullah,

remained under British guidance. In Palestine a major problem arose after the **Balfour Declaration** of 1917 when Britain promised to support the World Zionist Organization. This had been formed in 1897 by European Jews and its aim was to establish a homeland for Jews in Palestine, from which the Jews had been expelled by the Romans as long ago as AD 71, causing them to scatter and settle in many countries throughout Europe, and later the whole world. With British support, by 1928 about 150,000 Jews had bought land from Arabs in Palestine, and by 1935, swollen by refugees from Nazi Germany, a quarter of the population was Jewish. By this time relations between Jews and Arabs had deteriorated into acts of violence and terrorism, and the Arabs rejected a British plan to divide Palestine into a Jewish and an Arab state.

There was also serious discontent in **India** where a political party, the Indian National Congress, had been formed in 1885 to work towards greater self-government. The Morley-Minto reforms of 1909 allowed limited access for Indians to senior government posts. India made an important contribution to the 1914-1918 war and in 1917 was promised 'responsible government' in due course. In 1919 the Government of India Act set up a bicameral national parliament, about 5 million Indians were given the vote, and some senior posts in the provincial governments were opened to Indians. This was too little for Indian activists such as **Gandhi** and **Nehru** but further concessions were opposed at home by influential politicians led by Churchill. The situation was inflamed in April 1919 when a British general ordered machine guns to be fired on an unruly but unarmed mob of 5000 Indians at **Amritsar**, killing 379. Gandhi began his effective campaigns of non-violent resistance and in 1927 Baldwin set up the Simon Commission which in 1930 proposed self-government for the provinces but not Dominion status, which by now the Congress Party demanded. Conferences were held in London in 1930 and 1931, the latter attended by Gandhi, but negotiations stalled over differences between Muslims and Hindus and the differing aims of the Congress Party, the Indian princes and the British Government. The Government of India Act (1935) was a compromise which gave the Indian parliament control over everything except defence and foreign affairs and gave local autonomy to the eleven provincial assemblies. The success of Nehru's predominantly Hindu Congress Party in the 1937 elections led the Muslim League, under **Jinnah** to demand a separate Muslim state called Pakistan, so great had the animosity become between the two religions.

Relations between the Irish Free State and Britain were not cordial after its formation in 1922. Britain was not prepared to transfer parts of Catholic Fermanagh and Tyrone to the Free State, and Irish nationalists, led by de Valera, founded 'Fianna Fail' (Soldiers of Destiny), a political party dedicated to breaking the remaining links with Britain. This won the election of 1932 and de Valera became Prime Minister, a position he retained for the next sixteen years. In 1937 he capitalized on the abdication of Edward VIII by drawing up a new constitution under which the Free State effectively became an independent nation known as **Eire**. Meanwhile, de Valera continued to be unco-operative in his relations with Britain and worked towards the recovery of the northern counties. Hence three important parts of George VI's inheritance - Palestine, India and Eire - were major trouble spots, though the rest of the Empire and Commonwealth held together for the time being.

The most important threat to world peace by the mid-1930s was the rise of nationalist aggression in Japan, Italy and Germany. Whereas the 1920s had been a decade of international goodwill dominated by the foundation of the League of Nations and the signing of the Treaties of Locarno, dedicated to the prevention of another disastrous world war, the

serious economic problems of the 1930s resulted in Japan, Italy and Germany resorting to heavy militarization and territorial aggression to ease their economic problems. Japan, a state ruled in the name of its 'divine' Emperor, Hirohito, ignored the League of Nations and invaded the Chinese province of Manchuria in 1931. **Benito Mussolini**, leader of the 'fascisti' in Italy, a political party dedicated to the advancement of the nation (which, like Germany, had until the 1860s consisted of several separate states) established himself as 'Duce' (leader) of Italy and invaded the African nation of Ethiopia in 1935. In Germany, **Adolf Hitler**, an admirer of Mussolini, sent German troops to occupy the Rhineland in 1936, in breach of the Treaty of Versailles. Hitler had fought in the German ranks in the 1914-1918 war and was horrified by the collapse of the German Empire, which he blamed on the treason of Jews and Communists. He founded the German National Socialist Workers' Party (Nazi for short) in the early 1920s and by his exceptional gifts of organization, oratory and charismatic leadership he ensured its growth from a few hundred to being the dominant political party in Germany. Promising a glorious future he won votes from an electorate disillusioned by years of depression and rampant inflation, and was democratically elected Chancellor in 1933. From then on he employed ruthless tactics to dismantle the constitution of Germany and establish himself as undisputed 'Führer' (leader). Hitler's long-term aims, which he made clear in his autobiography *Mein Kampf* (1925) were the suppression of Jews and Communists and the creation of a third German Empire (after the mediaeval Holy Roman Empire, 800 - 1806, and the Hohenzollern Empire, 1871-1918). This would be at the expense of the slavonic 'subpeople' of Eastern Europe, especially Poland and Russia.

MacDonald and Baldwin had sought to avoid confrontation with Germany and Italy, partly because they were dedicated to international peace and partly because they underestimated the fanatical determination of Hitler. Baldwin resigned in May 1937 to be replaced by his former Foreign Secretary **Neville Chamberlain**, who continued this policy, since called **Appeasement**. In March 1938 Hitler, in his pursuit of an all-German state, forcibly annexed Austria and then demanded the Sudetenland, a strip of Czech territory adjoining Germany which contained 3.6 million Germans. The Czechs refused and late in September Chamberlain attended a conference at **Munich**, where he persuaded them to hand over the Sudetenland in return for a promise from Hitler that he would attack no more of Czechoslovakia. Chamberlain enjoyed a brief period of popularity as a peacemaker until in March 1939 German troops occupied the Czech capital, Prague. Hitler next demanded Danzig (now Gdansk) from Poland and both Britain and France promised to support Poland if she were attacked. In order to prevent an attack on his eastern frontier Hitler signed a non-aggression pact with Russia in August 1939 and then called the bluff of England and France by invading Poland on September 1st. An ultimatum demanding withdrawal of German troops was ignored and the **Second World War** began when Britain and France declared war on Germany on September 3rd. India and the colonies were included in the declaration, while Australia, New Zealand, Canada and South Africa made their own decisions to ally with Britain. Eire decided to remain neutral.

