



Choreography of Defeat: The Fall of the 1979 Government

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This article reassesses the attempt by the Labour government in 1979 to overcome challenges faced without an overall majority; the collapse of the Lib–Lab Pact; internal party dissent; and referendum results on Scottish and Welsh devolution. The efforts to patch together a parliamentary majority with other parties' MPs while allaying opponents of devolution within the Parliamentary Labour Party (PLP) ultimately failed. Although the chronology of the defeat is well established and has formed the basis of many studies of British political history, less well understood is the choreography of defeat, the sequence of discussions and negotiations with smaller parties and internal debates within the government on how to respond to the results of the devolution referendums in Wales and Scotland held on 1 March 1979. Documents from the National Archives, Kew, including detailed accounts of the prime minister's conversations and discussions with cabinet colleagues and other party leaders, as well as an analysis of the decision-making process inside 10 Downing Street highlight the limited choices available to the prime minister. It shows the difficulties the prime minister had in assessing the likely behaviour of MPs from the smaller parties as well as his own. James Callaghan rejected proposals from his deputy, Michael Foot, to avert defeat, preferring instead to avoid the possibility of dividing his party. This resulted in defeat in the no confidence vote that precipitated the general election that brought Margaret Thatcher to power.

Keywords: Callaghan government; devolution; no confidence vote; 1979 election

1. Introduction

Much mythology surrounds the events leading up to the fall of the Labour government in 1979. A critically acclaimed play contributed more to entertainment than historical analysis.¹ Senior politicians involved have offered subjective memories.² The media return to the

¹James Graham, *This House* (2013); Michael Billington, 'This House Five Star Review', *Guardian*, 30 Nov. 2016.

²Robert Rhodes James, 'A Tory MP's View of Mr Callaghan's Final Days', *Listener*, 8 May 1980; Austin Mitchell, 'A Night to Remember, More Likely a Night to Forget', *House Magazine*, xviii, 612 (1993); Roy Hattersley, 'The Party's Over', *Guardian*, 22 Mar. 2009.

episode especially on anniversaries.³ The defeat of the Labour government continues to be referred to in party political battles in Scotland with Labour insisting that the Scottish National Party (SNP) caused the election of Margaret Thatcher by ‘bringing down the Labour Government’.⁴ The fall of the government has been discussed in relevant memoirs, biographies and autobiographies. James Callaghan, his political secretary, Bernard Donoughue, Liberal Party leader, David Steel, and SNP MP, Gordon Wilson, have published diaries or memoirs offering recollections, reasonings, and pleas in defense of their actions.⁵

Prime Minister Callaghan grappled with the situation that transpired after Wales overwhelmingly rejected devolution and Scotland only very narrowly voted in favour on 1 March 1979. The government was required to move orders in parliament to repeal the devolution legislation as neither Wales nor Scotland had overcome the level of support specified by parliament. While the government was obliged to move the repeal orders its MPs could vote against repeal but the Parliamentary Labour Party (PLP) was divided on the issue and Labour had lost its overall majority in the Commons and relied on the support of minority parties adding to the pressure on Prime Minister Callaghan. The prospect of a vote of confidence and an election loomed over deliberations. The Conservatives were keen on a quick election with polls suggesting a Tory victory. The Labour government was not in control of events. It had survived until then by finding compromises to satisfy pro- and anti-devolutionists in the PLP and gaining support from MPs from some of the small opposition parties.

The authors of the 1979 Nuffield election study, drawing on off-the-record interviews with key figures, perceptively concluded that a ‘more determined or desperate Prime Minister than Mr Callaghan might have won the confidence vote’.⁶ By 2013, John Shepherd had access to more primary and secondary sources offering insights with particular reference to the broader context of the ‘winter of discontent’.⁷ He noted but did not elaborate on the ‘various delaying schemes’ discussed by the cabinet in an attempt to avoid a vote of no confidence.⁸

Documentary evidence from The National Archives, Kew, not previously consulted, combined with previously published accounts, provide us with a fuller understanding of

³ Alan Cochrane, ‘The History the SNP is Trying to Forget’, *Daily Telegraph*, 1 Mar. 2013; Lindsay McIntosh, ‘SNP Helped Thatcher into Power’, *The Times*, 3 Apr. 2014; Mark Aitken, ‘Politics Unspinned: Did the SNP Really Bring Down a Labour Government and Usher in Margaret Thatcher?’, *Daily Record*, 5 Apr. 2015; ‘Jeremy Corbyn Blames SNP for Margaret Thatcher and Two Decades of Tory Rule’, *Scotsman*, 28 Mar. 2019; Martin Hannan, ‘Busting the Myth that the SNP Brought us Margaret Thatcher in 1979’, *The National*, 28 Mar. 2019; Steve Fielding, ‘Did the SNP Really Bring Down the Callaghan Government and Pave the Way for Thatcherism?’, *New Statesman*, 28 Mar. 2019.

⁴ See, e.g., the Scottish Labour tweet on the 40th anniversary of the vote in which it is claimed: ‘Forty years ago today, SNP MPs brought down a Labour government and helped put Thatcher into power. Despite the pain she caused they still say it was the right thing to do’, available at <https://twitter.com/scottishlabour/status/1111176095510999040?lang=en> (accessed 7 Feb. 2022).

⁵ James Callaghan, *Time & Chance* (Glasgow, 1987); Tony Benn, *Conflicts of Interest: Diaries 1977–80* (1991); David Steel, *Against Goliath* (1991); Bernard Donoughue, *Downing Street Diary* (2005); Gordon Wilson, *SNP: The Turbulent Years* (Stirling, 2009); Kenneth O. Morgan, *Callaghan: A Life* (Oxford, 1997); Kenneth Morgan, *Michael Foot: A Life* (2007).

⁶ David Butler and Dennis Kavanagh, *The British General Election of 1979* (Basingstoke, 1980), 126.

⁷ John Shepherd, ‘The Fall of the 1979 Labour Government’, in *How Labour Governments Fall*, ed. Timothy Heppell and Kevin Theakston (2013), 113–40; John Shepherd, *Crisis? What Crisis?* (Manchester, 2013).

⁸ Shepherd, ‘The Fall of the 1979 Labour Government’, 127.

how developments unfolded day by day and hour by hour, in the aftermath of devolution referendum. These allow us to drill down, providing an account of conversations, negotiations, debates and assumptions among senior politicians and officials that ultimately led to denouement and defeat for the Callaghan government. We see tensions at the top of the government with key differences on tactics between Callaghan and his deputy, Michael Foot. The prime minister preferred a parliamentary defeat and an election rather than trying to cobble together a parliamentary majority at the potential cost of party unity. In 1986, Michael Foot wrote a note on 'How the Government Fell: A Few Brief Notes' which he sent to Callaghan who responded stating that he agreed with 'your [Foot's] general analysis of my attitude'.⁹ What emerges is an account that places internal Labour politics more firmly at the heart of our understanding of the fall of the Labour government in 1979.

This article offers not only additions to the existing literature, through newly available archives, but offers new insight into the process of government decision making especially an administration confronted by multiple factors limiting choice, various unpredictable factors with alternative outcomes. In this case the Callaghan government was presented with the worst possible result of the devolution referendum in Scotland that threatened to take the timing of a general election out of the prime minister's hands.

Access to new material in the public archives provides insight into two major elements in the decision-making process. The first is the input by the civil service especially in outlining alternatives and options for the prime minister in addressing the unique, for Britain at that time, constitutional quandary. The second is in our understanding of developments in Westminster. The Foot papers highlight the role of the leader of the House in attempting to shape events, providing an alternative strategy for the government. It was not just a matter of trying to win support among Labour rebels but deal with MPs from minority parties, including former Liberal partners in the Lib-Lab Pact, in parliament. Further challenges involved balancing support from Ulster Unionists, who saw opportunities to exert influence in these unusual circumstances, without alienating Irish Nationalists.

This article has seven major sections: the first offers background to the problems the government had in managing the divisive issue of devolution and provides the overall context. The second section considers the machinations over the decision to have referendums on the Scotland and Wales Acts and how it created 'a delayed action time-bomb' that would detonate under the Callaghan administration in March 1979. The third section analyses the internal political and civil service discussions in preparation of various potential outcomes of the referendums. From this follows an analysis of the divisions within Labour ranks, that had not only led to the 40% rule in the first place but were now threatening the ability of the PM to exert some leverage on the SNP in particular to support the government.

The next section focuses on debate within government on how to respond to the ambiguous result of the Scottish referendum. The penultimate section deals with the Callaghan government's attempts to read the intentions of its opponents and work out a strategy and highlights the government's competing objectives: maintaining party unity, finding a satisfactory response to the devolution referendums, and avoiding an immediate general election brought about by a vote of no confidence in the Commons. Finally there is the drama of the debate and no confidence vote and the unpredictable impact of disputes over pairing

⁹People's History Museum, Manchester, papers of Michael Foot (1913–2010), GB 394 MF: Michael Foot, 'How the Government Fell: A Few Brief Notes', and letter from Jim Callaghan to Michael Foot, 10 Apr. 1986.

that would effect the mobilisation of ill, infirm and in one case a terminally ill MP as well as the subterfuge relating to the activities of the Independent MP for Fermanagh and South Tyrone.

