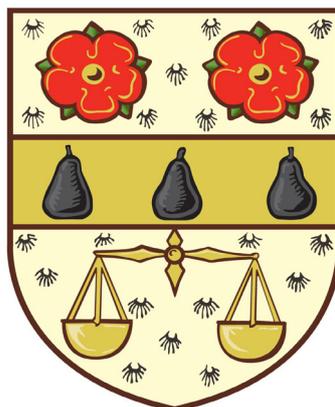


**Nuffield College**  
**A Gwilym Gibbon Centre for Public Policy**  
**Working Paper**



**Nationalists at Westminster**  
**Ireland and Scotland a century apart**

**Jim Gallagher**  
Associate Member, Nuffield College  
Visiting Professor, University of Glasgow  
Email: [jim.gallagher@nuffield.ox.ac.uk](mailto:jim.gallagher@nuffield.ox.ac.uk)

**Iain McLean**  
Director, Gwilym Gibbon Centre for Public Policy  
Senior Research Fellow, Nuffield College  
Vice-President for Public Policy, British Academy  
Email: [iain.mclean@nuffield.ox.ac.uk](mailto:iain.mclean@nuffield.ox.ac.uk)

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## 1. Introduction

The 2015 general election promises to be the most complex and unpredictable one that most commentators can remember. The polls tell us the two main parties can command the support of barely two-thirds of electors, and that the probability that either of them will win an overall majority appears small. The landscape of the small parties is also changing dramatically. Liberal Democrat support has collapsed from the 2010 highpoint that elevated Nick Clegg to the office of deputy prime minister. Ukip looks set to gain a noticeable share of votes, if not seats, and the same can be said of the Green party.

One sure prediction about this election is that it will have a strong territorial dimension. Indeed, it is set to be the first UK election since 1910 in which territorial issues are crucial to the result. While MPs from Northern Ireland could come to play a key role in post-election negotiations, they are relatively few in number. This pamphlet therefore concentrates on the Scottish National Party (SNP), which looks likely to become the largest of the small parties after 7 May. Despite their rejection of independence in last year's referendum, significantly more Scots are saying that they will vote nationalist in this general election than in the last one.

Labour has dominated Scottish politics for decades, and has been able to rely on Scottish Labour MPs to sustain its position at Westminster since the 1970s. However, over the same period, Scottish nationalism has grown from a fringe movement to a serious political force. The minority SNP government in the devolved parliament at Holyrood, elected in 2007, became a majority government in 2011. Now, if the polls are to be believed, the SNP has the potential to deliver a majority of Scottish MPs at Westminster. In doing so it may put itself in a position to determine the nature or direction of the next UK government.

The potential policy demands of the SNP at Westminster are becoming clearer. They are stating their refusal to support a Conservative government with increasing vehemence. Of course, this is aimed at attracting Scottish Labour supporters, but, as we explain, the logic of both the policy arguments and partisan interest may well point in unexpected or even paradoxical directions: voters who support the SNP in the hope of moving the UK further to the left may be surprised by the results.

The UK has been here before: from 1874 until the two elections of 1910, the block of Irish nationalist MPs led first by Isaac Butt, next by Charles Stewart Parnell and then by John Redmond had, in the phrase attributed to Parnell, 'a knife to the throat of Westminster'. It is perhaps no accident that Parnell is famously the hero of Alex Salmond, the former SNP leader who hopes to be returned to Westminster in the upcoming election. There are lessons to be drawn from, and contrasts to be made with, the approach of the UK's two main parties then and now. The idea of a 'progressive alliance' between nationalists and Labour is touted today, just as it was between (Irish) nationalists and the Liberals 100 years ago. It wasn't quite that simple then, and certainly isn't now. In both cases the nationalists' motivation was, and is, to gain greater autonomy by whatever the available means.

This pamphlet explores how the present state of affairs has come about, what it means and what implications it might have. It draws on the content of a presentation made at the launch of the Gwilym Gibbon Policy Centre at Nuffield College, Oxford, in March 2015; some of the arguments it presents have also been published in articles by co-author Jim Gallagher which appeared in *Prospect* magazine.<sup>1</sup> It should go without saying that the views expressed are personal to the authors, and should not be attributed to any of the various bodies that each of us advises or is associated with.

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1 <http://www.prospectmagazine.co.uk/opinions/could-the-snp-do-a-deal-with-the-tories>, and 'Next step, independence', *Prospect*, April 2015.

## 2. The 2015 general election: Predictably territorial

Virtually every poll and commentator agrees that the result of the 2015 election is predictable, at least in one respect: it will deliver a hung parliament. But exactly which way the parliament will ‘hang’, and how a government will be formed when no one party – or possibly even two parties – can deliver a majority of votes in the House of Commons, is distinctly *unpredictable*. The selection of forecasts included in the table below, which are drawn from the work of sophisticated and reputable forecasters, illustrates both the consensus and the lack of agreement that exists regarding the likely outcomes of the 2015 election.

Table 2.1

*Predicted outcome (seats by party) of the 2015 general election as modelled by May2015,<sup>2</sup> compared to forecasts from other sources, 27 February 2015*

|                     | May2015 overall prediction      | Election Forecast    | Elections Etc        | Guardian             | Ladbrokes odds       | 2010 result           |
|---------------------|---------------------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|
| <b>Conservative</b> | 270                             | 285                  | 279                  | 276                  | 280.5                | 307                   |
| <b>Labour</b>       | 271                             | 279                  | 283                  | 271                  | 272.5                | 258                   |
| <b>Lib Dem</b>      | 26                              | 25                   | 23                   | 27                   | 28.5                 | 57                    |
| <b>Ukip</b>         | 4                               | 1                    | 3                    | 3                    | 5.5                  | 0                     |
| <b>SNP</b>          | 56                              | 39                   | 40                   | 51                   | 38.5                 | 6                     |
| <b>Green</b>        | 1                               | 2                    | 1                    | 1                    | 1                    | 1                     |
| <b>Other</b>        | 22                              | 20                   | 21                   | 21                   | 21.5                 | 21                    |
| <b>Result</b>       | Hung parliament; Lab leads by 1 | Hung; Cons lead by 6 | Hung; Lab leads by 4 | Hung; Cons lead by 5 | Hung; Cons lead by 8 | Hung; Cons lead by 49 |

Source: Adapted from <http://may2015.com/category/seat-calculator/> (accessed 5 March 2015)

There is a broad consensus among forecasters that the number of seats held by the Liberal Democrats is likely to fall by more than half, and their predicted vote-share to fall far further. (Needless to say, Lib Dems themselves do not share that broad consensus.) Conversely, despite the fact that both look likely to put in good shows in terms of vote-share, neither Ukip nor the Green party is predicted to make a breakthrough in terms of seats.

However, all forecasters, driven by the poll results, expect a startling increase in the number of SNP MPs, from the present six to as many as 56. (The range of predictions reflects differing assumptions made by pollsters about shifts in voting behaviour between now and the election.)

### *Coalitions, combinations and groupings*

Over the past five years the UK has grown used to the idea of a coalition government – a single administration based on a common programme and which includes ministers from more than one party. It is entirely possible that after the 2015 election the Liberal Democrats will make the same sort of deal with one of the two main parties, if the arithmetic were to work. However, that is not the only way in which a government could be sustained in the absence of a party with an overall majority. People talk loosely of ‘confidence and supply’: government needs to be sustained in any vote of no confidence, and must be able to get its budget through parliament if it is to operate as an administration. However, we might use

<sup>2</sup> For a full explanation of May2015’s methodology see <http://may2015.com/featured/follow-every-prediction-and-make-your-own-with-may2015s-election-forecasting-machine/>

the term 'confidence and supply' to describe both of the following very different arrangements.

- A formal agreement, perhaps time-limited, under which a smaller party (or parties) undertakes to support one of the large parties in any vote of no-confidence, and support its budget, in return for defined policy concessions.
- A hand-to-mouth minority administration sustaining itself by cobbling together support on a vote-by-vote basis, hoping not to be defeated in a vote of confidence and to somehow get its budget through parliament each year.<sup>3</sup>

Whatever its formal basis, any grouping that sustains an administration is dependent on the electoral arithmetic, to which we now turn.