The Poles resisted bravely but were rapidly overrun by the German military machine. Chamberlain set up a war cabinet of nine which included Winston Churchill, one of the few major politicians who had consistently opposed 'appeasement'. The Royal Navy blockaded German ports and sank the battleship *Graf Spee* while German U boats sank the *Royal Oak* in Scapa Flow. Little else happened until April 1940 when Germany invaded Norway and Denmark, securing iron ore supplies and establishing bases from which to attack British transatlantic shipping. These developments destroyed confidence in the leadership of

Chamberlain who resigned, and on May 10th **Winston Churchill** was appointed Prime Minister. He was also Minister of Defence, which made him responsible for the military direction of the war. This was a gamble because he was a man of original and controversial views and a pugnacious personality who had made many enemies and mistakes in a long and chequered political career. However, he enjoyed the exercise of authority and the making of crucial decisions, and the war provided him with this opportunity. He headed a war cabinet of five which included Clement Attlee and Arthur Greenwood from the Labour Party, and he made an immediate impression on the British people with his oratorical skills and arresting turn of phrase. An example of this gift was one of his earliest radio broadcasts to the nation, when he announced that the aim of the war was victory, but that it would not be achieved without 'blood, toil, tears and sweat'.

On the same day that Churchill became Prime Minister German forces struck against neutral Holland and Belgium as well as against France. Holland held out for four days and the Belgians until the end of the month, by which time much of the British army and a large number of French soldiers were surrounded in north-west France, with only the sea as a means of escape. Between May 27th and June 3rd 338,226 troops, 139,097 of them French, were conveyed safely to Britain from the port of **Dunkirk** in 860 ships, many of which were quite small craft which had sailed over in the 'Dunkirk spirit' from the rivers and fishing ports of Britain. Churchill did all he could to present this remarkable feat as a humanitarian triumph but it was nevertheless a military disaster which made the French sue for peace in June. Northern France and all her coastline were occupied by the Germans while the rest of the country became a client state under the leadership of Marshal Petain. Only Britain now stood in Hitler's way and he planned a sea-borne invasion with 260,000 troops. The German air force (Luftwaffe) was given the task of destroying the RAF as a preliminary and so began the **Battle of Britain** in which, during August and September the RAF managed to defend British skies, losing about 650 aircraft to the German 1100. Frustrated by their lack of progress the Germans switched to a bombing campaign on London just when the RAF was on the point of exhaustion. By the middle of September it was clear that invasion had been averted by British pilots and crew. 'Never in the field of human conflict', Churchill told the nation, 'was so much owed by so many to so few'.

After September 1940 a sort of stalemate had been reached. Germany could not invade Britain, but nor could Britain do much to strike at Germany, or her ally Italy, which entered the war in June. Hitler decided to see what could be done by a campaign of aerial bombardment, which lasted until May 1941. The British inaccurately called this the '**Blitz**' (it was not *lightning* war) and they became accustomed to regular night-time bombing, first of London, then of other cities. Over three and a half million houses were damaged, with the City of London, the East End and Coventry suffering most; about 30,000 people were killed. The House of Commons was hit and after this sittings took place in the Lords. The day-to-day ordeal of facing danger brought all classes together and, if anything, national morale improved.

In September 1940 attention switched to **North Africa** where the Italians invaded the British protectorate of Egypt, striking from their own colony of Libya. They were pushed back by British forces under General Wavell who penetrated into Libya, capturing Tobruk and Benghazi by February 1941 and taking 113,000 Italian prisoners. Hitler responded by appointing one of his most able generals, Irwin Rommel, to rescue the Italians in Libya and by April he and his German Panzer divisions had driven the British back into Egypt. In 1941

German U boats stepped up their attacks on British shipping in the Atlantic and the Navy responded by using the convoy system as well as by hunting quarry such as the battleship *Bismarck*, which was sunk in May. Anxious to do something more proactive on land, Churchill sent 60,000 British troops to Greece in April 1941 to bolster Greek defence against the Italians but they were driven out almost at once by a German invasion of Greece and retired to Crete where they were flushed out again by a German parachute attack, with the loss of 36,000 men. Hitler's timely support for his faltering Italian ally in North Africa and Greece meant that British forces were on the defensive.

However, in June 1941 the war took a dramatic turn when Hitler launched a massive invasion of the Soviet Union. Despite his earlier non-aggression pact with the Russian leader, **Joseph Stalin**, it had always been part of Hitler's long-term plan to destroy Communism and conquer Russia and her Slavonic satellites so that they could become accessories to the German superstate. This proved a fatal mistake because despite horrific casualties the Russians fought him all the way, forced him to maintain two fronts for the rest of the war, and in the end destroyed the invading German armies. The war was further transformed in December 1941 when Japan, intent on establishing a vast empire in the Pacific, without warning bombed the American naval base at **Pearl Harbour**, in the Hawaiian islands, with the loss of 2000 lives and 19 warships. An alliance already existed between Hitler and Japan but he had not been consulted over Japanese war plans and could well have stayed out of the Pacific conflict. However, he formally declared war against the USA, an act by which he had everything to lose. President **Franklin Roosevelt**, who had been supporting the British war effort with vast American loans, now found it easier to persuade the American people that Germany must be defeated, as well as Japan. Japan next targeted British possessions in the Far East, taking Hong Kong, and marching down the Malay peninsula and laying siege to Singapore. This surrendered in February 1942 with 60,000 troops, partly because Churchill never sent help and partly because of the poor resolve of the British commander, General Percival. This major defeat of imperialist Britain by an Asian power destroyed the myth of European invincibility and had major repercussions among Asian colonies after the war.