2. Background: Managing Devolution with Minority Government

Labour was returned in the October 1974 election with an overall majority of three, a slight improvement on six months before when it emerged as the largest party but without an overall majority. The government faced a difficult economic, fiscal and industrial relations backdrop. In 1976, the government had to apply for a loan to the International Monetary Fund, and it was granted on condition that there were significant cuts in public spending.¹⁰ Labour was vulnerable to defeats in the Commons through rebellions and loss of seats in by-elections. In April 1976, James Callaghan, MP for a Cardiff constituency, replaced Harold Wilson as prime minister. Two days later Labour lost its overall Commons' majority when John Stonehouse, a disgraced former Labour minister, resigned the whip and announced that he would sit as an English nationalist MP.¹¹ Philip Norton noted the 'staggering – and unprecedented' number of rebellions by Labour MPs which only 'constituted the tip of an iceberg as far as dissent by its own backbenchers was concerned' during this 'gruelling Parliament'.¹² By the end of the parliament almost one in every two divisions involved Labour MPs voting against the government¹³ with the government suffering 42 defeats in the Commons.¹⁴ Thirty per cent of Labour backbench rebellions concerned devolution in the 1974–9 parliament.

Labour's October 1974 manifesto promised to create 'elected assemblies in Scotland and Wales'.¹⁵ Its Scottish manifesto promised to give 'high priority' to setting up a 'Legislative Assembly for Scotland with substantial powers over crucial areas of decision making in Scotland'.¹⁶ The proposal was vague leaving the nature of devolved government open. Labour's legislative programme included a commitment to Scottish and Welsh devolution, a policy imposed on the party by the leadership fearful of losing support to the SNP. Callaghan had been lukewarm in support for devolution. In his diary, Bernard Donoughue, who worked for both Wilson and Callaghan in Downing Street, recorded an all-day cabinet meeting at Chequers in September 1975 at which Callaghan opposed devolution in principle saying he was 'afraid of opening the doors to separatism' and therefore wanted the most 'moderate' proposal possible.¹⁷ Michael Foot's 1986 note on 'How the Government Fell' noted

¹⁰Kathleen Burk and Alec Cairncross, *Goodbye, Great Britain: The 1976 IMF Crisis*, (New Haven, CT, 1992); see also Keith Middlemas, *Power, Competition and the State* (Basingstoke, 1991).

¹¹Stonehouse had faked his death on a beach in Florida in Nov. 1974 to avoid investigations into his business interests but was found the following month in Australia and brought back to the UK. He remained an MP while awaiting trial and was convicted and sent to prison.

¹²Philip Norton, 'Parliament', in *New Labour, Old Labour: The Wilson and Callaghan Governments*, ed. Anthony Seldon and Kevin Hickson (2004), 197.

¹³Norton, 'Parliament'.

¹⁴Philip Norton, 'Behavioural Changes', in *Parliament in the 1980s*, ed. Philip Norton (Oxford, 1985), 27.

¹⁵Labour Party, *Britain Will Win with Labour*, Labour Party manifesto, Oct. 1974.

¹⁶Labour Party (Scottish Council), *Scotland Will Win with Labour*, Labour Party manifesto for Scotland, Oct. 1974, p. 16.

¹⁷Donoughue, *Downing Street Diary*, 493.

that Callaghan had ‘never been enthusiastic about devolution in Wales, and was never over-enthusiastic about the proposition for Scotland’ and that Callaghan’s patience had ‘suddenly snapped’ on devolution in the aftermath of the referendum.¹⁸ Foot sent Callaghan the note for comments and the former premier replied concurring with Foot’s ‘general analysis of my attitude’.¹⁹

Labour had initially rejected the need for referendums on devolution but pressure from the party’s anti-devolutionists kept the prospect open. Michael Foot reopened the matter in late August 1976. In December, Cabinet Secretary John Hunt suggested that there were two issues for the cabinet: did it accept that referendums were inevitable and if so when was the appropriate moment to announce the concession?²⁰ The following day, the Scotland and Wales Bill was given its second reading after the government announced that post-assent referendums would be held in Scotland and Wales. The rebels were bought off. Having conceded a referendum, the government secured a majority for the principle of devolution but this was only one hurdle on the path to royal assent.

In February 1977, the government was defeated on a guillotine motion, necessary for the passage of the legislation, when 22 Labour MPs voted against and 15 abstained. This killed off the Scotland and Wales Bill. The Labour Party in Scotland demanded an immediate referendum.²¹ An opinion poll following the defeat suggested a 10% increase in support for the SNP with one poll suggesting that the Nationalists would win 36% of the vote²² demonstrating that the government’s problems lay outside as well as within parliament.

The Conservatives moved no confidence in the government following the defeat of the guillotine motion but Callaghan survived with the support of Liberal MPs. The Lib-Lab Pact was agreed securing Callaghan with Liberal support for the duration of the pact. The Liberals could ill afford a general election as polls suggested that the party would lose half their support since the previous election. The pact involved agreement that separate devolution bills should be presented to parliament for Scottish and Welsh devolution, each with a provision for post-assent referendums. Guillotine motions were passed for each bill but any sense that it would be plain sailing was dispelled when the first clause in the Scotland Bill – stating that a Scottish Assembly would not affect the unity of the United Kingdom – was struck down on the first day in committee.

Callaghan’s main challenge in getting the legislation through parliament was within the PLP. Journalist James Naughtie, then covering the house of commons for the *Scotsman*, would later refer to a ‘kind of controlled schizophrenia in the Labour Party’²³ which ensured passage of the devolution legislation through the Commons and the ‘failure of the “antis” to turn their natural majority against devolution into victory’. He offered a range of reasons but the one that proved most important was the concession of a referendum ‘shifting the

¹⁸People’s History Museum, Manchester, papers of Michael Foot (1913–2010), GB 394 MF: ‘How the Government Fell: A Few Brief Notes’.

¹⁹People’s History Museum, Manchester, papers of Michael Foot (1913–2010), GB 394 MF: letter from James Callaghan to Michael Foot, 10 Apr. 1986.

²⁰TNA, PREM 16/929: ‘Devolution to Scotland and Wales: Post-Assent Referenda’, note to prime minister from John Hunt, 15 Dec. 1976.

²¹*Glasgow Herald*, 11 Mar. 1977.

²²*Sunday Mail*, 27 Feb. 1977.

²³James Naughtie, ‘The Scotland Bill in the House of Commons’, in *Scottish Government Yearbook 1979*, ed. H.M Drucker and N.L Drucker (Edinburgh, 1979), 17.

last responsibility for the Bill to the people themselves'.²⁴ Labour had essentially agreed to disagree among itself and to let the people have the final say.

A crucial amendment was passed on Burns Night 1978. George Cunningham, a Scot representing an Inner London constituency, moved an amendment that he would later describe as a 'delayed-action bomb that later blew up devolution'.²⁵ It provided that if 'less than forty per cent of the persons entitled to vote in the referendum have voted Yes ... he [*sic*] [the secretary of state] shall lay before Parliament the draft of an Order-in-Council for the repeal of this Act'.²⁶ Vernon Bogdanor maintained that this amendment had 'some claim to be the most significant back-bench initiative in British politics since the war'.²⁷ In October 1978, a cabinet office civil servant wrote a note (see Table 1) setting out the stages that had to be gone through 'between the referendum and the beginning of the Assembly's work'.²⁸ If over 40% of the electorate voted in favour, then a commencement order would be placed before parliament and if passed, Assemblies would then be established. If, however, under 40% supported devolution, then the government would be obliged to move a repeal order which, if passed, would bring an end to devolution.

3. *The Referendum and Preparations for the 'Delayed-Action Bomb'*

Labour and the SNP, the parties associated with devolution, were 'relatively unpopular with the electorate' by the time of the referendum.²⁹ The 1978–9 'winter of discontent' of strikes, go-slows and work-to-rules had 'seriously undermined Labour's historic relationship with the trade union movement' damaging Labour's reputation for good governance.³⁰ Prime Minister Callaghan was misreported saying 'Crisis? What Crisis?' on his return from a short holiday after attending an international summit in the Caribbean. But the invented quote became strongly associated with the prime minister to his party's detriment. By the middle of February, polls showed strong and growing support for limiting trade union power, a policy strongly supported by the Conservatives.³¹ A small poll lead over the Conservatives in November 1978 had collapsed into to a 20% deficit in February 1979.³² This was an unhappy backdrop for a referendum on the Labour government's devolution legislation.

At the beginning of November, Prime Minister Callaghan announced that the referendums in Scotland and Wales would be held on St David's Day the following year. The Labour Party in Scotland expressed concern that the government's attitude towards devolution was 'ambivalent' and was 'very keen' that Prime Minister Callaghan should be

²⁴Naughtie, 'The Scotland Bill in the House of Commons'.

²⁵George Cunningham, 'Burns Night Massacre', *Spectator*, 18 Jan. 1989.

²⁶A.W. Bradley and D.J. Christie, *The Scotland Act 1978* (Edinburgh, 1979), clause 85(2).