#### *An unpredictable election...*

No prediction of the election result will be exactly on the button: any sensible forecast is essentially probabilistic and yields a range of uncertainty in its numbers. Steve Fisher's excellent Elections Etc website,<sup>4</sup> for example, gives both a core forecast and a statement of the probabilities of different outcomes and the different party groupings which might therefore be able to combine to form a Westminster majority. (In the latter Fisher makes various sensible assumptions – about the ideological distance between the different parties, for example, and that only a minimum winning coalition is needed.) Fisher's predictions are illustrated in figure 2.1 (overleaf), which is adapted from diagrams posted on the Elections Etc website at the end of February 2015.

Based on the data available on 27 February, Fisher's central forecast was that Labour would be the largest party (just), but would fall 40 seats short of a majority. However, as is illustrated in his 'probabilities' pie chart (see figure 2.1), he concedes that there is a small possibility that they might do well enough to win a majority. He also models the probability of various potential outcomes short of that, under which Labour, with the Democratic Unionist Party (DUP), or with the DUP and Liberal Democrats and others, might yet be able to form a majority. Nevertheless, it is the SNP – predicted to be the largest of the small parties – which has the greatest chance of acting as the kingmaker or wrecker of any government. On Fisher's central forecast, the support of 40 SNP MPs could (just) put Labour into office, or deny the Conservatives of it. We use this forecast as the basis for examples of potential electoral outcomes, as it illustrates the choices well. While forecasts since 27 February have changed to favour the Conservatives, the overall picture – and the likely salience of the SNP – remains the same.

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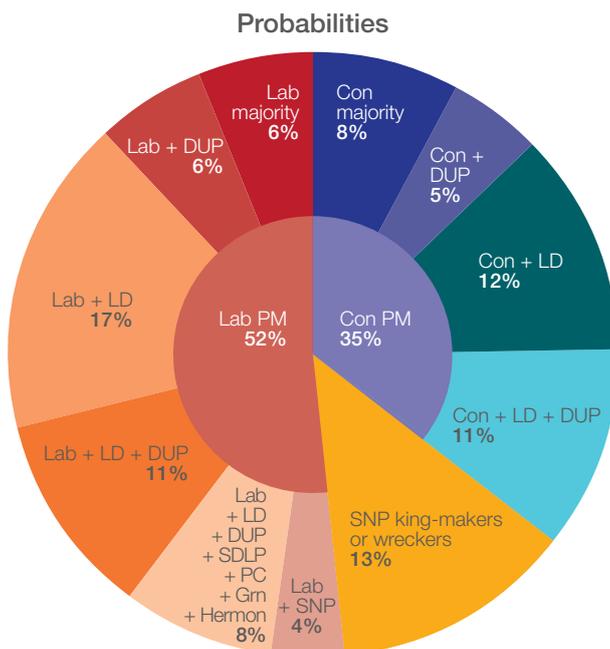
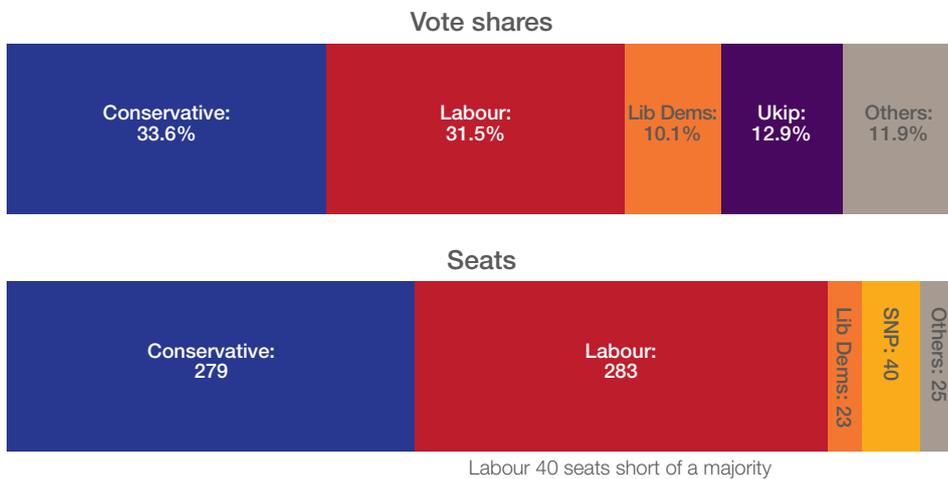
<sup>3</sup> See paragraph 2.17 of Cabinet Office (2011) *The Cabinet Manual: A guide to laws, conventions and rules on the operation of government*. [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/60641/cabinet-manual.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/60641/cabinet-manual.pdf)

<sup>4</sup> <http://electionsetc.com/>

...but a territorial one

On any view, it is highly likely that MPs from Northern Ireland and Scotland will play some part in the construction or direction-setting of the next administration. To start with, it can reasonably be assumed that five Sinn Féin members will not take up their seats in Westminster, which means that the critical number needed to sustain a majority in Westminster is reduced from 326 to 323. The eight DUP members of the present parliament are expected to rise to nine: they could, in return for concessions on domestic Northern Ireland issues, arrive at an agreement with a party or a combination of parties that, with a further 314 MPs, could deliver a majority. (On Fisher's central forecast, neither Labour and the Liberal Democrats nor the Conservatives and the Liberal Democrats would quite get there, but there is a reasonable probability that either might do so.)

Figure 2.1  
Forecast vote-shares and seats won in the 2015 general election by party, and likelihood (%) of different outcomes in terms of the makeup of the elected government, as of 27 February 2015



Source: Elections Etc (2015) 'Forecast update: 27 February 2015', blog post, 27 February 2015. <http://electionsetc.com/2015/02/27/forecast-update-27-february-2015/#more-894>

Concessions to the DUP might in part be straightforward pork-barrel politics. The present government has already proposed the devolution of corporation tax, on the condition that the Northern Ireland administration's budgetary problems (caused by Sinn Féin's refusal both to implement the 'bedroom tax' and to agree cuts to offset the cost of not doing so) are sorted out. A relatively small amount of HM Treasury cash could make this problem disappear. Other, more ideological concessions might include supporting the DUP's stance on same-sex marriage, or abortion. (Same-sex marriage is not permitted in Northern Ireland, and abortion is very heavily restricted.)

The likely smaller number of Northern Irish MPs who will sit towards the left of the political spectrum might be willing to offer support on similar terms in relation to Westminster funding of the Northern Ireland Assembly. Few UK governments have ultimately proven unwilling to address issues in Northern Ireland by spending more money there: even though public spending in Northern Ireland is very high, it applies only to 2.5 per cent of the UK population as a whole, and so can be considered affordable.

The number of SNP MPs is forecast to be much higher – meaning that there is a significant probability that they will play a critical post-election role – and the range of demands they appear likely to make are more complex and challenging. To understand what those demands are, and whether and how they might be dealt with, it is necessary to have a clearer understanding of the remarkable things that have been going on in Scottish politics.

### 3. Dominance games in Scottish politics

The Labour party has dominated Scottish politics for two generations; it was not always so. In 1955 the Conservatives (supported by a working-class Irish unionist vote in the west of Scotland) secured a majority not just of the popular vote but of seats in Scotland – the only party to achieve such a result since the advent of universal suffrage. Even as late as 1979, the Conservatives won nearly one-third of Scottish votes and seats. The Thatcher government put paid to that. As Scottish industry shut down on their watch, Tories were painted as essentially anti-Scottish: they now consistently poll at around 17 per cent. The SNP and Liberals gratefully accepted rural Tory seats in areas like the north east of Scotland and the wealthy parts of Fife. However, it was Labour who played this Scottish card hardest and benefitted most from it. It set the scene for a terminal decline in the number of Scottish Conservative MPs and the growth of Scottish Labour's dominance. In 1997 Labour polled 45 per cent in Scotland, while the Conservatives won no seats at all. As late as 2010, 42 per cent of Scots voters still supported Labour, though the party's resultant 41 out of 59 Scots MPs were not enough to keep Gordon Brown in Number 10.

Over the same period, Scottish nationalism grew from fringe movement to serious political force, and it is now bidding to replace Labour as Scotland's party of choice. SNP success and Scottish devolution have gone hand-in-hand. It was the shock of the election of 11 SNP MPs in 1974 that reminded the Labour party in Scotland of its home-rule roots. Yet both Labour and the SNP had, to that point, been ambivalent about devolution. Labour struggled to reconcile its commitments to social justice across the UK and decentralised decision-making in Scotland; the SNP feared that devolution would prove an alternative to the party's goal of independence that was acceptable to the people of Scotland. Perhaps Labour had more to fear. After their initial resistance, the SNP campaigned alongside Labour for devolution, and gladly adopted the role of the opposition at Holyrood in 1999. In the way of things, oppositions become governments. In 2007, after two terms of Labour–Liberal Democrat coalition, an SNP minority administration scraped into government, the largest party by one seat. In the election of 2011, 45 per cent of the vote secured them an overall majority, even though the electoral system was designed to be proportional. Yet only a year previously, in the UK election, the SNP had managed just 20 per cent of the Scottish vote, and six Westminster seats. Scots seemed happy to vote one way for Holyrood and another for Westminster.