The winter of 1942 proved to be the turning-point of the war with Germany. In North Africa General **Montgomery** defeated Rommel at **El Alamein** in October and drove him into Tunisia where 275,000 Germans and Italians surrendered in May 1943. In Russia the destruction of the German army outside **Stalingrad** in December 1942 was a deadly blow to Hitler. Also British and American aircraft undertook mass bombing campaigns, obliterating many German cities and causing heavy casualties. Meanwhile in the **Battle of the Atlantic** the use of the convoy system and the endless pursuit of U boats much reduced shipping losses after the middle of 1943. In July 1943 British and American troops captured Sicily, which led to the fall of Mussolini, and by October allied troops reached Naples and Italy made peace and changed sides. However, the Germans occupied Italy north of Rome while to the south a fierce fighting took place at Anzio (January 1944) and Monte Cassino (May). Milan did not fall until 1945.

On June 6 1944, codenamed '**D-Day**', the allies launched 'Operation Overlord', a highly complex and carefully planned invasion of Normandy by British, American and 'Free French' troops, involving 1,200 fighting ships, 4,000 assault craft, 1,600 merchant ships, 13,000 aircraft and, eventually, three and a half million men, all under the command of the American General **Dwight Eisenhower**. Paris and most of northern France was liberated by the end of August and the launching sites of the German V1 and V2 rockets which had

caused serious damage in south-east Britain, were captured. Brussels and Antwerp were liberated in September but an attempt failed to outflank the Germans at **Arnhem** in Holland. A dispute then developed between Montgomery, who favoured a rapid attack on Berlin before it fell to the Russians, and his superior, Eisenhower, who wanted a more cautious advance over a wide front. This strategy was adopted and it enabled the Germans to break through in the Ardennes in December 1944, resulting in the **Battle of the Bulge**, Hitler's last gamble. After fierce fighting the Germans withdrew with losses of 250,000 men and 400 tanks. In February 1945 RAF Bomber Command, under Air Marshal Harris, destroyed the city of Dresden, killing 25,000 civilians and raising strong humanitarian objections in Britain and elsewhere. Meanwhile Germany was invaded from the east by the Russians, and, more slowly, by the allies in the west. On April 30th Hitler committed suicide, just before Russian troops entered Berlin, and the German army on the western front surrendered to Montgomery on May 4th. Admiral Doenitz, on behalf of the German government, surrendered unconditionally on all fronts on May 7th. **VE Day** (Victory in Europe) was celebrated in Britain on May 8th with the ringing of church bells and crowds dancing in the streets.

However, Japan remained undefeated. Though it had been clear to the Japanese High Command that their losses in the naval Battle of **Midway** against the Americans in June 1942 had put them permanently on the defensive, Japanese forces fought with such ruthless fanaticism that the war against them was a desperate struggle. American troops, led by General **MacArthur** gradually forced the Japanese out of the Pacific islands between 1942 and 1944, while in Burma British troops under General William Slim made up for the fall of Singapore by halting the Japanese at Imphal in March 1944 and after two months of fierce fighting, driving them back with losses of 53,000 men. President Roosevelt died on April 12th, 1945, and his successor **Harry Truman** took the decision to use America's secret atomic bomb to end the war, arguing that the stubborn resistance of the Japanese might otherwise last years and cost many allied lives. On August 6th an atomic bomb was detonated over the Japanese city of **Hiroshima**, killing some 84,000 people, and three days later another was dropped on the port of **Nagasaki**, killing a further 40,000. The Japanese surrendered unconditionally on August 14th.

British lives lost in the war were far fewer than in the 1914-1918 conflict - about 300,000 servicemen and women, 60,000 civilians and 35,000 members of the merchant navy. The total of Commonwealth dead was about 109,000. It was the first time in British history that the entire nation had been involved in the fighting - all men and women between the ages of 18 and 41 had been liable for conscription, while older men were encouraged to volunteer for the Home Guard. Air raids had brought death and destruction across the country. Yet British war aims - the destruction of Hitler and the Nazi party, and the preservation of the British Empire and Commonwealth from Japanese attack, were triumphantly achieved. British people were able to reflect in 1945 that they had been the only nation to fight in both world wars from beginning to end. The economic effects, however, were shattering. British gold reserves had stood at £864 million in 1939 but had all but gone by March 1941 when the USA's **Lend-Lease** scheme enabled Britain to obtain supplies immediately and pay for them later. By 1945 Britain's debts to the USA and elsewhere exceeded £3000 million. Lend-lease ended with the war and Britain then had to borrow from the USA on less favourable terms.

Party politics had very much taken second place to the war effort and there had been little domestic legislation during the war years though the **Beveridge Report** of 1942 recommended the eventual establishment of a national insurance scheme, a national health

service, and free secondary education for all. The **Education Act** of 1944 provided the latter by setting up grammar schools, technical schools and secondary moderns, and raising the school leaving age to 15. There had been no general election since 1935 and after the defeat of Germany all parties agreed that an election should take place in July 1945. The 'National Government' was dismantled and the Conservative Party, led by Churchill, resumed battle with his former colleague Attlee at the polls. The result was a landslide victory for Labour which gained 393 seats against 213 Conservatives, 12 Liberals and 22 others. Churchill immediately resigned and **Clement Attlee** became Prime Minister. This dismissal of the architect of victory in the war bemused most foreign observers but while there is little doubt of the electorate's respect for Churchill himself, many people were not impressed either by the past record or the future promise of the Conservative Party as a whole and felt that Labour's pledged support for major social reforms was the way forward. Moreover, Attlee had been Deputy Prime Minister since 1942 and many considered that his more modest approach was now needed in peacetime as a healthy contrast to Churchill's dictatorial tactics, however valuable they had been during the war.

