

although a small band of right-wingers and economic liberals (Friedrich Hayek gave them a theory-based alibi and a coherent political philosophy) remained unappeased.

Many differences persisted between the political parties as to policy priorities but a *basic* consensus developed: "Butskellism". (7) According to one analyst, this consensus was facilitated by "Labour's retreat from further nationalisation and state planning after the economic body blows it suffered in 1947" (8). In the "historic compromise" the Conservatives accepted a mixed economy (that included a strong nationalised sector) and the Welfare State, while Labour did not question the continued existence of the capitalist system. The "Golden Age" (9), "a capitalism without losers" (10) which ensued, and with it the broad political consensus, collapsed in the mid-1970s under the strains caused by world-wide "stagflation", the associated intensification of the distributional conflict and ideological counter-revolution of the New Right (which Bruno Kreisky considered to be not really all that "new"). To this, the practitioners of the prevalent "vulgar" version of Keynesianism (Joan Robinson's description) had no answer.

It was the now-crumbling post-war consensus that Mrs. Thatcher and her associates vowed to destroy completely. In her eyes *all* post-war governments, whether Labour or Conservative, had been basically social democratic and they had done no more than "manage decline"; though she was well aware of it (11) she was publicly ignoring the fact that Britain's relative decline had been in evidence for a century, since the – free market – 1880s and she would not or could not acknowledge that in the first three post-war decades the performance of the "over-regulated", "socialist", British economy had been in all ways vastly superior to that of the inter-war period and that British society was very much more contented and cohesive. But for the representatives of capital the postwar changes had gone too far and they felt threatened. So when the profit squeeze came they set about in the later 1970s and the 1980s in Britain as all over Western Europe to protect, restore, indeed extend the "prerogatives of capital" (12) and in Britain they succeeded to a greater extent than elsewhere in Western Europe. Instead of maintaining a "mixed economy", the thatcherites would sell off the state enterprises and "set the market free" by a thoroughgoing programme of deregulation of product and labour markets; this was expected to create a flourishing "enterprise culture". They strongly furthered the process of "globalisation" which everywhere weakened the position of labour and progressive movements, the perception of which "robs us of hope" and the political impact of which "one can only call the pathology of over-diminished expectations" (13). At the same time, the thatcherites used globalisation as an alibi for their own preferred strategies. Hirst and Thomson see the "rhetoric" of globalisation as "based on an anti-political liberalism", "a godsend" for the Right in the advanced industrial countries, which provides a new lease of life after the "disastrous failure of their monetarist and radical individualist policy experiments