²⁷Vernon Bogdanor, 'The 40 Per Cent Rule', *Parliamentary Affairs*, xxxiii (1980), 249.

²⁸TNA, PREM 16/2091: B. Smith, cabinet office, to Nick Sanders, 10 Downing Street, 30 Oct. 1978.

²⁹John Bochel and David Denver, 'The Outcome', in *The Referendum Experience: Scotland 1979*, ed. J. Bochel, D. Denver and A. Macartney (Aberdeen, 1981), 144.

³⁰John Shepherd, *Crisis? What Crisis? The Callaghan Government and the British 'Winter of Discontent'* (Manchester, 2013), 4.

³¹Shepherd, *Crisis? What Crisis?*, 114.

³²Butler and Kavanagh, *The British General Election of 1979*, 263.

Table 1: *Stages Before the Implementation of Devolution*

Relevant provision	Purpose	Order/Proceedings	Comments
If 40% test not satisfied or majority vote 'No' S. 85(2) (Scotland) S. 80(2) (Wales)	Repeal of Act	<u>Affirmative resolution</u> of each House on draft order in council	
If 40% and majority requirements are satisfied, or if draft Orders for repeal are rejected (a) S. 83(1) (Scotland) S. 79(1) (Wales)	First commencement order	<u>Affirmative resolution</u> of each House	Likely to be narrow as possible; subsequent commencement orders are not subject to a parliamentary procedure Highly probably that will need to be taken with (a)
(b) S. 2(1) (Scotland) S. 2(1) (Wales)	To appoint day for first Assembly elections	<u>Affirmative resolution</u> of each House; draft to be laid	
(c) Sch. 1, para. 12 (Scotland) Sch. 1, para. 12 (Wales)	To specify areas for which initial members are to be returned	SI without any parliamentary procedure	Together with (d), (e) will be needed quickly after (a) and (b)
(d) S. 8(1)(d) (Scotland) S. 5(1)(d) (Wales)	To designate disqualifying offices for membership of Assembly	<u>Affirmative resolution</u> of each House on draft order in council	
(e) S. 34(2) (Scotland) S. 32(1) (Wales)	To determine salaries and allowances of Assembly members	Secretary of state power of direction; no parliamentary procedure.	

personally associated with the campaign.³³ A similar plea came from John Morris, secretary of state for Wales. Labour was not only deeply divided but there were concerns that the government was not fully committed to the policy.

Public opinion moved against the SNP in the year between the Cunningham amendment and the devolution referendum. This was important as the SNP electoral threat was the reason that Labour had been converted to the devolution cause. In April 1978, Donald Dewar held Glasgow Garscadden for Labour in the first Scottish by-election of the parliament. The following month, Margo MacDonald, the SNP's best-known politician, failed to take Hamilton, a seat replete with symbolic significance which Winnie Ewing had won for the SNP in a by-election in 1967. Local election results in May confirmed that the tide had turned with Labour winning almost twice as many votes as the SNP and the Tories easily outpolling the Nationalists. 'Thumbs down for SNP as Labour makes the running' ran the *Herald* headline.³⁴ In October, Labour held Berwick and East Lothian, following the death of John Mackintosh, one of Labour's leading pro-devolutionists. Each of the three Labour MPs returned in the 1978 by-elections was a staunch devolutionist. Ironically, these elections strengthened the resolve of anti-devolutionists in the PLP who interpreted the SNP defeats as evidence of declining pressure for change.

One interpretation, from a journalist sympathetic to devolution, was that the anger that had followed the defeat of the guillotine motion had given way to 'exhausted resignation'³⁵ as the slow slog of parliamentary debates on the details of the Bill wore down enthusiasm. Royal assent was given to the legislation at the end of July. An opinion poll taken immediately after royal assent showed the SNP to have slumped to its lowest level in four years: only 18% of voters said that they would vote for the party while Labour was sitting on 48% and the Conservatives on 30%.³⁶ By the end of the year, the SNP treasurer was privately reporting a decline in party membership to the leadership.³⁷ Labour had won back the initiative from the SNP.

Divisions opened up within the SNP as the party lost support. SNP parliamentary votes became more important at the same time. As had been agreed in advance, the Lib-Lab Pact ended in May 1978, after the Scotland Bill had received its third reading in the Commons³⁸ and six months later, Liberal MPs voted for a Conservative motion of no confidence. The devolution legislation was now on the statute book and the Liberals wanted an election, putting as much distance between the election and the trial of former Liberal leader, Jeremy Thorpe, on charges of murder conspiracy which were once more being widely reported in the media that week. The SNP wanted a firm commitment to elections to the proposed new Assembly in June the following year and state funding for the referendum campaign.

³³TNA, PREM 16/2091: note from Bernard Donoghue to PM, 27 Nov. 1978, reporting telephone call from Helen Liddell, general secretary of the Labour Party in Scotland.

³⁴*Glasgow Herald*, 3 May 1978.

³⁵Michael Fry, *Patronage and Principle* (Aberdeen, 1987), 247.

³⁶System Three poll for *Glasgow Herald*, reported 14 Aug. 1978.

³⁷Roger Levy, *Scottish Nationalism at the Crossroads* (Edinburgh, 1990), 84, quoting from treasurer's report to SNP National Council, SNP, Edinburgh, 2 Dec. 1978.

³⁸Timothy Peacock, *The British Tradition of Minority Government* (Manchester, 2018), 122–3.

Neither party was in a mood to keep the Labour government in office though dissident voices existed in both.

The government survived with a majority of 12. The SNP was divided with nine of its 11 MPs voting with the Conservatives, one SNP MP voted with Labour and another abstained. The two SNP rebels insisted that they had the backing of the party's national executive committee (NEC) but were disciplined by the parliamentary group. Relations between the SNP NEC and the parliamentary party were at a nadir. Hamish Watt, the SNP abstainer, had approached Jack Weatherill, Conservative deputy chief whip, in November 1976 urging the Tories not to vote against the proposed Devolution Bill. His approach was interpreted as an attempt to negotiate a deal with the Tories on devolution.³⁹ If so, two years later, Watt had reversed his opinion and was convinced that the only hope for devolution was to keep Labour in power. In September 1978, the SNP rejected a formal pact with Labour.⁴⁰ Gordon Wilson, SNP MP, later reflected, that his party had 'invested so much in the creation of the Scottish assembly' and suffered as a consequence of its rejection.⁴¹

4. *Preparing for the Results*

John Morris had previously thought that it would be a 'close run thing' in Wales but with just over two weeks to go before referendum day he was 'less optimistic' and suggested that it would 'need a great deal of effort to ensure that the Government is clearly seen to be well behind the campaign'.⁴² Six of Labour's south Wales MPs campaigned against devolution in the referendum including future leader, Neil Kinnock. Morris warned Callaghan that 'many people in Wales think the Government are against Devolution or do not know where we stand on the issue'.⁴³

While devolution may have been a lost cause in Wales, polls pointed towards a Scottish majority in favour but short of the required 40% of the electorate.⁴⁴ As referendum day approached, Michael Foot proposed that the government should 'be ready to say no more than that the referenda are advisory to Parliament and that we will be considering the results carefully before announcing our conclusions'.⁴⁵ According to his biographer, Foot was the 'only leading Minister who actually believed in devolution'.⁴⁶ Morris and Bruce Millan, the Scottish secretary, wanted to discuss the results with Callaghan and Foot as soon after the declarations as possible and arrangements were made to include Michael Cocks, government chief whip, in the discussion.

³⁹Margaret Thatcher Foundation: Weatherill note, 18. Nov. 1976, sent to chief whip and then to Margaret Thatcher, available at <http://www.margaretthatcher.org/document/111688> (accessed 7 Feb. 2022).

⁴⁰Levy, *Scottish Nationalism at the Crossroads*, quoting minutes of SNP National Council, re.NC 78/48, 2 Sept. 1978.

⁴¹Wilson, *SNP: The Turbulent Years*, 185.

⁴²TNA, PREM 16/2091: note to PM from John Morris, 14 Feb. 1979.

⁴³TNA, PREM 16/2091: note to PM from John Morris on BBC polls, 14 Feb. 1979.

⁴⁴John Bochel and David Denver, 'The Outcome', in *The Referendum Experience*, ed. J. Bochel, D. Denver and A. Macartney (Aberdeen, 1981), 142–3.

⁴⁵TNA, PREM 16/2091: note to PM from Michael Foot, 'Results of the Referenda', 19 Feb. 1979.

⁴⁶Morgan, *Michael Foot*, 365–6.