With his public school and Oxford background and his inoffensive manner, Attlee was no cloth-cap socialist but he was nevertheless determined to carry out the major reforms promised in his election manifesto - most of them based on the recommendations of the Beveridge Report. The most notable achievement was the establishment of the National Health Service by Aneurin Bevan, a former Welsh miner who was appointed Minister of Health. A series of Acts imposed a national insurance scheme which financed state pensions after retirement, the provisions of the 1944 Education Act were implemented and about a million new houses were built. Socialist economic theory led to the nationalization of the Bank of England, air transport, and cable and wireless communications in 1946 and 1947. The coal industry, with about 1500 collieries, 400 smaller mines and over 700,000 workers was purchased from its owners and placed under the authority of the National Coal Board, while in 1948 all public transport came under the control of the British Transport Commission. The electricity industry was also nationalized, in 1948, and gas in 1949. Most of the newly nationalized industries had been in one way or another inefficient, outdated, or in need of financial support but when the Government decided to nationalize the much more prosperous iron and steel industry there was strong opposition from the Conservatives, and the Bill was rejected in the Lords. This resulted in the **Parliament Act** of 1949 which effectively reduced the delaying powers of the Lords from two years to one.

After the end of the war it was clear to most people that the two new world superpowers were the USA and the Soviet Union, with Britain in third place. The Soviets had suffered huge losses in their death struggle with Germany but their eventual triumph enabled **Joseph Stalin**, a ruthless and determined leader, to impose Communist Governments on Soviet-occupied states such as Poland, Hungary, Romania, Bulgaria and Albania, as well as the eastern part of Germany itself. This was done without the approval of the USA and Britain and led to the beginnings of a '**Cold War**' between Stalin and his former allies who were, in a popular term first used by Churchill in 1946, increasingly divided by an 'iron curtain'. In 1947, worried by the advance of Communism, President Truman announced that the USA would 'support free peoples who are resisting subjugation by armed minorities or by outside pressures', and sent aid to the Governments of Greece and Turkey, who were fighting Communist guerillas. This was followed up by the American **Marshall Plan** which offered massive cash injections to any country prepared to accept them - in return for their goodwill and trade with the USA. Between 1947 and 1951 more than 13 billion dollars were ploughed

into 16 western European countries, including Britain which benefited by 1.26 billion dollars. In April 1949 the USA, Canada, Denmark, Portugal, Italy, Norway, France, Belgium, Holland, Luxemburg and Britain signed the North Atlantic Treaty Organization (**NATO**), pledging mutual defence in case of military attack. In all these developments Britain's Foreign Secretary, Ernest Bevin, played a leading role.

After 1945 Eire, India and Palestine, the most disaffected parts of the Empire, successfully broke away. Eire had remained neutral during the war, denying the use of valuable Irish ports to the allies. In 1948 Eire refused to join NATO and in 1949 declared itself an independent republic. As early as 1934 Attlee had committed a future Labour Government to withdrawal from India and this was his policy as Prime Minister. However, the Muslims and Hindus could not agree on a constitution and serious fighting broke out between them. The Muslims demanded their own state and this solution was favoured by the last Viceroy, Lord Mountbatten. In August 1947 the Indian Independence Act set up the two states of **India** and **Pakistan** but this led to murders and atrocities on both sides when millions found it necessary to move their homes and cross the appropriate frontiers. As many as 250,000 people died in the Punjab alone and Gandhi was assassinated in 1948. After this disastrous start India and Pakistan gradually settled down to run their affairs more peaceably and both remained Dominions within the Commonwealth. The problem of Arab-Jewish conflict in Palestine had been made worse by '**The Holocaust**', the Nazi policy of systematically exterminating Jews in Nazi territory, and in 1945 Jewish refugees in the USA wished to settle in Palestine, but were forbidden to do so by the British because of overpopulation. This led to a terrorist campaign by Jews in Palestine who targeted British forces. In 1947 Britain put the problem before the **United Nations** (set up in 1945 as successor to the League of Nations) which decided to partition Palestine, giving about half to the Jews as a new state of **Israel**. Britain strongly disapproved of this solution, refused to carry it out and formally renounced responsibility for Palestine. Under the leadership of David Ben-Gurion Israel declared itself an independent state and successfully resisted attacks from the neighbouring Arab states of Egypt, Syria, Jordan, Iraq and Lebanon. About a million Arabs who had been living in Israel chose to become 'Palestinian' refugees, storing up much trouble for the future.

In the general election of February 1950 Labour seats were reduced to 315 while Conservatives rose to 298 and Liberals fell again to 9. Inevitably, some socialists felt that Labour had not done enough, while other voters felt that they had done too much, and turned to the Conservatives. Despite the Government's enormous achievements at home and abroad, life in Britain remained austere, with the rationing of many commodities still in force. Further strain was placed on the economy in 1950 when British troops were sent to Korea. This had been liberated from the Japanese in 1945 by the USSR and USA, and divided for the time being along the 38th parallel, but under the 'Cold War' conditions the North had become a Communist state and it invaded the South in June 1950. South Korea appealed to the United Nations which encouraged member states to send troops to help. The USA sent the largest force, with Britain ranking second. Disagreements within the Labour Party over this commitment, as well as the resignation of Bevan and others when charges were introduced in the National Health Service, left Attlee struggling to govern effectively with his small majority and he called another election in October 1951, hoping to gain more support on the back of the success of the '**Festival of Britain**' celebrated that summer on London's South Bank. However, the election resulted in a majority for the Conservatives who won 321 seats to Labour's 293, with the Liberals trailing with 6.

