

Salesmanship – the Art of Politics

Discussion led by Neville Freedman

Summary

Being an outstanding salesman appears to be a definite requirement when it comes to selling not only your Party's policies, but also your own personality to voters. However, does it really make any difference to the prosperity of a country which political party is in power? Neville produced an array of statistics examining the recent past to prove that it probably did not.

Discussion

The Lucy Worsley historical series entitled 'British History's Biggest Fibs' highlighted that we have been suffering from inaccurate utterances for some considerable time. Nothing has changed. The current fibs, we are being sold in the form of slogans, include Donald Trump's promise to 'make America Great again' and in this country 'Get Brexit done-Get back control-Money for our NHS-Conservatives are good for the economy and know how to handle the economy'.

Examining the last statement, we need to measure the influence of political parties on government in respect of GDP, unemployment, inflation, housing, bank rate and government debt.

Since 1970 there have been 10 governments of which 6 (covering 32 years) were Conservative led and 4 (covering 18 years) were Labour led. The longest continuous Conservative 'rule' lasted roughly 18 years from 1979 (the Thatcher/Major years), while the longest continuous Labour 'rule' extended over 13 years from 1997 (the Blair/Brown era).

Reviewing the various factors did not demonstrate a clear winner.

GDP

The gross domestic property graph shows an upward curve in both the Thatcher and Blair years with a slight dip after Brown took over.

Unemployment

Unemployment rose throughout the 1970s and peaked at 3 million in 1983, then dropped steadily to just over 2 million in 1990 before continually rising again during the Major Government. Tony Blair managed to reduce the dole queue by introducing a New Deal scheme for young unemployed but by late 2007 this had risen to 1.7 million, in percentage terms to from 4.7% in 1979 to 5.5% in 2007.

Inflation

In the mid-1970s inflation was at 25% but under the Callaghan Labour government it fell to under 9% only to start rising again. In November 1979 the Thatcher Government set the base rate (forerunner of the bank rate) at 17% in order to tackle rampant inflation. It reached 23% in 1980 and then eventually sank down to around 2.5% in 1997 when Blair succeeded John Major as prime Minister. Inflation peaked at 2.3% at the end of his tenure, suffered a

hiatus at 3.6% only to return to 2.3% when David Cameron took over from Gordon Brown in 2010. It rose again to 4.5 % by the end of 2011 settling down to around 2% presently.

Housing

In 1914-18 around 10% of people owned their own homes, 89% rented privately and 1% rented from local authorities. In the decades that followed private ownership grew till it was approximately 40% in the 1960s. Meanwhile local authority renting was a little less than 25%, but people were becoming more dissatisfied with the living conditions provided by social housing and increasingly eager to own their own homes.

The Right to Buy Scheme introduced by Margaret Thatcher (1979-90) provided many the opportunity to fulfil this desire and homeownership increased to its highest level of 69% by 1999. Meanwhile social housing provision sunk to 10% by the turn of the century. Experts say that this contributed to the current housing shortage as the council houses that were sold were not replaced and acquired by tenants but also (eventually) by aspiring landlords.

The highest number of houses built in the UK was 413,700 in 1968, the year before Thatcher became Prime Minister. House building barely reached 200,000 per annum in the 1980s and was at its lowest at 135,117 in 2012/13.

Bank rate

Lower bank rates encourage people and governments to spend more and can lead to inflation and the opposite applies if the economy needs cooling down. In the 1970s it was generally hovering between 11% and 13%, dropping in late 1977 to 7%. Then when we left the European Exchange Rate Mechanism on 16 September 1992 it was increased to 12% to save Sterling. In November 2008 it had descended to 3% and kept on falling to its current rate of 0.1%.

Government debt

Government debt expressed as a percentage of Gross Domestic Product was as follows:

Years	Prime Minister	Start Year	Final year
1970-73	Heath (Cons)	59%	45%
1974-75	Wilson (Lab)	44%	45%
1976-78	Callaghan (Lab)	47%	43%
1979-89	Thatcher (Cons)	40%	25%
1990-96	Major (Cons)	23%	31%
1997-2006	Blair (Lab)	36%	32%
2007-09	Brown (Lab)	33%	48%
2010-15	Cameron (Cons)	64%	81%
2016-18	May (Cons)	82%	84%
2019-now	Johnson (Cons)	82%	100% +