Civil servants set out three scenarios. No repeal order would be required if there was a 'Yes' majority satisfying the 40% test. The government could then move a commencement order to set up the assembly. The second scenario of a 'Yes' majority but failing the 40% test was expected in Scotland. This required the government to lay a repeal order but it was assumed that the government would advise its supporters to vote against. The third scenario, as anticipated in Wales, was a 'No' majority which would be followed by a repeal order supported by the government.⁴⁷ When the cabinet met on the day of the referendum, the prime minister warned against 'any premature statement of intent'. If, as expected, there was a majority in Scotland but under the required 40% of the electorate, then the government was obliged to lay a repeal order before parliament. The government would consider the advice it would give 'in due course'.⁴⁸ Half an hour before the polls closed, the prime minister met the Welsh secretary and discussed the findings of an opinion poll about to be released by Independent Television. Welsh devolution was expected to be rejected by a margin of 79 to 21 while a 54 to 46 vote in favour of devolution was expected in Scotland.⁴⁹ Morris doubted that the margin would be two to one while Callaghan asked whether the result would 'be as good as that'.⁵⁰ Morris conceded that this would be an 'end of the matter as far as this parliament was concerned' while Callaghan said it would be 'realistic to say that it would be an end of the matter for the next Parliament as well'.⁵¹ Callaghan urged Morris to make enquiries about Plaid Cymru's three MPs and that Morris should start writing his election address if the Welsh and Scottish Nationalists were to vote against the government.

The referendum counts were held the day after votes were cast. That morning Callaghan was taking further soundings from colleagues. Gregor Mackenzie, Scottish Office minister of state who had been Callaghan's parliamentary private secretary in the 1960s, predicted a 39% 'Yes' vote and 'certainly a 36% vote'. Callaghan noted that a 39% vote would be a 'great deal easier to deal with than a 36 per cent vote'.⁵² He told Mackenzie that if the 40% threshold was not reached, they should say that the repeal order would be laid but take care to say that the government would need time to consider what its policy should be and should not lead anyone to expect a rushed decision.⁵³

In the event, Wales overwhelmingly rejected devolution by a greater margin than the Welsh secretary had anticipated and there was a smaller majority for devolution in Scotland than polls had suggested. Crucially, the 'Yes' vote in Scotland was only 32.9% of the eligible electorate, well short of the 40% stipulated in the legislation as necessary for the commencement order to be laid before the Commons to start the implementation of devolution. Only 77,435 votes separated the 'Yes' and 'No' votes.

⁴⁷TNA, PREM 16/2091: note to Mr Stowe from MS, 26 Feb. 1979.

⁴⁸TNA, CAB 128/65/10: cabinet conclusions, Thursday, 1 Mar. 1979.

⁴⁹In the event the ORC poll for ITN showed 57% Yes and 43% No in Scotland or 35% of the total electorate voting Yes; 26% No and 39% did not vote: *Glasgow Herald*, 2 Mar. 1979.

⁵⁰TNA, PREM 16/2091: note of meeting between the PM and secretary of state for Wales, Thursday, 1 Mar. 1979 at 9.30 pm.

⁵¹TNA, PREM 16/2091.

⁵²TNA, PREM 16/2091: note of telephone conversation between the PM and Gregor Mackenzie, Friday, 2 Mar. 1979 at 10.30 am.

⁵³TNA, PREM 16/2091.

5. *Labour Divisions*

Callaghan's main problem lay within the PLP. The prime minister told senior colleagues that it was important to acknowledge that the Scotland Act 'could not be got through, and indeed that it would not be right to try to force it through, on the basis of the Referendum Vote'.⁵⁴ Callaghan's primary focus was on maintaining party unity and he was less concerned with finding a means of keeping devolution alive. The key tension at the most senior level in the government was between the prime minister who had effectively given up on the Act and those, notably Foot and Millan, who were keen to keep the Scotland Act alive. This did not mean that Callaghan had abandoned considering how to win the support of the minor parties, only that it could not include a commitment to the Scotland Act as this would create major internal problems for Labour. He had told colleagues that all that was needed was the support of the SNP and Ulster Unionists.⁵⁵

Bruce Millan faced the Scottish Labour conference a week after the referendum and was concerned that it might 'very easily get out of hand'. Labour's Scottish executive would meet the evening before conference and he was worried that 'stabilizing voices from MPs' would be absent due to parliamentary business.⁵⁶ The prime minister was more sanguine and argued that this 'accident of timing' should not determine decisions. There had been 'chaotic Conferences before and there would be again'.⁵⁷ Ron Hayward, Labour's general secretary, was also worried about the Scottish conference and raised the possibility of making the repeal order a free vote but this was rejected by Callaghan. In the event, Labour's Scottish executive issued a statement that suited the government. It affirmed Labour's 'historic commitment' to devolution, declared that Labour had 'never accepted the 40% clause', and urged the government to 'do all in its power to implement the Scotland Act'.⁵⁸

There had been limited discussion at a meeting of the Scottish group of Labour MPs a week after the referendum especially notable given the strength of feeling on both sides. All agreed that there was no need for a quick decision. Bruce Millan reported that the group's chair and secretary declined the opportunity to meet Callaghan, preferring to 'handle things in as low a key as possible'.⁵⁹ It was clear that Labour in Scotland was not going to create trouble for the government so long as the vote on repeal could be avoided. Callaghan told Steel of his relief that Labour's Scottish conference had 'handled devolution' better than he had expected.⁶⁰

The regional whips reported that there would be little support for the Scotland Act among the Northern or Merseyside Labour MPs. Michael Cocks, the chief whip, thought that some MPs who had supported the guillotine motion would no longer be willing to support the government on devolution. The difficulty 'within the Party was much greater than that from the Nationalists'. Cocks supported Callaghan in seeking to play for time and

⁵⁴TNA, PREM 16/2091: note of meeting in house of commons, Monday, 5 Mar. 1979 at 9.00 pm.

⁵⁵TNA, PREM 16/2091: note of meeting in house of commons, Monday, 5 Mar. 1979.

⁵⁶TNA, PREM 16/2091: note of meeting in house of commons, Monday, 5 Mar. 1979.

⁵⁷TNA, PREM 16/2091.

⁵⁸TNA, PREM 16/2091: note to PM from Scottish Office with Labour Party Scottish Council resolution, 12 Mar. 1979.

⁵⁹TNA, PREM 16/2091: note to PM from BM, 7 Mar. 1979.

⁶⁰TNA, PREM 16/2091: note of meeting between PM and David Steel, 14 Mar. 1979.

was convinced that there was 'no prospect of mustering sufficient votes to reject the Repeal Order' on the Scotland Act and was 'firmly against' volunteering a vote of confidence as Foot proposed and preferred Callaghan's aim to play for time.⁶¹

Foot met a group of anti-devolution Labour MPs two weeks after the referendum. He reported that they had all been 'reasonable, except Mr Kinnock initially who misjudged the way the meeting was going' after arriving late.⁶² After the SNP gave Callaghan their ultimatum, Labour anti-devolutionists wrote to the prime minister with their ultimatum. George Cunningham sent the prime minister a 'completely confidential' letter signed by 38 Labour MPs, copied to Foot and the chief whip. The letter was simple: 'The signatories of this letter believe that the result of the referendum in Scotland requires that the Scotland Act should be repealed at the first suitable opportunity in this session of Parliament, in accordance with the provisions of the Act.'⁶³ The six anti-devolution Welsh Labour MPs had all signed, including future Labour leader, Neil Kinnock, and four Scottish MPs – Tam Dalyell, James White, Peter Doig and Robert Hughes. This would concentrate minds inside Downing Street. The chief whip felt that the 38 dissidents, 12.5% of the PLP, might be 'reduced to a handful' if the repeal order was moved quickly and was made a matter of confidence but others, including Bruce Millan, doubted this though he thought that the repeal could be won: 'It should lead to a Government victory, but, as we have discussed, the potential price is the splitting of the Labour Party.'⁶⁴

6. *No Finagling or Jiggery-Pokery: Immediate Responses and Cabinet Debates*

Callaghan and Foot spoke on the telephone, with an official taking notes, in the late afternoon on Friday, 2 March as the results were coming in from across Scotland's regions. The prime minister urged Foot to make sure that Bruce Millan was 'very careful' to avoid 'any hint that the Government would go ahead with the Assembly'. Callaghan believed there would be 'great difficulty' in convincing Labour MPs to vote to introduce the Assembly: 'That might mean a General Election, but that was preferable to the prospect of a disunited Party.'⁶⁵ The government had made a 'ghastly mistake'. He was 'not willing to divide the Party simply for the sake of SNP votes'.⁶⁶ Foot expressed doubt but Callaghan was clear that nobody should give any indication that the government would go ahead with devolution.

⁶¹TNA, PREM 16/2091.

⁶²TNA, PREM 16/2091: note to Mr Stowe reporting meeting between lord president and group of Labour MPs, 13 Mar. 1979.

⁶³TNA, PREM 16/2092: letter to Callaghan from George Cunningham with copy of letter, 20 Mar. 1979. The list of Labour signatories were (S = Scottish MP; W = Welsh MP): George Cunningham; Ben Ford; Tam Dalyell (S); R. C. Mitchell; Renee Short; Nigel Spearing; Joan Lester; George Strauss; Tom Urwin; Leo Abse (W); James White (S); Helene Hayman; Alex Lyon; Stan Newens; Eric Heffer; Ian Campbell (S); Peter Doig (S); R. Buchanan (S); David Stoddard; John Parker; Donald Anderson (W); Ioan Evans (W); Betty Boothroyd; Ifor Davies (W); Ian Mikardo; John Ovenden; Neil Kinnock (W); Fred Evans (W); Stan Cohen; Ron Lewis; Gwynneth Dunwoody; John Ryman; Maureen Colquhoun; Eric Moonman; Harry Cowans; Robert Hughes (S); Arthur Lewis; Leslie Spriggs.