This brought Winston Churchill, aged 77, back to Downing Street. Within a few weeks George VI suddenly died in February 1952, and his elder daughter ascended the throne as **Elizabeth II**. A young woman of 25, her youth and beauty caught the popular imagination and encouraged people to hope for a new 'Elizabethan Age'. In addition to this boost in morale the Conservatives also benefited from an upturn in the economy and were soon able to abolish rationing, reduce income tax and build some 300,000 houses a year. When Churchill resigned in the summer of 1955 as a result of failing health he was succeeded without dispute by **Sir Anthony Eden**, long regarded as 'the Crown Prince of Conservatism'. An experienced politician and expert in foreign affairs he was a man whose ability, good looks and unfailing charm marked him out as 'the best of British'. He called an election in May which gave him a lead of 77 seats over Labour, and then fell at the first serious hurdle when confronted with the **Suez Crisis** of 1956. Gamal Abdel Nasser came to power in Egypt in 1954 after the overthrow of the unpopular monarchy, and appeared to be intent on uniting the Arab world against British, French and American influence, aided by the Communists. In July 1956 he nationalized the Suez Canal, which mostly belonged to British and French shareholders, promising suitable compensation. Control of the canal would enable Nasser to cut off Britain's oil supplies, and seeing in him another Hitler or Mussolini, and determined not to make the mistakes of 'appeasement' all over again, Eden decided on drastic action in alliance with France and Israel. Late in October Israeli troops invaded the Sinai peninsula and Anglo-French forces bombed Egyptian military sites and landed troops. World opinion, led by the United Nations and the USA condemned these attacks as aggression and forced a ceasefire on November 6th. Eden resigned on grounds of ill-health in January 1957 and his political career came to an abrupt end.

Eden was succeeded by **Harold Macmillan**, an upper-middle class Scot who married the daughter of a duke. He had made his name as a superb Minister of Housing under Churchill and he had outstanding leadership qualities. Nicknamed 'SuperMac' he won a resounding victory in the election of October 1959, (Conservatives 365, Labour 258, Liberal,6). The economy remained buoyant at first and the widespread introduction of hire-purchase facilities meant that millions of households were equipped with cars, washing machines, refrigerators, televisions and all the appliances of modern life. 'You never had it so good,' was one of Macmillan's famous remarks. However, stagnation followed in the early 1960s and by the middle of 1963 there were almost a million unemployed. The most important development in the Macmillan years occurred in the British colonies, where, as he put it in a speech in Africa in 1960, a 'wind of change' was blowing. The colonies had become a drain on British resources and they were nearly all agitating to be granted independence. Ghana (the former Gold Coast) and Malaya received their freedom in 1957, followed in 1960 by Nigeria and Cyprus, where a terrorist war had been waged against the British for several years. Sierra Leone and Tanzania received independence in 1961 and Uganda in 1962. Kenya, where the anti-British Mau-Mau terrorists had caused havoc during the 1950s became independent in 1963, with Malawi and Zambia following in 1964 and The Gambia in 1965. All these new nations remained within the **British Commonwealth** recognizing Queen Elizabeth II as their head of state, but otherwise governing their own affairs. In 1961 South Africa decided to leave the Commonwealth because its policy of 'apartheid' (the separation of blacks and whites) was contrary to the Commonwealth's non-racist principles. Macmillan resigned in 1963 because of ill-health and the Conservative MPs elected the Earl of Home, who was Foreign Secretary, to succeed him. Using a mechanism recently made legal Home 'disclaimed' his ancient peerage and took office as **Sir Alec Douglas-Home**. Though widely derided, even within his party, as too aristocratic and 'out of touch', Douglas-Home put up a

tough fight at the general election of October 1964 but could not prevent Labour taking the lead with 317 seats while the Conservatives gained 304 and the Liberals 9.

So ended 'thirteen years of Tory misrule' as the Labour Party put it, claiming that the Tories had left them with a balance of payments deficit of £800 million. The new Prime Minister, **Harold Wilson**, had been an Oxford economics don and was a highly skilled and experienced politician. He inspired enough confidence in the electorate to hold another election in March 1966 and win a much bigger majority (Labour 363, Conservative 253, Liberal 12), but his years in office were plagued by economic problems, trade union unrest and crises in Rhodesia and Northern Ireland. Wilson announced that the pound would not be devalued and borrowed heavily to finance the balance of payments deficit. However, dock strikes in 1966 and 1967 made the situation worse and forced a devaluation in November 1967, which dented the Government's credibility. In 1969 Wilson attempted to introduce trade union reforms based on the white paper 'In Place of Strife' which aimed at preventing 'wildcat' strikes and unofficial walkouts. This was strongly opposed within his own party and eventually abandoned. In Rhodesia the Prime Minister, Ian Smith, declared the colony independent in 1965 without the permission of the British Government, which had refused to agree to a constitution which excluded black people from power. Wilson imposed economic sanctions on Rhodesia and held two meetings with Smith, in 1966 and 1968, without satisfactory results. Smith declared Rhodesia a republic in 1970 and in due course was faced with guerilla warfare from black activists.

In **Northern Ireland** there was an outbreak of violence between Catholics and Protestants which had its roots in the political settlement of 1922 which had left so many Catholic areas in Tyrone, Fermanagh, South Armagh and South Down within the Northern Ireland boundary that about a third of the population were Catholics. The province suffered badly from unemployment during the 1920s and 1930s and there was little cash available for investment in social services. In the Northern Ireland parliament (Stormont) the Protestant Unionist Party constantly dominated the smaller Catholic parties and Catholics felt that their interests were disregarded. Ironically there was economic improvement during the war of 1939-1945 because Londonderry prospered as a naval base and other heavy industries in Belfast and elsewhere were kept busy providing materials for war. However, after 1945 many Catholics felt that they were eased out of jobs by Protestants, and in 1956 the IRA began a terrorist campaign against British rule.

In 1963 the Unionist Prime Minister, Terence O'Neill, showed himself keen to meet Catholic objections by introducing a series of measures designed to help them, and the Wilson Government strongly supported his policies. Extreme Protestant groups led by Ian Paisley condemned these pro-Catholic initiatives and put up strong resistance. In response the Catholics in 1967 formed a non-violent group called the Northern Ireland Civil Rights Association and staged a protest march in mainly Catholic Londonderry in October 1968. As the marchers had gone ahead without permission they were attacked by the Royal Ulster Constabulary (RUC). This led to more Catholic protest marches in 1969, with Protestant counter-marches by the 'Orange Order' and the 'Apprentice Boys'. In August 1969 Catholics shut themselves up in the Bogside area of Londonderry and proclaimed 'Free Derry', and this was followed by riots in Belfast and other cities. Stormont asked Britain for help to control the situation and Wilson sent over troops to maintain order, which effectively meant protecting Catholics from Protestant attacks. The RUC was reformed and the aggressive 'B-

Specials' abolished, while the Government introduced important electoral reforms which were favourable to Catholics.