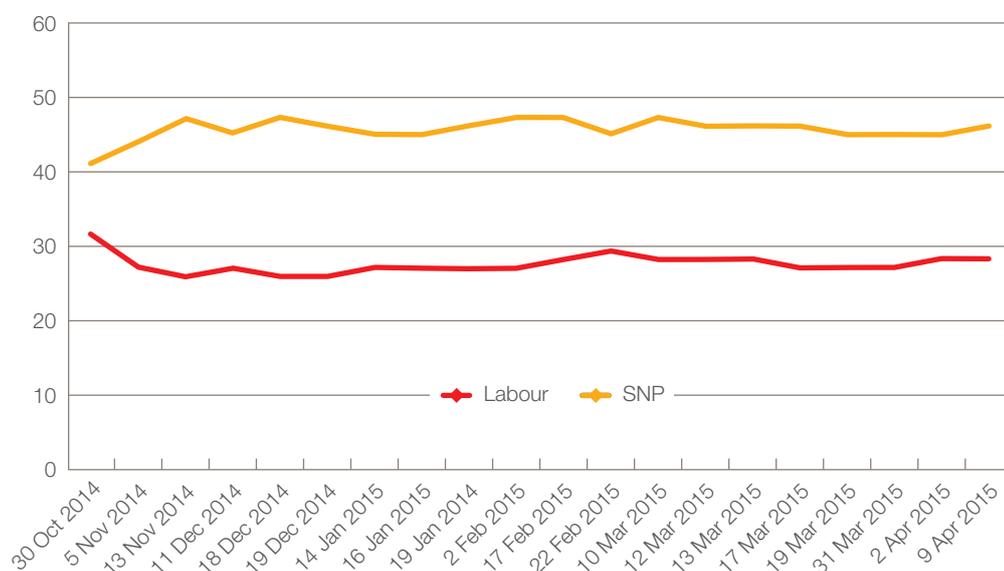
The SNP's Holyrood success in 2011 led, of course, to the 2014 independence referendum. Holding a referendum was not something they had planned: gaining an overall majority in Holyrood was a much better result than they had hoped for. After some vacillation, they accepted the UK government's offer of extending the Scottish parliament's powers, and legislated to hold an in–out referendum in September 2014, as late as the agreement with the UK allowed for. The campaign was long, and made an unusual mixture of appeals to the heart and to the head. In the event, the SNP-led Yes coalition did better than many expected: for most of the campaign, opinion stayed solid at around 60/40 against independence, but a late surge led to a Yes vote of nearly 45 per cent.<sup>5</sup>

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5 For a record of the pattern of public opinion during the campaign, see [www.whatscotlandthinks.org/opinion-polls](http://www.whatscotlandthinks.org/opinion-polls).

Opinion polls since then, if they are to be believed, tell us that the two-year campaign has had a profound effect, and consistently suggest a shift in Westminster voting intentions. During the long campaign, many in the poorest parts of Scotland came to support independence: two-thirds of the voters in Scotland's poorest areas voted Yes; those areas with the highest unemployment recorded the highest Yes vote; and it was only in the former industrial areas of Glasgow, Dundee, West Dunbartonshire and North Lanarkshire that Yes gained a majority. The better-off, by contrast, remained resolutely pro-UK: in the richest 20 per cent of areas, the Yes vote was only one-third of the total.<sup>6</sup>

**Figure 3.1**  
Westminster voting intentions in Scotland according to What Scotland Thinks' 'poll of polls' (Labour and SNP only), 1 October 2014–9 April 2015



Source: Adapted from <http://blog.whatscotlandthinks.org/2015/04/poll-of-polls-westminster-vote-intentions-9-april/>

What appears to have happened since then is that commitment to the Yes cause has translated into support for the SNP, at least in opinion polls about Westminster voting intention. Since shortly after the referendum, polls have suggested that 40 or 45 per cent of Scots voters will support the SNP in the Westminster election, as figure 3.1 illustrates.

Polling 45 per cent loses a referendum, but scoops the pool in first-past-the-post elections, as Labour knows from past experience. If the SNP and Labour swap their previous 20/40 share of the vote, the number of seats held by each party could be flipped as well. Polling of Yes-voting Labour areas conducted by Lord Ashcroft and published in early February 2015 appears to confirm this picture.<sup>7</sup> In these constituencies, 40 per cent of those who voted Labour in 2010 said they would not vote the same way in 2015, with the vast majority of those defectors (35 per cent of 2010 Labour voters) switching to the SNP. Most of the Liberal Democrats' losses have gone in the same direction. Interestingly, the majority of SNP voters favour a Labour–SNP coalition at Westminster, and 80 per

<sup>6</sup> For a detailed analysis of voting patterns by social class and other characteristics see [www.centreonconstitutionalchange.ac.uk/blog](http://www.centreonconstitutionalchange.ac.uk/blog).

<sup>7</sup> <http://lordashcroftpolls.com/2015/02/scottish-battleground/>

cent of those who have shifted from Labour to the SNP hope that this will be the result of the election, even though both parties have now ruled that idea out.

Even polling conducted this close to an election, however, should be taken with a pinch of salt. Before the 2011 Holyrood election, Scots told pollsters that they would vote Labour, as they had in the 2010 Westminster elections. However, once they focussed on the choice before them, voters' intentions changed. The same phenomenon may be at play here: Scottish voters' minds are still on the referendum rather than on the choice of UK government. Relatively small swings back towards Labour could have marked effects on the number of seats that the SNP gain – a fact that is reflected in the range of forecasts in table 2.1 above. Labour has huge majorities in many seats, and so can absorb a very large swing indeed before losing to the SNP.

Nevertheless, the level of support for the SNP has so far shown no sign of declining and, if sustained, will translate into a marked increase in the number of SNP MPs. This will change the nature of the party. Although it presents itself as a social democratic party, the SNP has been strongest in formerly Tory-held areas. Furthermore, its policies in government have been populist rather than redistributive: for example, making student tuition free is popular, but redistributes towards the middle classes, as does freezing council tax. The party's membership – now said to number over 100,000 – and its new candidates now include people with views quite different to those of its past members. The concerns of Labour-to-SNP switchers, who are essential if the party is to make an electoral breakthrough, are different from those of many traditional SNP supporters: they remain particularly worried about the economy, their own futures and those of their families. This has surely influenced the stance of the SNP's new leader, Nicola Sturgeon. The party, she says, could consider an arrangement with Labour, but never with the Conservatives,<sup>8</sup> and her emphasis has been on economic rather than constitutional change.

#### *The electoral arithmetic in Scotland*

In 2015, the SNP are aiming at winning 11 Liberal Democrat and 41 Labour seats. Most Liberal Democrat seats look vulnerable: on a uniform swing, all of them would be lost, although local factors might enable the party to retain some – perhaps only one or two. However, if the SNP are to become relevant to the Westminster arithmetic they need to take Labour seats in substantial numbers. At the margin, therefore, each additional SNP MP means one less Labour MP, and so every seat that the Labour Party manages to gain from the Conservatives south of the border could well be matched by one they lose to the SNP north of it. Elections Etc's central forecast of 27 February shows the SNP in a powerful position, but one that allows Labour to squeeze into government (see figure 2.1 above). (An overall majority requires 325, but if, as now, five Sinn Féin members do not take their seats, 323 is the magic number.)

On this forecast, Labour would barely become the largest party. Just a little more SNP success would create the first real problem for a putative Labour–SNP grouping: Labour would cease to be in the driving seat of

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<sup>8</sup> There's no gratitude in politics: in Holyrood between 2007 and 2011, the SNP worked closely with the Scottish Tories.

government formation. The Conservatives could easily become the largest party, but Labour plus SNP could still get to 323. SNP success at the very top end of the possible range – 50 seats, say – would be almost guaranteed to make Labour the smaller of the two main parties, thereby very substantially reducing Labour’s chances of forming a government, even if it could secure an overall majority in combination with the SNP.