⁶⁴TNA PREM 16/2092: note to PM from Bruce Millan, 21 Mar. 1978.

⁶⁵TNA, PREM 16/929: note of telephone conversation between the PM and lord president, Friday, 2 Mar. 1979 at 4.20 pm.

⁶⁶TNA, PREM 16/929: note of telephone conversation between the PM and lord president.

Callaghan's 'strong first reaction' was that it would be 'divisive' to ask Labour MPs to vote on the repeal order. Two days later, Callaghan and Foot again spoke by phone in the first of a series of calls the prime minister had with cabinet colleagues. In his memoirs, Callaghan noted that Foot was 'deeply disappointed for he had made Devolution his cause, and had overcome every obstacle to get the Bills through Parliament'.⁶⁷ In the telephone conversation, Foot proposed a four-point approach which came to be known as the 'Frankenstein solution':⁶⁸ the government should acknowledge that it could not proceed on the present basis; they should advise voting against the repeal of the Scotland Act on the understanding that no commencement order would be placed during the remainder of that parliament but left to the next parliament; state that it planned to proceed with a budget; and the government should accompany this with a motion of confidence. Callaghan described this as a 'very ingenious plan' but he was 'not immediately attracted to it'. He doubted that the SNP would support it and the government had to take account of Labour anti-devolutionists. He maintained that the government would have to spell out very clearly what amendments would be made to the Act or anti-devolutionists might vote Conservative.⁶⁹

Half an hour later Callaghan received a phone call from Cabinet Minister Tony Benn who proposed to meet the prime minister to 'discuss strategy in the post-referendum situation' but Callaghan suggested that time was needed for reflection and his diary was full. Benn had been hostile to devolution earlier in the parliament but now argued that the government should 'not walk away from the devolution issue'. Callaghan repeated his determination to 'maintain the unity of the Labour Party'.⁷⁰ An hour later, the prime minister spoke to Home Secretary Merlyn Rees, a close colleague who had been Callaghan's leadership campaign manager. Rees had been brought up in Wales, though he represented a Leeds constituency, and warned Callaghan that devolution should not become an election issue as it could 'erode the emotional attachment of the Welsh voters to the Labour Party'.⁷¹ Rees and Callaghan were like-minded on this as on so many other matters. Callaghan would prefer a government defeat at the hands of the Scottish Nationalists than 'dribbling on for two or three weeks more'. Rees suggested that the only alternative he could think of was that the Scottish grand committee, a standing committee in the Commons, might meet in Scotland and there might be the possibility of establishing select committees for Scotland, Wales and Northern Ireland, both suggestions which had been proposed over the years. Callaghan urged Rees to 'do some further homework' on the Scottish grand committee and reported Foot's proposal which he described as a 'bit too clever by half'. Rees was concerned that this would make the government 'appear to be finagling or to be dishonest', confirming Callaghan's own concerns. Tom McCaffrey, the prime minister's trusted civil service press secretary who followed Callaghan out of power to become chief of staff to

⁶⁷ Callaghan, *Time & Chance*, 559.

⁶⁸ People's History Museum, Manchester, papers of Michael Foot (1913–2010), GB 394 MF: 'How the Government Fell'.

⁶⁹ TNA, PREM 16/929: note of telephone conversation between PM and Michael Foot, Sunday, 4 Mar. 1979 at 11.00 am.

⁷⁰ TNA, PREM 16/929: note of telephone conversation between PM and Tony Benn, 4 Mar. 1979 at 11.30 am.

⁷¹ TNA, PREM 16/929: note of telephone conversation between PM and home secretary, 4 Mar. 1979 at 12 30 pm.

Callaghan as leader of the opposition,⁷² also warned against being seen to be ‘wheeling and dealing’.⁷³ In his note reflecting on ‘How the Government Fell’ written seven years later, Foot noted that Callaghan, as home secretary in 1969, had been ‘certainly injured’ by attacks on him when he had presented Boundary Commission orders to the Commons as required but asked for them to be rejected.⁷⁴ Moving repeal and asking MPs to vote against could all too easily be seen as a repeat of that damaging episode.

Next up was Chancellor of the Exchequer Denis Healey, who had been a devolution-sceptic. Callaghan’s thinking was crystallising and the key question was whether the government should repeal the Scotland Act before it had anything to put in its place. He was concerned to avoid making devolution an election issue as this would highlight divisions in the party.⁷⁵ Scottish Lord Advocate Ronald King Murray had been a long-standing supporter of devolution having argued for Scottish home rule long from before it became official party policy. He wrote to Callaghan suggesting that if the Commons voted against the repeal order with Liberal support but the Lords voted for repeal then the Act would be left in a ‘kind of limbo where it is not repealed but could not be implemented before the General Election’.⁷⁶ The lord advocate also communicated this to David Steel. Steel saw merit in the proposal as he informed Callaghan.⁷⁷ A civil servant note to the prime minister on this suggestion warned that this would ‘bring out House of Lords’ reform as an election issue, a subject which ‘in itself would not be of wide popular interest south of the border and which would arouse divided responses in Scotland’.⁷⁸

In a further meeting with senior colleagues, including staff from Labour headquarters, on 5 March, Foot proposed that there should be a vote on the repeal order ‘fairly soon’ but made clear that the government would not introduce the commencement order required to establish the assembly. This ‘might carry some of the Government anti-devolution backbenchers and the SNP and the Liberal vote’. This, he suggested, might be accompanied by a general vote of confidence and that the government had a ‘good a chance of survival’.⁷⁹ Bruce Millan feared that Foot’s proposal might be seen as a ‘con’ as the public would not understand the ‘finer Parliamentary points involved, such as the difference between the Repeal Order and the Commencement Order’.⁸⁰ Callaghan once more reiterated that the government ‘should not look as though we were seeking to make arrangements with

⁷² Tom McNally, ‘Sir Tom McCaffrey obituary’, *Guardian*, available at <https://www.theguardian.com/politics/2016/jul/26/tom-mccaffrey-obituary> (accessed 7 Feb. 2022).

⁷³ TNA, PREM 16/2091: note on devolution referendum: some thoughts to PM from T.D. McCaffrey, 5 Mar. 1979.

⁷⁴ People’s History Museum, Manchester, papers of Michael Foot (1913–2010), GB 394 MF, ‘How the Government Fell’. For discussion of accusations that Callaghan had behaved in a highly partisan manner in 1969, see Robert Blackburn, *The Electoral System in Britain* (Basingstoke 1995), 135–7.

⁷⁵ TNA, PREM 16/2091: note of telephone conversation between PM and chancellor of the exchequer, 4 Mar. 1979 at 12.50 pm.

⁷⁶ TNA, PREM 16/2091: hand written personal and confidential letter to Jim Callaghan from Ronald King Murray, 4 Mar. 1979.

⁷⁷ TNA, PREM 16/2091: note to PM from PW in preparation of meeting with David Steel on likelihood of a new deal with Liberals, 5 Mar. 1979.

⁷⁸ TNA, PREM 16/2091: note for PM on lord advocate’s proposal, 5 Mar. 1979.

⁷⁹ TNA, PREM 16/2091: note of meeting in house of commons, Monday, 5 Mar. 1979 at 9.00 pm.

⁸⁰ TNA, PREM 16/2091: note of meeting in house of commons, Monday, 5 Mar. 1979 at 9.00 pm.

other people which could not be justified on their merits. There should be no finagling or jiggery-pokery.⁸¹

A week after the referendum, the cabinet agreed that the result in Scotland did not 'provide a sure or acceptable basis for the implementation of devolution' and acknowledged that a 'free vote on the repeal Order would split the Parliamentary Labour Party'. There was concern that Labour's Scottish conference would result in fierce disagreements but the prime minister was assured that the conference would 'not embarrass the Government by demanding the implementation of the Act'. Inter-party talks were thought unlikely to be productive 'but so long as they continued, the prospect remained of avoiding the Scottish National Party voting with the Opposition on any motion of confidence'. The government's preferred choreography of decisions was set out. It wanted all-party talks to begin first, followed by a vote on repeal accompanied by a statement that it would not move the commencement order.⁸²

7. Interpreting Opponents

The key concern for Labour was when the Conservatives would put down a motion of no confidence in the government. In all the discussions, there was little doubt that the Conservatives had the overriding objective of embarrassing the government and bringing about an election. Gallup polls suggested that the Tories had a 20% lead over Labour in February 1978 following the 'winter of discontent' and Labour's support had fallen under 40% for the first time in a year.⁸³ Francis Pym, as shadow leader of the Commons, became the Conservatives' chief spokesperson on devolution in late 1976 and from February the following year outlined support for all-party talks or a convention to discuss devolution as an alternative to Labour's plans.⁸⁴ This was initially an effort to bridge the divide within the Conservative Party which then included significant supporters of devolution and offered the appearance of supporting devolution while the party moved towards hardline opposition. Once the referendum was over, Norman St John-Stevas, who had taken over responsibility from Pym in late 1978, told a Radio 4 audience that there would be 'no question of holding talks with the Prime Minister' until the repeal order was laid before parliament. In the aftermath of the referendum, without publicly acknowledging it, the government adopted Pym's strategy of proposing talks to avoid making a decision.