Wilson called a general election in June 1970 but apart from the Race Relations Act (1968), which made discrimination on grounds of race illegal; the abolition of the death penalty and the setting up of the Open University, the Government could claim few radical initiatives. The impression of the average voter (rightly enough) was that the economy was out of control and the Conservatives won an overall majority of 30 (Conservative 330, Labour 287, Liberals 6, others 7) and took office under **Edward Heath** who was a moderate Tory in the tradition of Disraeli and Macmillan. He was also determined to take Britain into the **EEC** and was able to negotiate entry in 1972, to start from January 1973. The EEC had been set up by the Treaty of Rome in 1957 with six members, France, West Germany, Italy, Belgium, the Netherlands and Luxemburg. Within ten years its administration consisted of the European Commission in Brussels which was composed of civil servants, appointed by member states, who took executive decisions; the Council of Ministers, consisting of ministers who were members of their home Governments; and the European Parliament at Strasbourg, chosen at first by the parliaments of the member states and, after 1979, elected directly as Members of the European Parliament (MEPs) by the electorate in each member state. Finally there was the European Court of Justice which dealt with legal disputes within the Community. Attlee had refused to join the EEC in 1947 but Macmillan, aware of the economic advantages, appointed Heath as minister in charge of negotiating British entry. However, France under General de Gaulle vetoed the British application in 1963, fearing competition from British agriculture. By 1972 de Gaulle was out of office and Britain was able to join the EEC, along with Eire and Denmark. Britain's entry owed much to the determined efforts of Heath, for there were many in both major political parties who opposed membership, fearing a loss of sovereignty in Britain, and suspecting that the EEC would eventually aim at political as well as economic union.

In Northern Ireland Labour's concessions to the Catholics led to further Protestant protest, led by Ian Paisley. Meanwhile the 'Official IRA', which was moderate, produced a more aggressive offshoot, the 'Provisional IRA' which began a sustained campaign of terrorism, killing the first British soldier in February 1971. In August, Brian Faulkner, the Northern Ireland Prime Minister, imposed a policy of 'internment' which involved the arrest and imprisonment of terrorist suspects without trial. This led to further Catholic protests and on January 30 1972 British troops fired on a Catholic civil rights march in Londonderry and shot dead 13 civilians and wounded many more. Branded as 'Bloody Sunday' this event was condemned not only in Ireland but around the world, and the Government found itself morally on the defensive. Heath responded by suspending the Northern Ireland constitution and bringing the province under direct rule from London. In January 1974 a new elected assembly was established, with an executive in which power was intended to be shared between Protestants and Catholics.

At home Heath's chances of finding a solution to the balance of payments deficit was destroyed by the trades unions. An Act of 1971 set up an Industrial Relations Court empowered to enforce ballots for strikes, as well as a 60-day 'cooling-off' period, but this led only to a record number of strikes, with 23.9 million working days lost. A miners' strike in January and February 1972, masterminded by Arthur Scargill, was so effective that the Government was forced to declare a state of emergency and concede all the miners' demands. In October 1973 the Israelis soundly defeated an Arab coalition in a short war and in

retaliation Arab countries tripled the price of oil, causing petrol shortages and general price inflation in Britain. The miners imposed overtime bans to achieve more pay, and in order to conserve energy the Government took the drastic step of declaring that there would be a three-day working week, and also restricted the speed limit on roads to 50 mph and closed down TV transmission at 10.30pm. When the miners voted for a full-scale strike on February 4th 1974 Heath decided to hold an election that month on the issue of 'who runs the country?'. The Conservative vote fell by a million and Labour by 500,000 but the Liberals, under their leader Jeremy Thorpe, rose from 2 million to 6 million. Even so they gained only 14 seats. The Conservatives were left with four seats fewer than Labour (297 to 301) and after the Liberals rejected the idea of a coalition with him, Heath resigned.

Harold Wilson returned as Prime Minister of a minority Labour Government which relied upon Liberal support. He immediately dismantled the Industrial Relations Act and sanctioned wage increases, so that industrial wages rose by 19% in 1974 and 23% in 1975. In October 1974 he held another election but gained an overall majority of only three (Labour 319, Conservative 277, Liberal 13), partly because there was a rise in the 'regional' party representation, with the Welsh Nationalists (Plaid Cymru) gaining 3 seats, the Scottish National Party (SNP) 11 and Northern Ireland 12. Wilson had some success in his 'Social Contract' policy of reducing industrial unrest through negotiation with the TUC but there was no dramatic upturn in the economy and Britain's Gross Domestic Product (GDP) in 1977 was lower than all the EEC countries except Italy and Eire. As is usually the case when a Government has a small majority, Wilson was faced with strong voices of dissent within his own party, especially the left-winger, Tony Benn, who demanded withdrawal from the EEC. In June 1975 a referendum was held on that issue and 67.2% of the votes cast were in favour of staying in, which kept Benn and the left wing quiet for the time being. Wilson, who was only 60, caused surprise by retiring in April 1976, possibly because this winner of four general elections thought it unlikely he would win a fifth.

The Labour Party replaced Wilson with the moderate **James Callaghan**, a Welshman who had become a tax officer after leaving school and who rose to prominence in his trade union before being elected MP for Cardiff. He had plenty of experience and had served in the Cabinet as holder of the three most senior posts. Almost at once, however, he was faced with a severe financial crisis caused by the continuing balance of payments deficit and mounting inflation. Drastic cuts in government spending as well as tax increases on consumer goods led to Labour losing four by-elections and their overall parliamentary majority. In January 1977 Callaghan made a formal pact with the Liberal leader, David Steel, who hoped thereby to gain support for the introduction of Proportional Representation to replace the existing voting system which penalised all except the two largest parties. During 1978 Callaghan chose not to capitalize on the improvement in the economy which resulted from the newly-established North Sea oil wells and he announced his intention of keeping wage increases down to 5%. This produced a 'winter of discontent' with prolonged and widespread strikes in both the public and private sectors. After losing a motion of confidence by one vote Callaghan called an election for May 1979. The Conservatives had, in opposition, replaced Heath as leader by Margaret Thatcher who campaigned vigorously with the result that her party gained 339 seats, with Labour on 169, the Liberals 11 and others 16.