*Table 3.1  
Forecast seats held, by party, after the 2015 general election, as of 27 February 2015 (versus 2010 seats)*

|                         | Forecast seats in 2015 election | 2010 results |
|-------------------------|---------------------------------|--------------|
| <b>Labour</b>           | 282                             | 258          |
| <b>Conservative</b>     | 281                             | 307          |
| <b>Liberal Democrat</b> | 23                              | 57           |
| <b>SNP</b>              | 40                              | 6            |
| <b>Other</b>            | 24                              | 22           |
| <b>Total</b>            | 650                             | 650          |

Source: Elections Etc (2015) 'Forecast update: 27 February 2015', blog post, 27 February 2015. <http://electionsetc.com/2015/02/27/forecast-update-27-february-2015/#more-894>

*The territorial dimension: what about England?*

There is no constitutional law or rule stipulating that the largest party gets to form the government, and it could be that a Labour–SNP grouping does get over the arithmetical hurdle. However, territorial considerations would then come into play in a way not seen in UK politics since 1910. The role of Scottish MPs in Westminster is anyway becoming more controversial as Scotland gains more devolved powers. On the morning after the Scottish referendum, the prime minister immediately moved to promote the idea not merely of English votes for English laws, but English votes for English taxes, thereby undercutting the Smith commission on which his party was represented. Under some sort of putative Labour–SNP grouping, a Labour government might be relying on not just its own Scots and Welsh MPs but also on the SNP to govern England. In such a scenario, the likelihood is that the Conservative party would have won a majority of votes in the UK as a whole (and might be arguing that the failure to bring forward equal electoral districts has deprived them of 10 or even 15 seats to which they, in justice, are entitled). On top of that, the Conservatives could well be the largest UK party, with an overall majority in England, but – thanks to the SNP – both the UK and England could get a Labour government, as this scenario in figure 3.2 illustrates.

*Figure 3.2  
An illustrative scenario of seats held, by party, after the 2015 general election, in the UK and in England only (in which the Conservatives are the largest party yet may be out of power)*

|                         | UK  | England |
|-------------------------|-----|---------|
| <b>Labour</b>           | 278 | 251     |
| <b>Conservative</b>     | 279 | 272     |
| <b>Liberal Democrat</b> | 23  | 18      |
| <b>SNP</b>              | 45  | 0       |
| <b>Other</b>            | 25  | 2       |
| <b>Total</b>            | 650 | 533     |

The Labour party might well think twice about the political penalty it would pay for such an alliance. First of all, it would be abandoning Scotland to the nationalists, thereby signalling to Scottish voters that it was safe to vote SNP rather than Labour, as doing so would still deliver a Labour government. That would hardly be in Labour's interests. However, the effect on England would be much more significant. English voters might well see such a UK government as illegitimate (something which has, as we shall see later, had very serious consequences in the past). The political effect on Labour's supporters in England of the party governing thanks only to the votes of secessionist Scottish members could be marked. In most Conservative and many Labour seats there will be Ukip challengers who will lose no opportunity to denounce the legitimacy of such an administration. This could become a real electoral threat if, despite the Fixed-term Parliaments Act, a further, early election is seen to be a possibility.

In practice, too, Labour would almost certainly find England difficult to govern under this scenario. Past SNP policy has been not to vote on purely English issues, but they recently announced a reversal of it (purportedly because of the knock-on effects of English decisions on Scottish spending, but in truth to make themselves potential coalition partners). They could easily reverse this position again, possibly on a case-by-case basis. Labour's ability to govern England, as well as the UK, would daily depend on the SNP.

While office is deeply attractive to politicians, particularly those who might lose their jobs if they lose the election, the Labour party would have to look to its long-term as well as short-term interests. Why take on these risks, Labour might think, if the SNP has given itself nowhere else to go? If bringing down a Labour government simply ushered in the Conservatives, would the SNP be willing to do so?

#### *Thinking the unthinkable: the SNP and the Tories?*

The SNP is an insurgent party but, unlike the new Greek government, it is not guided by a game theorist. They say that they will not do business with the Tories, and this must weaken their hand in any negotiations with the Labour party. This stance was stated in a conference resolution when the party's six sitting MPs mattered little, but it also reflects the views of SNP supporters in general. It now has an obvious electoral appeal to those Labour-to-SNP switchers who will make all the difference to the party's chances. Nevertheless, a Conservative–SNP alliance is entirely arithmetically plausible, as the figures and tables above show. Not only that, as a government of the UK it would also have one critical advantage over an SNP–Labour grouping: it could claim legitimacy in governing Scotland, England and the UK as a whole. The Conservative party would have a majority in England and, in combination with the SNP, could deliver a majority in the UK. Only the Welsh would have cause for grievance. In fact, as we will see later, such a deal might, in fact, suit the objective interests of both parties.

In another scenario, such as that illustrated in figure 3.3 below, the SNP might be able to preserve their political purity by abstaining rather than supporting a Conservative government, letting a Tory–Liberal Democrat coalition remain in office.

*Figure 3.3*

*An illustrative scenario of seats held, by party, after the 2015 general election, in the UK and in England only (in which the SNP may choose to abstain rather than support a Conservative government)*

|                         | UK  | England |
|-------------------------|-----|---------|
| <b>Labour</b>           | 277 | 251     |
| <b>Conservative</b>     | 279 | 272     |
| <b>Liberal Democrat</b> | 23  | 18      |
| <b>SNP</b>              | 45  | 0       |
| <b>Other</b>            | 25  | 2       |
| <b>Total</b>            | 650 | 533     |

Indeed, if the Conservatives were to secure 301 seats, abstention by 45 SNP MPs could deliver a Tory government. However, in March 2015 Angus Robertson MP, the SNP’s Westminster leader, appeared to rule out even this possibility when he said that the SNP ‘will not assist, actively or passively, the Conservative party remaining in No 10’.<sup>9</sup>

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<sup>9</sup> <http://www.thetimes.co.uk/tto/news/uk/scotland/article4380675.ece>

#### 4. Potential policy demands from the SNP

The electoral arithmetic therefore creates a range of potential outcomes and party groupings short of coalition but somewhere on the spectrum between a formal confidence-and-supply deal and a hand-to-mouth minority government. The arithmetic, however, is only part of the picture: the plausibility of one party supporting any another depends on the ideological distance between them, and the specifics of the policy demands that might be made. Nationalist leaders have been testing and adjusting various policy demands. Naturally these are tailored to the views of their actual and potential electoral support. However, from the perspective of government formation they point, just like the arithmetic, in contradictory and potentially paradoxical directions.

First out of the trap was the SNP's demand that Trident, the UK's nuclear weapons system based in the Firth of Clyde, not be replaced. This plays to the SNP's core support. Scottish public opinion overall is surprisingly evenly divided on the issue of Trident's replacement and nuclear disarmament more generally, but most polls suggest that SNP supporters are strongly against Trident. A UK administration short of money might welcome kicking such major expenditure towards the long grass, but neither big party is going to move towards unilateral nuclear disarmament just to win SNP support, particularly given the current bellicosity of Vladimir Putin. On the face of it, this demand is not about forming a government, and Nicola Sturgeon has vacillated about the SNP's negotiating position. Although they would not vote for the replacement of Trident, they would not let that stand in the way of an accommodation with the Labour party on other issues. There is probably a natural majority in the House of Commons for the replacement of Trident. The SNP's policy, according to Angus Robertson, also includes 'curbing interventionist foreign policy'.<sup>10</sup> Expect, if anything on defence issues is included in any arrangement between Labour and the SNP, a fudge of some sort.

By contrast, the SNP's demands for a relaxation of austerity might point towards an accommodation with Labour. Both argue that the present government's austerity policies are too severe. Despite her rhetoric of an 'end to austerity', Nicola Sturgeon's ambitions in this regard appear to be modest: a call for small real annual spending increases in departmental budgets only (of 0.5 per cent each year, starting not in 2015/16 but in 2016/17). Surprisingly, the SNP are not proposing any additional welfare spending beyond the present government plans.<sup>11</sup> The party's plans do involve more borrowing than would likely be undertaken by Labour, as they do not plan to reduce the UK's national debt. However, the additional borrowing demanded, though quite substantial, is – as Gavin Kelly and Adam Corlett have argued<sup>12</sup> – comparable in size to the uncertainties in any government's forward plans for tax income and expenditure. So there might, on this issue, be scope for negotiation between Labour and the SNP, especially if the price included straightforward pork-barrel politics: lesser spending reductions in Scotland.