The emphasis inside government was on how to placate the minor parties while avoiding the impression that deals were being done. Interpreting the likely actions of the opposition parties was a key challenge for the government. The government kept a close eye on developments in the opposition parties. Six days after the referendums, Callaghan told David Steel that the results had left the government with a 'big headache'. Steel replied that it gave him a 'very big headache' given divisions in his own party.⁸⁵ Jo Grimond, former party leader, was among other Liberal MPs who decided to vote for repeal. The 11

⁸¹TNA, PREM 16/2091: note of meeting in house of commons, Monday, 5 Mar. 1979 at 9.00 pm.

⁸²TNA, CAB 128/65/11: cabinet conclusions, Thursday, 8 Mar. 1979.

⁸³*British Political Opinion: 1937–2000: The Gallup Polls*, ed. Anthony King (2001), 13.

⁸⁴James Mitchell, *Conservatives and the Union: Study of Conservative Party Attitudes to Scotland* (Edinburgh, 1990), 85–8.

⁸⁵TNA, PREM 16/929: note of PM meeting with David Steel, 6 Mar. 1979.

SNP MPs had to be taken into account but Callaghan and his colleagues struggled to understand the dynamics at work in the SNP group. The prime minister faced a dilemma: 'we could not go ahead, nor could we repeal the devolution Acts without offending the majority of those in Scotland who voted'.⁸⁶ A fortnight after the referendum, Michael Foot, deputy Labour leader and lord president of the council with responsibility for devolution, told Callaghan that the 'problems surrounding devolution were getting more difficult'.⁸⁷

A note by an official on 5 March for the prime minister had set out how the minor parties might react. While only a government minister could move the repeal order, the opposition would likely seek to have a vote that amounted to the same and it was thought that this would be 'very attractive' to Labour anti-devolutionists.⁸⁸ This made the behaviour of the smaller parties crucial. What emerged in early discussions was the idea of meeting key figures in some of the opposition parties and formally convening all-party talks following these bilateral discussions. Bruce Millan was keen to be involved as he felt it was possible to find agreement with the SNP and Liberals.⁸⁹ Foot was the key figure communicating with the minor parties. It was agreed that no formal approach should be made to the Ulster Unionists but Foot would meet Enoch Powell, Ulster Unionist MP for South Down, in private. Foot came away with no doubt that the Ulster Unionists would support the government if the powers of district councils in Northern Ireland were increased but that no help would be given without this.⁹⁰ Over a week later, however, Powell followed another Ulster Unionist MP in demanding that a gas pipeline be built from the British mainland to Northern Ireland, though a week before the Northern Ireland secretary had been told by officials that such a scheme made no economic sense.⁹¹

There were intense debates on strategy and discussions with other parties between the referendum and confidence vote but in the event Callaghan's government failed to find a means of maintaining party unity and keeping the party in office. Callaghan's efforts focused on the Liberals, with whom he had had a good working relationship during the Lib-Lab Pact, and largely ignored the SNP and other parties. Three meetings were held between the prime minister and David Steel: on 6, 14 and 21 March. It was assumed that the Liberals would do 'very badly' in the event of a general election and thus might be keen to keep Labour in office and even consider renewing the Lib-Lab Pact. Steel repeatedly made it clear that the Lib-Lab Pact was over; it would not be resurrected and that his party intended to support no confidence though he was keen to keep devolution alive. Bernard Donoughue, Callaghan's political advisor, thought that Steel was keen to have an election before Jeremy Thorpe, his predecessor as Liberal leader, went on trial for conspiracy to murder in May but even more important, Donoughue believed, was the 'demoralising' effect of the

⁸⁶TNA, PREM 16/2091: note of PM meeting with David Steel, 6 Mar. 1979.

⁸⁷TNA, PREM 16/929: note of meeting between PM and lord president, 13 Mar. 1979.

⁸⁸TNA, PREM 16/2091: note to PM from RS on how opposition may react to referendum result, 5 Mar. 1979.

⁸⁹TNA, PREM 16/2091: note of meeting of senior ministers in house of commons, Monday, 5 Mar. 1979.

⁹⁰TNA, PREM 16/2091: note to PM from Michael Foot following meeting on Tuesday with Enoch Powell, 8 Mar. 1979.

⁹¹Simon Hoggart, 'Powell Hints at a Pipeline Lifeline', *Guardian*, 17 Mar. 1979.

Liberals failing to win any seats in the first direct elections to the European parliament due in June.⁹²

Steel requested a meeting with the prime minister within a few days of the referendum. The Lib-Lab Pact owed much to the 'good relationship between Callaghan himself and Steel' according to Callaghan's biographer.⁹³ This helped ensure constructive and candid communications between the two but Callaghan initially failed to appreciate that Steel had no intention of resurrecting the pact. Notes in preparation of the meeting with Steel considered the bargaining position of the Liberals. The Lib-Lab Pact had included a commitment to devolution⁹⁴ that had been assumed to have been settled when the pact ended in September 1978 but the referendum reopened the possibility of working together on this unfinished business. It was also thought that there might be other matters, including Freedom of Information, the subject of a Liberal-sponsored Private Members' Bill, that the Liberals might have on their 'shopping list'.⁹⁵ But Steel was clear that there was no prospect of resurrecting the Lib-Lab Pact.

A week after the referendum and two days after his first meeting with Callaghan, Steel addressed his annual constituency party meeting in the Scottish Borders. The Liberal leader proposed reforms to the Scottish grand committee, drawing on a pamphlet he had written a decade before,⁹⁶ not as a substitute for devolution but a 'helpful mechanism for progress in that direction'. A speedy change in Commons' procedure could allow the committee to meet in Edinburgh and he proposed changes that would extend its powers. He concluded by quoting Gladstone's 1890 reflections on Irish home rule: 'I have been for four years endeavouring to persuade voters to support Irish autonomy ... we laboriously rolled the great stone up to the top of the hill, and now it topples down to the bottom again.'⁹⁷ Steel's view was that if the assembly could not be brought into being then they should ensure that the 'stone is not allowed to topple all the way back'.⁹⁸

At a further meeting with Callaghan a fortnight after the referendum, the Liberal leader made it clear that he would support the government in voting against the repeal order if it was moved but would not support it on any other critical matter or on a confidence motion. He was 'terrified' that the government would lose a vote on repeal and he expected that all Tory MPs 'without exception' would vote against the government. Callaghan was playing for time but Steel would not offer a lifeline to the government though he was willing to discuss devolution over the summer. Steel asked when the prime minister intended to move the repeal orders and warned that the Liberals were 'not all firmly against repeal' with three or four Liberal MPs set to vote for repeal, including Jo Grimond, former party leader and Orkney and Shetland MP.⁹⁹ Callaghan urged Steel to use his speech at the Scottish Liberal

⁹²Bernard Donoughue, *Downing Street Diary. Volume Two* (2008), 455.

⁹³Morgan, *Callaghan: A Life*, 569.

⁹⁴Text of agreement between Labour and Liberals, in Callaghan, *Time & Chance*, 456–7.

⁹⁵TNA, PREM 16/2091: note to PM from PW in preparation for meeting with David Steel on likelihood of a new deal with Liberals, 5 Mar. 1979.

⁹⁶David Steel, *Out of Control: A Critical Examination of the Government of Scotland* (Edinburgh, 1968).

⁹⁷Liberal press release of speech by David Steel addressing annual general meeting of Roxburgh, Selkirk and Peebles Liberal Association, 8 Mar. 1979.

⁹⁸Steel address, 8 Mar. 1979.

⁹⁹TNA, PREM 16/2091: note of meeting between PM and David Steel, 14 Mar. 1979.

conference due to meet that weekend in Oban to urge consideration of other proposals which would allow the government to demonstrate that it was 'serious about devolution and that was the best way of ditching the SNP'.¹⁰⁰ The prime minister suggested that if Steel spoke on these terms to the Scottish Liberals then Callaghan would propose to cabinet that the order be voted on when alternatives had been thoroughly discussed. Steel did precisely this to the irritation of some Liberal delegates at the conference.¹⁰¹ The prime minister was prepared to give devolution 'one more whirl'. He told Steel that he did not believe that the SNP and Tories could go into the same lobby despite an ultimatum from the SNP to move the repeal order or face a no confidence motion.