Margaret Thatcher was the daughter of a successful tradesman and local politician in Grantham, Lincolnshire, where she attended the local grammar school and won a place to read Chemistry at Oxford. She became a political activist on the right of the Conservative

Party and contested her first parliamentary seat at the age of 23. She married, as his second wife, Denis Thatcher, a prosperous businessman, and in 1959 she was elected MP for Finchley, in London. Heath made her Minister for Education and in the leadership elections that took place among Conservative MPs after the fall of his Government, she emerged a clear winner. Hence the Conservatives became the first British political party to elect a woman as their leader, and after the success of the 1979 campaign Margaret Thatcher became the first woman to be a British Prime Minister. Her main appeal was decisiveness, and she had clear views about where Britain should now be heading - namely away from what she saw as an economy shackled by the trade unions towards one which encouraged the middle-class virtues of independence and enterprise. She and her main ally, Sir Geoffrey Howe, the Chancellor of the Exchequer, were impressed by the 'monetarist' philosophy of the American economist Milton Friedman, who argued that the long-held views of the famous economist J.M.Keynes that governments should spend their way out of economic difficulties were no longer effective and that governments should in fact spend less and give more freedom to private enterprise. Accordingly, limits were imposed on public spending and the rate of inflation was drastically reduced. However, in the world recession of the early 1980s many firms went bankrupt, unemployment exceeded three million and there were serious riots in London (Brixton), Bristol, Liverpool and Manchester.

The undoubted unpopularity of the Government was suddenly dispelled by the **Falklands War**. Since the early nineteenth century Argentina had nourished an emotional claim to the Falkland Islands, which lay in the South Atlantic some 250 miles from the Argentine coast and had been under British rule for almost 150 years. In April 1982 the military regime of General Galtieri decided it was safe to seize the islands and invaded without warning. Thatcher replied vigorously with a naval task force of some 70 ships and 6,000 troops which arrived at the end of the month, and after several sharp engagements the Argentines surrendered on June 14th. There were 254 British fatalities, several ships were sunk or badly damaged and the expedition was very expensive, but the ultimate success of this very considerable gamble taken by a determined Prime Minister aroused a blaze of patriotism and made her the focus of popular acclaim. Striking while the iron was hot she negotiated through parliament the Employment Act of October 1982 which was an important step in her crusade against the miners because it made unlawful strikers liable to heavy fines. She followed this by holding a general election in June 1983, promising more trade union reforms in the Conservative manifesto. Labour's chances in the election were badly affected by the formation of the Social Democratic Party (SDP) in 1981 by four right-wing Labour politicians led by Roy Jenkins, all of whom allied with the Liberals. The result was a major victory for the Conservatives who won 397 seats. The fact that the Alliance gained 25.4% of the vote yet won only 23 seats to Labour's 209 seats with 27.6% of the vote intensified the Liberal and SDP demand for a change to the electoral system.

Regarding her huge majority as a mandate for radical change Thatcher introduced legislation to make ballots compulsory before all strikes. After the announcement of many pit closures by the National Coal Board, the NUM, led by Arthur Scargill, went on strike from March 1984 to March 1985, and there were several serious clashes between the police and the miners. However, the Government stood its ground and the miners eventually went back to work, having failed to achieve their demands. In 1986 the power of the printing unions was effectively broken by *The Times* newspaper group which sacked 5500 staff and moved its premises after illegal strike action. The Government also dramatically reversed Labour's nationalization programme with a vigorous policy of privatization, which accorded well with

the 'Thatcherite' notions of private enterprise and brought increased revenues to the Treasury. There was also a drive towards home ownership, with about a million council houses and flats being sold to sitting tenants for less than their market value. By 1987 British Petroleum, British Telecom, British Aerospace and a dozen other large companies had been sold to the private sector. The Government also took a strong line with local authorities which exceeded their budget, and abolished the Greater London Council which it regarded as a citadel of left-wing activists.

In 1984 an IRA bomb shattered the Grand Hotel in Brighton where Thatcher and other leading Tories were staying during the Conservative Party Conference. Five people were killed but the bomb missed its main political targets. In November 1985 Thatcher and the Irish Prime Minister Garrett Fitzgerald signed the Anglo-Irish Agreement which accepted that the status of Northern Ireland could only be changed with the consent of a majority of its population. In foreign policy Thatcher worked closely with the US President, Ronald Reagan, taking action in 1986 against 'international terrorism' in Libya and Syria. An agreement was also signed with China that Britain would hand over Hong Kong when the lease ran out in 1997, in accordance with the terms of the colony's acquisition in 1842.

With high unemployment in the north, many of Britain's inner cities in decay and a health service that was seriously in decline, the Labour Party under Neil Kinnock had high hopes of success in the election of June 1987, but with the Conservatives promising £7.5 billion for health, social services and education, the South of England prosperous and many more people now owning their homes, there was still strong support for Thatcher. The result was a crushing disappointment for Labour which won only 229 seats to the Conservatives' 380. The Alliance gained 22 seats and in January 1988 the Liberals and SDP merged as the **Social and Liberal Democratic Party** (Liberal Democrats), under a new leader, Paddy Ashdown, and renewed their demands for reform of the voting system. Meanwhile, Thatcher's Government proceeded to implement its manifesto promises. In 1988 the higher rate of income tax was drastically reduced, from 60% to 40%, while privatization was extended to the water and electricity industries. Within the health service hospitals were encouraged to become more efficient by managing their own finances and conducting themselves more like businesses. Finally, the Education Act of 1988 attempted to halt a perceived decline in school standards by introducing a 'national curriculum' with compulsory tests at the ages of 7, 11, 14 and 16.