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10 <http://www.thetimes.co.uk/tto/news/uk/scotland/article4380675.ece>

11 <http://www.gov.scot/Resource/0047/00472778.pdf>

12 <http://www.resolutionfoundation.org/media/blog/the-snp-and-austerity-how-different-are-they-to-the-other-parties>

### *Constitutional demands*

In the end, however, the SNP's heart lies in constitutional demands, not those related to public spending. One particular dog is not barking: early hints that the SNP might demand the power to hold a further referendum appear to be off the table, for a number of reasons. They may judge (probably correctly) that the Scottish public would resent being asked the question again so soon after what was quite a painful process. There is certainly a striking amount of consensus among independence supporters that the issue is indeed off the agenda for the present. Certainly the possibility of a second referendum defeat, *au Quebec*, would be very unattractive to the SNP leadership.

There is, however, a 'plan B'. The SNP's favoured route to another independence vote is now via a referendum on the EU, by demanding that all four parts of the UK have to assent to any change in the UK's EU membership. This sounds federal: in Australia, for example, a referendum to change the constitution needs to win both an overall majority and a majority of states. However, although the UK resembles a federal state, it isn't one: there is no such rule in the UK's constitution, written or otherwise. Attempting to impose one on the hoof – one which, for the sake of illustration, allowed Northern Ireland a veto over whether rest of the UK or England remained in the EU – would be highly unlikely to work, and would not be regarded as legitimate by English voters. Of course, the SNP's true purpose is not to create this or any other element of a federal constitution, nor realistically is it to secure such a veto for Scotland. Instead, it is to legitimate a call for a further independence referendum if the UK votes to leave the EU, but Scotland doesn't. This, if it ever came to it, would be a distinctly unpalatable choice for many Scots.

The SNP have also suggested that the price of an accommodation with Labour would include reform of the House of Lords, and of the voting system, though no details on the nature of either reform have yet been suggested. It will be interesting to see whether the SNP, having benefitted greatly from the first-past-the-post voting system, would vote to give up this advantage.

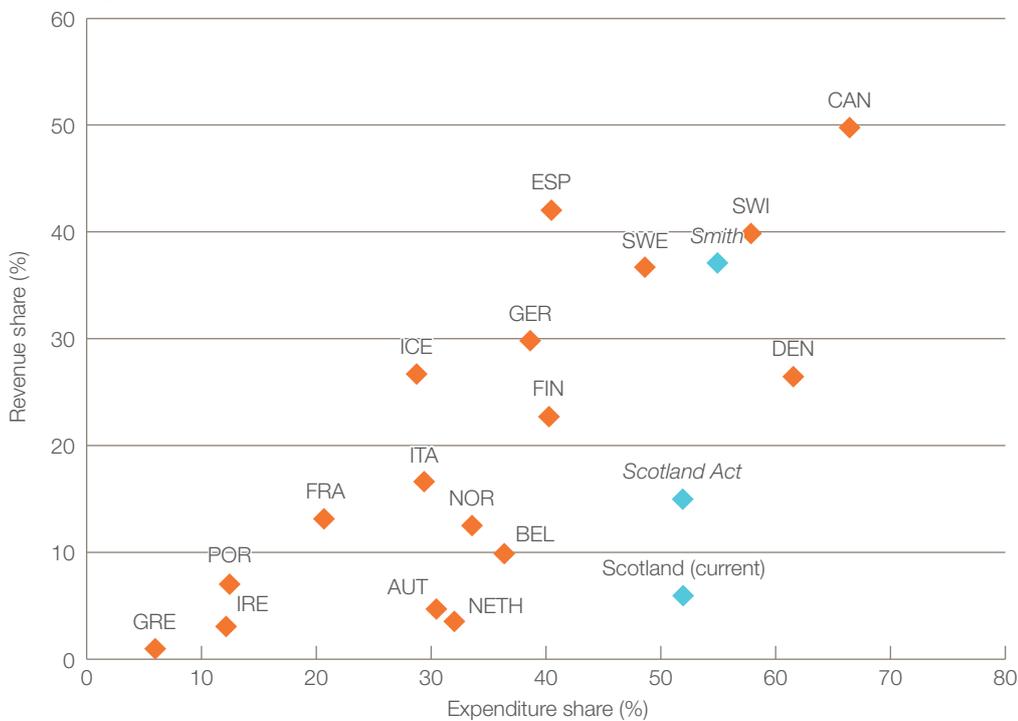
The SNP have also made clear that they will seek more devolved powers for the Scottish parliament – not just those powers recommended in the Smith commission report (see below), which would make Holyrood arguably the most powerful devolved institution in the world (and which would be passed by a guaranteed Westminster majority), but more still. Alex Salmond, hoping to return to Westminster as an MP, has announced his aim of securing 'devo max': the devolution of everything except foreign affairs and defence (presumably with a single UK currency, as was his aim for a fully independent Scotland). Salmond's successor appears to concur: Nicola Sturgeon has stated very clearly that her objective is full fiscal autonomy for Scotland, with the Scottish parliament becoming responsible for all Scottish taxes and spending. It is therefore worth exploring what devo-max might mean.

*Maxing-out on devolution*

The Smith commission met and conducted a highly political negotiation in a very short period, including at the table not just the pro-union parties but the SNP and the Greens, as was promised in the referendum campaign. Its recommendations<sup>13</sup> went markedly further than the unionist parties' plans. Income tax was to be devolved entirely, and half of the yield of VAT in Scotland would be assigned to the Scottish parliament. In addition, the Scottish parliament would take on substantial responsibility for welfare spending in certain areas. Council tax benefit was already to be devolved as part of the introduction of universal credit, but further benefits to the value of about £2.5 billion per annum were added to the list, including disability living allowance, attendance allowance and a range of smaller benefits. In addition, the Scottish parliament would be given the power to set the housing element of universal credit (thereby gaining the power to abolish rather than merely offset the 'bedroom tax'), and to make discretionary payments to supplement welfare benefits more generally. The main reservations would continue to be old-age pensions and the core of universal credit.

As a result all of these changes, the Scottish parliament is set to become one of the most powerful sub-national institutions in the world in terms of the proportion of taxation and spending that is decentralised, as the following scatter-graph shows.

**Figure 4.1**  
*Decentralisation ratios in OECD countries, by share of revenues (y-axis) and expenditure (x-axis), including Scotland's position currently and under the Scotland Act and Smith commission proposals*



Source: <http://scoffes.com/2014/11/27/the-scottish-budget-under-the-smith-proposals/>

13 See <http://www.smith-commission.scot/>

### *Devo-max or full fiscal autonomy?*

SNP politicians will undoubtedly wish to go much further than the Smith commission proposals allow for. Indeed, even before those agreed recommendations were published, the SNP participants in the negotiations denounced them as inadequate.<sup>14</sup> Instead, their objective was to obtain what was loosely described as 'devo max', or rather more precisely as full fiscal autonomy.

While devo-max has not been strictly defined, it is relatively straightforward to explore its nature and consequences. In survey responses, Scottish voters have responded positively to the proposition that Westminster should deal with foreign affairs and defence, and Holyrood with all domestic matters.<sup>15</sup> They support a common currency too, so on the face of it the SNP's package sounds like a winner. In this ideal, Scotland's relationship with the UK would be one in which Westminster dealt with foreign affairs, defence and macroeconomic issues, and perhaps some other common services by agreement. The Scottish parliament would collect all of Scotland's taxes except, presumably, VAT, the yield of which would be assigned in total; it would also deal with all domestic policy. Such a plan goes well beyond the recommendations of the Smith commission, in that all welfare would be devolved, including old-age pensions, and all taxation too. The Scottish government would collect the revenue, and send a payment to the UK to cover common services, and a share of inherited debt, probably calculated per capita. It would borrow on the markets to cover its deficit.

In a system in which the Scottish government received all tax revenue, it seems unlikely that it could borrow from the UK government: the markets, of course, would exercise some restraint on how much they were willing to lend the Scottish government, given its spending and revenue position, at least to the extent that they were clear that the UK would not stand behind Scottish borrowing. In the literature of federalism this is referred to as 'Hamilton's paradox', whereby a federal government may carry the risk of default by a sub-national entity, no matter how hard it denies it, as the markets may assume that it would have to step in in the event of default.