Callaghan again met Steel after the Scottish Liberal conference. He let the Liberal leader see a draft of a proposed statement to the Commons. He would offer talks with other parties but these could not drag on and would need to be completed within a month. As Callaghan acknowledged, the proposed talks would be held on a bilateral basis because if they had been proposed on an all-party basis the Conservatives could have blocked them whereas bilateral discussions would stop a Tory veto. Callaghan informed Steel that he was not proposing to meet the SNP and wanted to 'reveal the intellectual poverty of the SNP in pinning everything on to a specific date for a vote and of the Tory Party in pinning everything on to the necessity for a repeal before discussions'. He then suggested that the government could pre-empt a no confidence motion with a government motion supporting devolution but Steel could not see how this could pre-empt a no confidence motion. Callaghan explained that the SNP would be forced to support the devolution motion and suggested that the Liberals would be 'put on the spot' if the Conservatives put down a general no confidence motion, not connected with devolution which Steel acknowledged but suggested that Callaghan's proposal would not help.¹⁰²

Callaghan spoke to Foot after this final meeting with Steel and explained that he doubted whether there was any advantage in moving a motion on devolution as even if it could be won, the Conservatives would put down a no confidence motion and get Liberal and SNP support. Foot felt that there was less likelihood of the SNP voting with the Tories if they had abstained or voted with the government on a devolution motion. The prime minister and his deputy agreed to reconsider the matter next morning.¹⁰³ No further effort was made to engage with the SNP despite Foot's sense that there was greater likelihood of winning them over to the government's side than the Liberals in whom Callaghan had expended much effort.

Included in The National Archives, Kew, is a copy of an SNP press release setting out the party's position after the referendum. The press release issued in the name of William Wolfe, SNP chair, stated that the party's national council, its ruling body between annual conferences, had unanimously decided to give the government a 'chance to put the Assembly through'. The party's MPs had been 'instructed to do what they can to bring about a General Election if the Government does not fulfill its promise to set up the Scottish assembly' but that 'Parliamentary tactics are left to the MPs who will no doubt allow the Government

¹⁰⁰TNA, PREM 16/209: note of meeting between PM and David Steel, 14 Mar. 1979.

¹⁰¹*Guardian*, 17 Mar. 1979.

¹⁰²TNA, PREM 16/2092: note of record of meeting between PM and David Steel, 21 Mar. 1979.

¹⁰³TNA, PREM 16/2092: note of record of telephone conversation between PM and Michael Foot, 22 Mar. 1979.

a reasonable time to make the necessary arrangements.¹⁰⁴ In the immediate aftermath of the referendum, the government felt it best to leave the SNP to ‘simmer along’ for a ‘little while’. Almost a fortnight after the referendum, the *Guardian*’s Ian Aitken reported that the SNP was ‘toying with the idea of tabling its own motion of no confidence’ unless the government went ahead with devolution.¹⁰⁵ This information had already been conveyed by Aitken privately to Michael Foot. Aitken reported that the Conservatives hoped to ‘lock the SNP into a concerted effort by the opposition parties’ to bring down the government. The SNP insisted that it was entitled to one of these days. As Aitken put it, the tactical thinking was ‘highly speculative’ given that the objectives of the SNP and Conservatives were ‘diametrically opposed’.¹⁰⁶ The SNP might have the numbers to hold the government to ransom but this would involve a strategy of mutual assured destruction, facing the prospect of losing most of its seats and ensuring devolution would not be implemented.

On 13 March, the prime minister met Donald Stewart, SNP parliamentary leader, in the only formal contact with the SNP. Stewart issued a statement setting out what he had told the prime minister: ‘I made it clear to the Prime Minister that he must put the Scotland Act to the vote within a fortnight or the SNP will seek an early general election.’¹⁰⁷ Callaghan pointed out that the SNP was going for ‘all or nothing’.¹⁰⁸ SNP MPs intended to put down a motion strictly focused on Scottish devolution and had the support of Plaid Cymru, its sister party in Wales. Plaid’s national council met in Aberystwyth and decided that it would prioritise helping the SNP¹⁰⁹ but at cabinet on 15 March, it was suggested that though Plaid Cymru MPs had been ‘mandated’ to support the SNP there were ‘indications that they might not prove as firmly committed as first reports suggested’.¹¹⁰

8. No Confidence

On 22 March, a draft repeal order was laid, but not moved, in the Commons and the prime minister made a statement calling for a ‘short intermediate period’ for ‘bilateral’ discussions with other parties.¹¹¹ The next day, a note circulated inside the government asserting the firm commitment to conclude discussions on inter-party talks by 30 April.¹¹² According to a *Guardian* report, Callaghan’s statement ‘triggered a remorseless progress of events which culminated in Mrs Thatcher’s decision to put down her own simple motion’ declaring no confidence in the government.¹¹³ SNP and Plaid Cymru MPs agreed a motion of no confidence to be tabled if Callaghan failed to offer a date to the Commons on the repeal order. Foot met SNP MPs and was shown the draft SNP no confidence motion but

¹⁰⁴TNA, PREM 16/2092: copy of SNP press release responding to referendum result.

¹⁰⁵Ian Aitken, ‘SNP May Threaten a No Confidence Vote’, *Guardian*, 12 Mar. 1979.

¹⁰⁶TNA, CAB 128/65/12: 15 Mar. 1979.

¹⁰⁷Ian Aitken, ‘Callaghan is Given Election Ultimatum by SNP’, *Guardian*, 14 Mar. 1979.

¹⁰⁸TNA, PREM 16/2092: note of meeting between PM and Donald Stewart, 13 Mar. 1979.

¹⁰⁹‘Tories see chance to topple Callaghan’, *Guardian*, 12 Mar. 1979.

¹¹⁰TNA, CAB 128/65/12: cabinet conclusions, 15 Mar. 1979.

¹¹¹Hansard, *Commons Debates*, 5th ser., cmlxiv, cols 1692, 1693: 22 Mar. 1979.

¹¹²TNA, PREM 16/2092: note by D.B. Smith, devolution, 23 Mar. 1979.

¹¹³*Guardian*, 23 Mar. 1979.

Callaghan refused to offer a deal. The Conservatives immediately followed this up with their motion.

The no confidence debate was set for 28 March. One news report suggested that the government had accepted defeat like a 'godly man awaiting martyrdom'.¹¹⁴ Merlyn Rees publicly predicted that the government would lose the vote.¹¹⁵ Other reports suggested that the government had halted the 'wheeling and dealing'¹¹⁶ but wheeling and dealing continued right up to the last minute. Successful efforts were made to win over the three Plaid Cymru MPs with a promise of government support for Welsh slate miners suffering from lung disease. Consideration had to be given as to how to approach Northern Ireland's MPs. Callaghan had been clear that he did not want formal approaches to any of Northern Ireland's MPs but agreed that Foot should informally approach James Molyneaux of the Ulster Unionists, Gerry Fitt of the nationalist Social Democratic and Labour Party (SDLP), the independent republican Frank Maguire (who rarely appeared in the Commons)¹¹⁷ as well as Jim Sillars, former Labour MP who had left Labour to set up his own Scottish Labour Party with one other Labour MP in 1976.¹¹⁸

In moving the no confidence motion, Mrs Thatcher referred to the government's 'inept handling of the results of the referendums'¹¹⁹ but soon moved on to the economy and labour relations, themes that would dominate the Conservatives' election campaign. The opposition leader reminded the House that Callaghan had dismissed all-party talks a month before.¹²⁰ Callaghan suggested that the minority parties had walked into a trap. It would be the 'first time in recorded history that turkeys have been known to have voted for an early Christmas'.¹²¹ Donald Stewart explained that the SNP had tabled its motion because of the government's refusal to 'honour its manifesto commitment to the Scottish people'¹²² and did not expect any commitment from the Conservatives but predicted that the issue would not go away.¹²³ Gerry Fitt of the SDLP explained why he would not support the government in what he described as the 'unhappiest speech I have ever made in this House'¹²⁴ having never voted 'in the Conservative lobby' in his 14 years in parliament. He objected to the deals with the Ulster Unionists that would give Northern Ireland more seats in the Commons.¹²⁵ He referred to rumours that Frank Maguire, the independent republican MP for Fermanagh and South Tyrone, was being kept away from him 'somewhere within the building talking to someone from the Government's whips' office'¹²⁶ to prevent Fitt

¹¹⁴ *Guardian*, 26 Mar. 1979.

¹¹⁵ *Glasgow Herald*, 24 Mar. 1979.

¹¹⁶ *Guardian*, 26 Mar. 1979.

¹¹⁷ Rhodes James, 'A Tory MP's View', notes that Maguire 'suddenly assumed an awesome significance', though Rhodes James, as other MPs, had 'never even seen' Maguire.

¹¹⁸ Henry Drucker, *Breakaway: The Scottish Labour Party* (Edinburgh, 1977).

¹¹⁹ Hansard, *Commons Debates*, 5th ser., cmlxv, col. 461: 28 Mar. 1979.

¹²⁰ Hansard, *Commons Debates*, 5th ser., cmlxv, col. 461: 28 Mar. 1979.

¹²¹ Hansard, *Commons Debates*, 5th ser., cmlxv, col. 471: 28 Mar. 1979.

¹²² Hansard, *Commons Debates*, 5th ser., cmlxv, col. 488: 28 Mar. 1979.

¹²³ Hansard, *Commons Debates*, 5th ser., cmlxv, cols 491–2: 28 Mar. 1979.

¹²⁴ Hansard, *Commons Debates*, 5th ser., cmlxv, col. 516: 28 Mar. 1979.

¹²⁵ Hansard, *Commons Debates*, 5th ser., cmlxv, cols 516–22: 28 Mar. 1979.