By a mixture of good luck, shrewd judgement and sheer force of personality, Thatcher had been able to make the tide of politics run in her direction for a decade, but by 1990 she began to make serious mistakes. The tax cuts of 1988 contributed to a sharp rise in inflation, and interest rates rose to 15%, indicating that 'Thatcherite' economic policies had not been successful in the long term. Moreover, against much advice and strong opposition she replaced the existing system of local rates based on the value of a property with a 'community charge' paid by all adults at the same rate, whether they lived in a castle or a bed-sit. Nicknamed the 'poll tax' this was deeply unpopular and led to protests, riots and refusals to pay, as had its predecessor of 1381. At a time when she needed all the support she could get, Thatcher quarrelled disastrously with two of her most senior ministers, Geoffrey Howe (Foreign Secretary) and Nigel Lawson (Chancellor of the Exchequer) over the EEC. Although she had been prepared to accept the economic aims of the Community, Thatcher had always opposed any close political union, but that was increasingly the policy of most EEC leaders. In June 1989 Howe and Lawson used threats of resignation to force her to

commit Britain to joining the 'Exchange Rate Mechanism' (ERM), whereby the currencies of member states would be locked together to create stability and work towards a common currency. She never forgave them and tension between the three resulted in Lawson's resignation in October 1989, followed by Howe's in November 1990. The usually mild-mannered Howe, who was Deputy Prime Minister, caused a sensation in his resignation speech by attacking the policies of the Prime Minister and suggesting that it was time she should go.

Michael Heseltine, a senior minister who had resigned after a personal disagreement with Thatcher in 1986 immediately challenged her for the leadership of the Conservative Party and in the ensuing ballot among Conservative MPs she was three votes short of the two-thirds majority needed for an outright win. Realising that she was not assured of victory in the next ballot, where there would be other challengers, Thatcher decided not to stand for re-election, somewhat bewildered by her sudden fall from grace after eleven and a half years in power. Tory MPs, who had smarted under Thatcher's lash for more than a decade, chose as her successor the undoubtedly able, but also amiable and conciliatory, **John Major**, whom Thatcher had appointed to succeed, in rapid succession, Howe as Foreign Secretary and Lawson as Chancellor, and on November 28th Thatcher vacated Downing Street, not without a public tear. From her Major inherited the **Gulf War**, a United Nations operation spearheaded by the USA which, in 'Operation Desert Storm' drove invading Iraqi forces out of Kuwait in the early months of 1991. Subsequently Major showed that he was no mere 'Thatcherite' by scrapping the poll tax, affirming his belief in a 'classless society', and, most importantly, by signing the **Maastricht Treaty** in December 1991. This was the result of a summit meeting of EEC leaders which agreed on a new name, the 'European Union', and sanctioned greater powers for the European parliament, the introduction of a common currency (the euro), and the adoption of common foreign and economic policies. A 'Social Chapter' was also envisaged, covering a wide range of issues concerning the rights and welfare of workers but Major objected and was able to secure an opt-out clause for Britain over both this and some elements of the common economic policy. However, Major's overall decision to support the newly-strengthened EU split the Conservative Party and for the rest of his time as Prime Minister Major had to fight 'Eurosceptic' rebels in his own party.

Labour, led by Neil Kinnock, were confident that their hour had come in the general election of April 1992 but Major's evident 'niceness' made a good impression with voters and the Conservatives scraped home with an overall majority of 21 (Conservative 336, Labour 271, Lib Dems 20, others 24). Almost immediately the new Government encountered disaster. As Chancellor, Major had finally persuaded Thatcher to allow Britain to sign up to the **Exchange Rate Mechanism** in 1990, at a time when the economy and the pound were strong. By 1992 recession had set in and it was clear that the pound was overvalued. In September Major's Chancellor, Norman Lamont, had no choice but to withdraw from the ERM and allow the pound to find its own level, which amounted to a 15% devaluation. After this the economic competence of Major and his advisers became open to question and the Prime Minister lost support in the country and within his party, where the '**Eurosceptics**' began to flex their muscles. The decision to close 31 out of Britain's remaining 50 coal mines was vigorously criticized, and Lamont's unpopular imposition of VAT on domestic fuel led to his resignation. Meanwhile the Conservatives steadily lost by-elections and the Government's majority fell from 21 to one. This put Major at the mercy of the 'Eurosceptics' who were able to frustrate his plans, and he was forced to come to an agreement with the Ulster Unionists in order to get government business through the Commons. Having launched

a 'back to basics' campaign in 1993 the Government was then overwhelmed by a series of 'sleaze' scandals in which Conservative MPs and ministers were found seriously wanting in matters of personal and financial conduct. Finally the Government struggled unsuccessfully to deal with a serious cattle disease (BSE), raising the question of the safety of British beef, which was eventually banned by the EU. The Government then had little alternative but to order the destruction of tens of thousands of cattle, casting gloom over the agricultural community.

Meanwhile the Labour Party was undergoing a revolution. After his defeat in 1992 Neil Kinnock resigned as leader to be replaced by John Smith, a Scottish lawyer who saw the need to reduce trade-union influence within the Party. After his sudden death in 1994 the Party chose as its leader **Tony Blair**, another Scottish lawyer. Educated at Fettes College and Oxford University he was forty-one years old and quite sure that the Labour Party had little chance of getting into power unless it made drastic changes. These amounted to the abandonment of hidebound socialist policies such as nationalization, less dependence upon the support of the unions, and an acceptance that '**New Labour**' must work together with successful capitalists. Blair's youth, enthusiasm and charm, together with a more muted socialist message, appealed to a wide spectrum within the electorate and when Major went to the polls in May 1997 he suffered one of the biggest electoral defeats in British history. 'New Labour' won 418 seats, and the Conservatives were cut down to 165, their lowest total since 1906. The Liberal Democrats did well, winning 46 seats. Seven Conservative Cabinet ministers lost their seats and the Party collapsed for the time being into a shocked huddle, wondering what had hit them, and why.