### *The fiscal and economic implications of full fiscal autonomy*

Despite its commonsense appeal, devo-max would have significant and serious fiscal, economic and constitutional consequences. Its potential fiscal effects are the most striking. As is well known, Scottish public spending is over 10 per cent higher per head than the UK average. Scottish tax income – particularly now that oil revenue has collapsed – is nothing like high enough to support it. The most recent figures from *Government Expenditure and Revenues Scotland*<sup>16</sup> confirm the fiscal position. In the financial year 2013/14, per capita public spending in Scotland exceeded the UK average by £1,200. Onshore Scottish tax revenues fell short of the UK average, but this was offset by £4 billion of oil revenues, so overall Scotland's deficit exceeded the UK's deficit in that year by £800 per head (approximately £4 billion a year). Oil revenue,

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14 See <http://www.snp.org/media-centre/news/2014/nov/smith-new-powers-welcome-fall-short-vow>

15 See <http://www.whatscotlandthinks.org/topics/attitudes-to-increased-devolution>

16 <http://www.gov.scot/Topics/Statistics/Browse/Economy/GERS>

however, is collapsing: it is unlikely to be as much as £2 billion in 2014/15, due in part to the dramatic fall in the oil price, and to the gradual depletion of North Sea reserves. The Institute for Fiscal Studies has estimated that the tax rises or spending cuts that Scotland would need to enact if it were to become reliant solely on its own revenue base to support its public spending was, in 2014/15, £7.6 billion a year,<sup>17</sup> which takes into account the fact that the chancellor – egged on by the Scottish government – cut North Sea taxes markedly in the March 2015 budget. This is a very large fiscal gap – nearly 12 per cent of Scottish public spending, and more than 15 per cent of Scottish tax income. The resultant cuts in spending would be in addition to the existing fiscal consolidation built into the UK plans. Cuts of this size would have to be spread across services, pensions and welfare payments. No rational Scottish government would seek additional fiscal consolidation on this scale.

The SNP's position appears to be that additional growth would offset the loss of fiscal transfers from the UK, and that the transfer the fiscal powers would enable this growth. The move to fiscal autonomy would be phased in (exactly how has not been specified) so that the promised growth would offset the gradual loss of shared UK tax income. In essence this assumes that if Scottish public spending is to be 10 per cent or more higher than the UK average, and if tax rates are not to increase, then Scotland's gross value added per head (including whatever contribution can be obtained from the North Sea in the long run) would need to be 10 per cent or more above the UK average. At the moment, in 2014, Scotland's onshore GDP per head has fallen to about 6 per cent less than the UK average,<sup>18</sup> whereas for the numbers to work, Scotland's economic activity would have to become slightly greater than that of the south-east of England (though, to be fair, not that of London). It would certainly require quite remarkable levels of economic growth – around 15 per cent.

The other significant economic implication of full fiscal autonomy would be that there would be very little pooling of resources across the UK. Scotland would, as it were, have to stand on its own two feet, and would not have resort to fiscal transfers from the rest of the UK, nor would it transfer resources to the rest of the UK as it has done from oil in recent decades. In essence, the UK would remain a political and currency union but would cease to be a fiscal union. This is precisely the issue with which the eurozone has struggled in recent years, and continues to struggle with in relation to Greece. During the referendum campaign, the UK government produced a weighty analysis of the case for a continued currency union in the event of Scottish independence, and concluded that it would not be in the interests of Scotland nor those of the rest of the UK, largely on the grounds that there would no longer be fiscal sharing. The effect of separation would have been to cause long-term divergences in the two economies, so that a single currency and exchange rate would no longer be suitable for both.

Virtually the same argument applies in relation to full fiscal autonomy: if the Scottish economy were to grow markedly faster, or slower, than the UK economy, it would be bound to find itself with an exchange rate that

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17 <http://www.ifs.org.uk/publications/7652>

18 <http://www.ons.gov.uk/ons/guide-method/compendiums/compendium-of-uk-statistics/economy/index.html>

would no longer suit it. Most of that risk, because of the relative and size of the economies, would be borne by Scotland, though to a lesser degree it would also affect the rest of the UK. There are also (as is clear in the eurozone today and was discussed extensively during the referendum campaign) a significant number of unanswered questions about how the UK's banking and financial system would be insured under such a setup, and who would pay for that – non-trivial concerns, given the scale of the Scottish banking sector.

The SNP's position in relation to independence was that the UK government could not deny Scotland the continued use of the pound, and that a shared currency would work in practice, despite what the UK argued. Under full fiscal autonomy Scotland would not be a separate state, and therefore could not issue a separate currency. SNP politicians would presumably argue that there were no economic risks from a shared currency under full fiscal autonomy.

### *Constitutional implications*

Perhaps cutting Scottish spending at the SNP's request would not trouble a UK party with few Scottish seats. Theoretical risks to the stability of the currency – risks that would mainly be carried by the Scottish economy – may not trouble them either. However, the constitutional implications of devo-max count would count for a great deal more for the whole of the UK. The role of Scottish MPs is already being challenged, now that income tax is to be devolved under the Smith provisions. Under the Scotland Act 2012, income tax is shared, so there is no objection to Scottish MPs voting on the UK rate, as it will affect their constituents directly. However, under the Smith commission's recommendations income tax is to be devolved almost completely, and so a vote by Scottish MPs on the rate that applies in the rest of the UK would not directly affect their constituents. (There would, of course, be a very real *indirect* effect, as the UK budget has to add up, and as a whole the UK's tax and spending decisions have a very direct effect on the devolved Scottish budget through the UK government grant. However, this is not easy to explain to an English constituent, particularly if the income tax rates were to differ.)

This is a very real political problem, emphasised by the fact that on the day after the Scottish referendum the prime minister widened the issue of 'English votes for English laws' to 'English votes for English taxes'. However, this would pale into insignificance compared with a political problem that would arise if full fiscal autonomy were granted and *all* taxes were devolved to the Scottish parliament. In this model, the only taxation decision taken in Westminster that would affect Scotland is setting VAT; every other tax decision would only affect the rest of the UK. The only spending decisions taken at Westminster that would affect Scotland would relate to defence, foreign affairs and common services. At the moment, such non-identifiable expenditure, including debt repayments and interest, adds up to only about 13 per cent of Scottish public expenditure.<sup>19</sup>

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<sup>19</sup> Non-identifiable public expenditure which benefits Scotland is calculated in the Scottish Government (2015) *Government Expenditure & Revenue Scotland 2013-14: March 2015*. <http://www.gov.scot/Publications/2015/03/1422>

In these circumstances, it is inconceivable that Scottish MPs could be allowed to vote on all of England's taxes and spending, but none of Scotland's. A precedent already exists for this, and shows pretty clearly what would have to happen. Under devo-max or full fiscal autonomy, Scotland would be like the Channel Islands or the Isle of Man. These island statelets have almost complete freedom to run their domestic affairs. They set their own taxes (much to the irritation of the Treasury, as they are used as tax havens by companies and the wealthy). They are responsible for their own domestic policy and spending. If they have to borrow, they do so directly from the markets, though typically they find it necessary to run fiscal surpluses. As far as currency is concerned, their situation is very similar to that of Scotland: their banks issue banknotes which are backed pound-for-pound by sterling reserves (in the case of the Scottish banks, held at the Bank of England; in the Channel Islands and the Isle of Man, held by their domestic institutions). The UK looks after their defence and foreign relations. This certainly sounds like devo-max and full fiscal autonomy.

There is a catch, however: neither the Channel Islands nor the Isle of Man send MPs to Westminster. Indeed, they are not part of the UK at all. By a historical accident they are realms of the (English) crown inherited from its role as the Duchy of Normandy.

That is the inevitable logic of devo-max and full fiscal autonomy. It is a form not of devolution, but of diluted independence. No principled UK government could support it.

#### *Deal making on devolution?*

Not all politics is principled and rational, however. Partisan interests often come into play. It might be in the SNP's interests to create the conditions for independence through the instability of devo-max, despite the immediate effect it would have on Scotland. Labour's principles and partisan interest are aligned here: arguments of social solidarity point in the same direction as keeping Scottish Labour seats, so it will be a 'no' to devo-max from that quarter. The Tory party, however, might be pulled in two different directions. It signed up to the Smith plans, but its partisan interest might pull the other way: the arithmetic of an SNP-Tory grouping delivers in the short term, and in the long term the Tories can only gain from reducing or minimising Scottish representation at Westminster. Mr Cameron might once again face the dilemma of choosing whether to be a Conservative or a Unionist.