¹²⁶ Hansard, *Commons Debates*, 5th ser., cmlxv, col. 521: 28 Mar. 1979.

influencing Maguire. Fitt and Maguire abstained despite strenuous efforts by the whips to get Maguire to vote for the government. In his closing speech, Michael Foot defended his efforts to win support from the minority parties: 'it is the duty of the Leader of the House to be prepared to enter into conversation with representatives of all parties'.¹²⁷

Despite being aware of the prime minister's private conversations with Steel, Foot mocked the Liberals for holding talks with the Tories though he knew well that Callaghan had also engaged with Steel: 'I should very much like to know, as I am sure would everybody else, what exactly happened last Thursday night. I do not want to misconstrue anything, but did she [Mrs Thatcher] send for him or did he send for her – or did they just do it by billet-doux? Cupid has already been unmasked. This is the first time I have ever seen a Chief Whip who could blush. He has every right to blush. Anybody who was responsible for arranging this most grisly of assignments has a lot to answer for'.¹²⁸

Sir Alfred Broughton, Labour MP for Batley and Morley, was critically ill. Broughton had previously offered to retire but Labour feared losing the seat in a by-election. Normal pairing arrangements did not operate on such an important vote and there were disagreements in the Labour whips' office as to whether to bring the gravely ill MP 200 miles to the Commons in an ambulance. Bernard Weatherill, Conservative MP, who had a pairing arrangement with Broughton offered not to vote but Walter Harrison, Labour whip, declined the offer knowing that it would probably have ended Weatherill's political career had he failed to vote for no confidence. Weatherill believed this was the reason Labour proposed him as Speaker four years later.¹²⁹

The government was defeated by 311 to 310 (see Table 2). The following day, Callaghan announced that the election would be held on 3 May. A Scottish Office civil servant wrote to Callaghan's principal private secretary the same day to tell him that a 'good deal of work has been done in the Scottish Office since the referendum on the possible operation of the Scottish Grand and Standing Committees in Edinburgh' and he would be able to 'circulate material on it' after the election if necessary.¹³⁰ The Conservatives committed themselves to 'discussion about the future government of Scotland' in their 1979 manifesto.¹³¹ Mrs Thatcher won an overall majority of 43 seats in the election, Labour lost 50 seats from the previous election, the Liberals fell from 13 to 11 and SNP lost nine of its 11 seats. In Scotland, Labour gained three seats, including the only Conservative loss in Britain, and increased its share of the vote by over 5%.

On 20 June, George Younger, the new Conservative secretary of state for Scotland, moved the repeal order which had been laid in the Commons three months before. He proposed all-party talks depending on 'preliminary talks with parties individually'.¹³² The Commons voted for repeal of the Scotland Act by 301 votes to 206. Of the 38 Labour MPs who had

¹²⁷Hansard, *Commons Debates*, 5th ser., cmlxv, col. 577: 28 Mar. 1979.

¹²⁸Hansard, *Commons Debates*, 5th ser., cmlxv, col. 576: 28 Mar. 1979.

¹²⁹Matthew William Laban, 'The Speaker of the House of Commons: The Office and Its Holders since 1945', Queen Mary, University of London PhD, 2014, p. 33, available at https://qmro.qmul.ac.uk/xmlui/bitstream/handle/123456789/8535/Laban_M_PhD_211014.pdf;sequence=1 (accessed 15 Mar. 2022).

¹³⁰TNA, PREM 16/2092: letter to Ken Stowe from Kenneth MacKenzie, 29 Mar. 1979.

¹³¹Conservative manifesto 1979, available at <http://www.conservativemanifesto.com/1979/1979-conservative-manifesto.shtml> (accessed 17 Feb. 2022).

¹³²Hansard, *Commons Debates*, 5th ser., cols 1329, 1333: 20 June 1979.

Table 2: No Confidence Vote, 28 March 1979

AYE		NO	
Conservatives	279	Labour	303
Liberal	13	Plaid Cymru	3
SNP	11	Ulster Unionist Party	2
Ulster Unionist Party	5	Scottish Labour Party	2
Democratic Unionist Party	1		
Independent Unionist	1		
United Ulster Unionist	1		
TOTAL	311		310
Speaker and tellers (2 Conservative and 2 Labour)	5	Vacancy, abstention, illness	4 (by-election in Liverpool Edge Hill; Fitt and Maguire abstained and Sir Alfred Broughton was too ill)

signed the letter demanding the immediate repeal of the Act, eight had either retired or lost their seat, 11 voted against repeal and 19 abstained. None voted for repeal. Tam Dalyell made a brief intervention to tell the Commons that he had given a commitment to his constituency party that he would 'not support in any way anything other than the repeal of the Scotland Act'¹³³ but he abstained. George Cunningham did not take part in the debate or vote. The Conservatives' all-party talks were based on proposals discussed by the Callaghan government that in turn had followed Francis Pym's proposals. Reforms to the Scottish grand committee, including allowing it to meet in Edinburgh, and establishing a Scottish select committee followed but devolution was not on the government's agenda.

9. Conclusion

While anticipating the defeat of Welsh devolution, the government failed to foresee the narrowness of the Scottish result. Over the following days and weeks, various options were considered as Callaghan attempted to find a path that acknowledged the different results in Scotland and Wales, took account of divisions within his party and sought to avoid an election while facing the statutory requirement that a government minister should move repeal orders on the devolution legislation for both Scotland and Wales. His preference was to postpone moving the repeal order, leaving the Devolution Acts in limbo. No timescale for moving the repeal order was set in the legislation leaving open the possibility of evading a parliamentary vote. The government's choices were limited by public opinion and parliamentary arithmetic.

¹³³Hansard, *Commons Debates*, 5th ser., col. 1432: 20 June 1979.

James Callaghan was a reluctant devolutionist whose main concern was avoiding a split in the Labour Party. He succeeded in avoiding a party split. The tone of his account in his memoirs of this period was pessimistic. He compared the mood in the closing days of the parliament with the 'demoralization' that he had witnessed setting in and the 'thick pall of self-doubt' enveloping ministers 30 years before in the dying days of the Attlee government.¹³⁴ Michael Foot and others had tried to keep devolution alive though even Foot's proposals would only have delayed repeal until after the election. Even had the Commons voted against repeal before the general election, it was widely assumed that the Lords would have voted for repeal and left the matter in limbo until after the election. The end result would have been little different regardless of which strategy was employed.

The issue became one of maintaining Labour unity and seeking to blame others. In this, Labour was assisted by the SNP which would suffer electoral opprobrium. The Scottish electorate would be reminded that SNP MPs had 'brought down the Labour Government' for many years thereafter though the situation was more complex. A proposal, initially outlined in opposition by the Conservatives as a means of bridging a divide in that party, would become Labour government policy in its dying days. At issue inside the government were competing understandings of the likely behaviour of opponents and party colleagues. The differences between the prime minister and his deputy might be explained by different temperaments, attitudes to devolution but also the latter's greater appreciation of parliamentary procedure. While it is likely that events following the referendums might have been choreographed differently if Callaghan had followed Foot's advice, the likelihood remains that devolution would have been defeated and removed from the government's agenda for almost two decades. Ultimately, the decision had been Prime Minister James Callaghan's. As Michael Foot later noted, Callaghan was 'deeply influenced by the furious attacks made on him in the newspapers on grounds of slipperiness' and rejected Foot's efforts to keep devolution alive. The prime minister had 'made up his mind to have an election' and would prefer that than to highlighting the deep divisions within his party on devolution.¹³⁵

As Peter Hetherington noted, the issue that had been top of the Scottish political agenda at the previous election and over the course of the parliament was 'destined to become a non-issue' in the 1979 general election.¹³⁶ A poll in the *Glasgow Herald* found only 3% of those surveyed saw devolution as a key issue. Despite this, each of the main parties issued Scottish manifestos and some distinct Scottish policies. As the results came in, George Reid, SNP MP defeated in the election, reflected that the Conservatives would have to govern Scotland while far behind Labour in party support. The 'normally moderate' Donald Dewar made a 'hard-line speech' in his Glasgow Garscadden constituency a couple of weeks afterwards, implying that 'there would be a limit to the patience of a Labour-dominated Scotland over the next year or so as a Thatcher Government pursued policies against the wishes of a large number of voters'.¹³⁷ In a valedictory column in the *Scotsman* later that year, Neal Ascherson presciently remarked: 'This round of Scottish politics is over. There

¹³⁴Callaghan, *Time & Chance*, 561.

¹³⁵People's History Museum, Manchester, papers of Michael Foot (1913–2010), GB 394 MF: Michael Foot, 'How the Government Fell'.

¹³⁶Peter Hetherington, 'The 1979 General Election Campaign in Scotland', *Scottish Government Yearbook 1980* (Edinburgh, 1980), 93.

¹³⁷Hetherington, 'The 1979 General Election Campaign in Scotland', 100.

will be another. Too much points that way to be wrong; the irrevocable experience and preparations of the seventies; the continuing decline of the British economy and the way this Government makes the outlying parts of the UK pay most dearly for that decline; the more general decay of the British state and its unreformed institutions; the lack of purpose in the Labour movement; the relentless pressure on Scotland through the eighties of the European Community – where we have no special voice for our special interests.¹³⁸

¹³⁸James Mitchell, *The Scottish Question* (Oxford, 2014), 217.