The logic of full fiscal autonomy is the logic of independence, but since its immediate fiscal consequences for Scotland would be catastrophic, SNP leaders might seek to keep the safety-blanket of UK funding, mainly through the Barnett formula, while at the same time gaining greater flexibility over tax than even the Smith proposals allow for. A shopping list was set out in *Scotland's Economic Strategy*,<sup>20</sup> published by the Scottish government, which argued for the devolution of corporation tax (which might, of course, be on the table for Northern Ireland) and employers' national insurance contributions. The publication presents both taxes as means of promoting economic growth, implicitly by reducing them. During the referendum campaign,

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<sup>20</sup> <http://www.gov.scot/Topics/Economy/EconomicStrategy>

the SNP's policy was to reduce corporation tax to a level three pence lower than in the rest of the UK, but this policy has now been abandoned in favour of targeted reductions for particular sectors (details of which have not been specified). A similar approach might be argued in relation to employers' national insurance contributions (though what the effect of this would be on UK pension entitlements is unclear). The logic of the full fiscal autonomy argument would then suggest a smaller but not complete reduction in the number of Scottish MPs. If Holyrood were to control half of the taxes, for instance, then it might be argued that Scottish representation should be reduced by half. (As we discuss below, the eventual solution to the same problem in Ireland was a reduction to its MPs of only one third.)

This idea of a 'devolution discount' is an alternative to the procedural approach of English votes for English laws recommended in Jim Gallagher's 2012 report, *England and the Union: How and Why to Answer the West Lothian Question*,<sup>21</sup> and adopted by the McKay commission,<sup>22</sup> or the approach recently proposed by William Hague on behalf of Conservative party.<sup>23</sup> As Gladstone discovered in the 19th century, a discount is much simpler (if arguably less principled) than trying to distinguish votes at Westminster on the basis of their geographic application and effect. It is a price that nationalist politicians might be willing to pay as a step towards having no or purely symbolic representation at Westminster under fiscal autonomy, and then none at all under independence.

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21 Gallagher J (2012) *England and the Union: How and why to answer the West Lothian question*, IPPR. <http://www.ippr.org/publications/england-and-the-union-how-and-why-to-answer-the-west-lothian-question>

22 [http://webarchive.nationalarchives.gov.uk/20130403030652/http://tmc.independent.gov.uk/wp-content/uploads/2013/03/The-McKay-Commission\\_Main-Report\\_25-March-20131.pdf](http://webarchive.nationalarchives.gov.uk/20130403030652/http://tmc.independent.gov.uk/wp-content/uploads/2013/03/The-McKay-Commission_Main-Report_25-March-20131.pdf)

23 [http://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/387598/implications\\_of\\_devolution\\_for\\_england\\_accessible.pdf](http://www.gov.uk/government/uploads/system/uploads/attachment_data/file/387598/implications_of_devolution_for_england_accessible.pdf)

## 5. Lessons from history: The UK and Ireland, 1874–1910

There is nothing new in British politics about a nationalist party holding the balance of power in Westminster, and nothing very different about the options on the table either.

2015 looks a bit like 1910. One hundred years ago, Irish nationalists demanding home rule had been a powerful political force for more than 30 years, and were guaranteed to hold the balance of power whenever the two main parties were evenly balanced. Ireland had joined the UK ('the United Kingdom of Great Britain and Ireland') in 1800. The Irish parliament agreed to dissolve itself in return for various promises, one of which was greater civil rights for the Catholic majority of the population. However, that promise was broken as soon as the Irish parliament voted itself out of existence. King George III decided that Catholic emancipation, as it was called, was incompatible with his coronation oaths. His opposition cost him his best prime minister, William Pitt the younger, but he also lost, if he had ever had it, the loyalty of the majority in Ireland. From the day of the royal veto, the union was illegitimate among Irish Catholics.

Limited Catholic emancipation arrived in 1828, and immediately a nationalist party led by Daniel O'Connell ('the Liberator') began to win seats. But the catastrophic famine of 1845–47 had two effects. One was to alienate rural Irish people yet further from the UK. The other, paradoxically, was to destroy O'Connell's party. In the midst of famine and destitution, parliamentary elections seemed unimportant. O'Connell died in 1847, and for the next three decades Irish MPs were elected from small constituencies of few electors, and gave their loyalty to one of the UK-wide parties – Whig, Liberal, or Conservative.

At the time of the Famine, seven-eighths of the Irish population was Roman Catholic; this proportion then dropped slightly as an effect of the Famine, in which few or no Protestants died or were forced to emigrate. The Protestant population was concentrated in north-eastern Ireland, which included both the country's only industrial city, Belfast, and farming areas in which the farmers were somewhat richer than their Catholic compatriots.

### *The rise of the Irish Party*

The potential for change came with the second and third Reform Acts of 1867 and 1884–85. The first of these widened the franchise in boroughs (a term which included some quite rural areas); the second extended it to county areas outside the boroughs. In two stages, a substantial number of poorer Irish men (no women, of course) gained the vote.

The general election of 1874 introduced a changed world. A Protestant barrister named Isaac Butt got 59 Irish MPs elected under the banner of the Home Rule League. He was soon pushed aside by the far more ruthless Charles Stewart Parnell, who set the tactics that the Irish Party was to follow from 1880 to 1918. It quickly secured every seat in Catholic Ireland – never fewer than 80, with the bonus of the Liverpool Scotland constituency from 1885 onward. It had no interest in forming a coalition with either main UK party. The Irish Party's sole legislative demand was for home rule (which as it was then conceived of would actually have

involved much more modest powers than Scotland already has today), and it was willing to obstruct Commons business to get its way.

In 1885 Parnell realised that his party would hold the balance of power in a close election. He entered into negotiations with Lord Carnarvon, an envoy of the Conservative leader Lord Salisbury. The outcome of these negotiations was that, in return for a promise to introduce some form of home rule, Parnell asked Irish voters in the rest of the UK to vote Conservative in the 1885 election, which resulted in a hung parliament with Salisbury as prime minister.

### *The Liberal embrace*

Salisbury immediately double-crossed Carnarvon and Parnell, repudiating their agreement. His reasons were probably mostly ideological, but also reflected the interests of the landed class. A more far-sighted Conservative would perhaps have granted home rule, with some fiscal autonomy and a reduction in the number of Irish MPs at Westminster – that is, the very deal that Conservative and SNP negotiators might be able to reach in 2015. Salisbury suffered no immediate consequences from his betrayal, as it was immediately masked by an even bigger blunder. Herbert Gladstone, son of the Liberal leader, leaked to the papers the news that his father had been converted to home rule. This allowed Salisbury to resign without news of his double-cross leaking out. It made Parnell's manoeuvre look futile, and tied the Irish Party to supporting the Liberals from then on. However, it was a fatal embrace. William Gladstone formed governments in 1886 and 1892. His successors, Henry Campbell-Bannerman and Herbert Asquith, formed Liberal governments in 1905, 1906, and twice in 1910. The only time that the Liberals had a majority on their own was between the general elections of 1906 and January 1910. For all the other periods of left government (1886, 1892–95, and from January 1910 until the formation of the first wartime coalition in 1915), the government's Commons majority depended on the Irish Party. It never depended on the Labour party, which was also an ally, but an inessential ally – it could neither make nor break a Liberal-led government. The Irish Party, on the other hand, could do both, and thus could insist on home rule.

Why, then, did it not get it? In 1886, there was no Commons majority in favour of home rule. Gladstone was deserted by 93 Liberals, who outvoted the Irish Party to defeat the first home rule bill. There were Commons majorities for home rule in 1893 and in 1912–14, when the second and third home rule bills were presented. However, the House of Lords was inflexibly opposed. It had a larger-than-usual inbuilt Conservative majority, because Whig landowners, often with Irish holdings, had been crossing the floor to such an extent that the Lords rejected the 1893 bill by 419 votes to 41. (A curiosity, in both 1893 and 1912–14, was the fact that English bishops in the House of Lords voted en masse against home rule: the Protestant Church of Ireland had already been disestablished, so one might have expected them to abstain.) In recognition of the fact that Ireland's customs duties were still dealt with at Westminster, Gladstone's subsequent bills included continued Irish representation at Westminster, reduced by one third. Gladstone had tried and failed to find a way of distinguishing Irish and 'imperial' matters in the

Westminster parliament so that they could be dealt with separately, with Irish members 'in' for some and 'out' for other votes. (In a note to himself Gladstone described the task as 'beyond the wit of man'.) This proposal was carried forward into the home rule legislation of 1914 and arrangements for Northern Irish representation at Westminster from 1923, and has subsequently been labelled a 'devolution discount'.

### *The Parliament Act and home rule*

Between 1906 and 1909 the Liberals were able to govern without Irish votes, and home rule made no progress. A constitutional crisis then began with the Lords' rejection of the 1909 budget. This forced an immediate general election in January of the following year, in which the Irish Party once again held the balance. The Liberals' first objective was to enact a Parliament Act to remove the Lords' veto power. This required another general election, because the king refused to create the necessary Liberal peers unless one was held. The election of December 1910 yielded the exact same result, in aggregate, as the previous one, with the Irish Party again decisive, and the Labour party again a dummy player.

The Parliament Act was passed in the summer of 1911. The mere threat of creating Liberal peers to pass it was sufficient: no actual peers were created. So the unelected house remained as bitter towards the elected government as ever. By this time, the character of the unionists (Conservatives and their allies) had changed to become less the party of Irish landowners that they had been historically, and more the party of Ulster Protestant rejection of home rule ('Home Rule means Rome Rule').

The Parliament Act provided that a bill, most importantly a home rule bill, would be enacted even if rejected by the Lords, on the condition that it was passed by the Commons in identical form in three successive sessions. This meant that everybody knew that the bill would be presented in 1912, 1913, and 1914, identically every time, and enacted in 1914. The bill as presented in 1912 contained no provision for a Protestant Ulster opt-out; with 20/20 hindsight, it should have done. However, Prime Minister Asquith did not anticipate the spiral of violence that was to follow. It peaked with the Curragh mutiny and Larne gun-running of spring 1914. In the first, army officers in Ireland announced that they would resign rather than obey any orders to protect munitions dumps in Ireland from Protestant paramilitary raids. In the second, the Protestant paramilitaries landed 30,000 German guns and five million ammunition rounds in the Protestant port of Larne. The leader of the Conservative party, Andrew Bonar Law, probably knew of the gun-running plan and may have contributed money towards it. Civil war in Ulster was averted only by the outbreak of World War I. Home rule was enacted, but immediately suspended for the duration of the war. In the post-war election in November 1918, the Irish Party was crushed by Sinn Féin, who refused to sit at Westminster (as their successors continue to do). They constituted themselves as the provisional government of Ireland. After a guerrilla war, the bulk of Ireland became independent in 1921, with the six counties of Northern Ireland remaining in the UK.

So the progressive alliance of 1906 lay in ruins. It is easy to romanticise it, yet the period from 1906 to 1914 was the most important period of left government in the UK until 1945–51 – indeed, in the view of

some historians it was even more important, because Attlee's ministers built on the foundations laid by Asquith, Lloyd George and the young Winston Churchill. The era saw the dawn of progressive income tax, of non-contributory pensions provision, and contributory national insurance, as well as curbs to the power of the landowners in the Lords.

The romantic view sees the Labour and Irish parties as progressive in their own right, sustaining the Liberal governments for policy reasons. This view involves two fallacies. The Labour party was progressive but not powerful; the Irish Party was powerful but not progressive.

The Labour party held too few seats to make or unmake governments. There were huge advances in the interests of the working class: to those listed above should be added immunity from tort actions for trade unions, and payment of salaries to MPs. However, Liberal ministers introduced these measures to *undercut* the Labour party, not to encourage it. They could have succeeded: the trend in by-election results suggests that Labour would have done badly in the 1915 general election.

#### *Historical parallels, lessons and warnings*

The analogy is not perfect, but Labour's position then is reflected by that of the Green party now. If, after May 2015, ministers introduce green policies, it will be to undercut Green party support among the public, not to gain the votes of the few Green MPs expected to be elected to parliament in 2015.

The interests of the Irish Party were the interests of voters in Catholic Ireland. While it is tempting to regard home rule as inherently progressive, it was not. All would depend on how a home rule parliament was governed. Ireland (on both sides of the sectarian divide) was more socially conservative than Britain. The Labour movement was weaker, as was the temperance movement, which most historians regard as part of Edwardian progressivism. The Irish Party initially refused to support the 'people's budget' of 1909 because it increased whisky duties; only when its leaders realised that the budget was a lever with which to defeat the Lords' veto over home rule did the party change sides.

Again, the analogy is imperfect, but the Irish Party's position then is reflected by that of the SNP now. The SNP wants more money for Scotland, just as the Irish Party then wanted more money for Ireland. 'More money' is not an inherently progressive demand: it depends on how the money is used (that is, whether it is spent on 'free' tuition rather than reducing social exclusion, for instance).

Some features of this dire history will not be repeated if the 2015 election leads to a Labour–SNP understanding. There is no equivalent now of the militant Protestantism of Ulster (although the mainly Protestant DUP will bitterly oppose any Labour–SNP understanding, so it is therefore unlikely that they and the SNP can both be brought into the same deal with Labour, or indeed with the Conservatives). The House of Lords does not now represent the landed class, and will be much more cautious with its veto, which now extends for only one session rather than two. However, the Lords will have an anti-government majority, so the possibility of trouble from that

quarter remains. There is little risk that the army and the monarchy will behave as they did in 1914, or that David Cameron's successor as Conservative leader will behave like Bonar Law.

However, in every left government between 1885 and 1918 except the one that served between 1906 and January 1910, unionists held the majority of seats in England. In 1907, when the poet G K Chesterton wrote, 'We are the people of England / That never have spoken yet', he was describing the voicelessness of the poor rather than the voice of English nationalism, yet the lines are often used to express a unionist sentiment. On this issue, the self-appointed leaders of England were, however, anything but silent. The unionists held two contradictory views with equal passion. One was that they, and not the elected government, spoke for England. Any unelected body that could help them block the plans of the government was therefore a legitimate ally, and their means therefore legitimate means. These allies included the unelected Lords, two successive kings, and numerous army officers. The other of these views was that Ireland must forever remain an integral part of the UK. Yet as long as it remained so, it would continue to elect MPs who demanded home rule. The unionists never overcame that contradiction.

Conservative opposition to a possible Labour–SNP grouping in 2015 would of course not take the same form as a century ago, but it will be nonetheless be strongly felt. Furthermore, behind every Conservative MP, and many Labour MPs too, there will be a Ukip challenger who will not hesitate to express that opposition in a more virulent form. The likelihood of a hung parliament, despite the constraints of the Fixed-term Parliaments Act, suggests that another election could be round the corner, so the incentives for English MPs to denounce such an administration and the parties that constitute it will be very strong indeed.

There was a solution for Ireland that Salisbury should have offered in 1885, and which Gladstone initially offered in 1886: remove Irish MPs from Westminster – either all of them, or all but a handful outside the Protestant areas. This highlights both why a Labour–SNP alliance could be dangerous, and why a Conservative–SNP alliance might be unexpectedly seductive. It would give the people of Scotland a nasty shock.

## 6. Conclusion

It is not certain that after 7 May 2015 Alex Salmond will find himself in the position of his hero Charles Stewart Parnell, holding a knife to the throat of Westminster. Even a relatively small swing back towards Labour in Scotland could drastically reduce the potential number of SNP seats. However, if he were to reach this position, the outcome could be paradoxical.

The political risks to Labour of being in office thanks only to nationalists are very real. If they became the largest party, Labour might conclude that – since the SNP say that they will never allow a Tory government – they can manage without making policy concessions and taking on such a toxic partner. Issues might be managed on vote-by-vote basis by a minority government seeking a majority wherever it can. If Labour do not become the largest party, it would be very hard for them to form an administration even if they could produce an overall majority in combination with SNP MPs: the challenges to its legitimacy would be ferocious.

The SNP's increasingly vehement ruling-out of any alliance with the Conservatives is electorally advantageous: the swing voters they hope to attract will envisage a Labour-led UK government as the outcome. However, it would leave the party with no negotiating leverage: why should Labour offer any concessions to a party that has nowhere else to go? Parnell did not make this mistake in 1885, and was able to extract serious concessions from Salisbury. It was only Salisbury's double-dealing that subsequently made the Conservatives an implausible partner. It was this that left the Irish nationalists in the hands of the Liberals, who offered them concessions only when, and for as long as, they needed them.

Today, by contrast, the SNP and the Conservatives objectively have much more in common than either would admit. In the short-term, a Conservative–SNP deal would make possible a UK government that could not be charged with illegitimacy in either England or Scotland. In the long-term, a deal somewhat similar to that offered by Salisbury might be in the partisan interests of both sides. It might start small, trading yet more tax devolution for reduced Westminster influence. However, if its eventual aim were full fiscal autonomy, such a deal would come at the price of significant constitutional risk to the United Kingdom.