

The Importance of the Discovery of North Sea Oil in the Development of the SNP and the Scottish Nationalism

Abstract:

To date, researches are made on the establishment of the Scottish Parliament in 1999. This development in the Scottish nationalist movement had its roots in the post-Second World War especially with the flourish of the Scottish National Party in the 1960s. This study seeks to show to what extent the discovery of North Sea Oil was important in the development of the SNP as well as the Scottish nationalist movement. It also sheds light on the efforts made by the SNP to reach devolution and aims to explain how this discovery represented a turning point in the electoral performance of the party. The latter started its electoral campaign in the beginning of the 1970s

ملخص:

حتى الآن، يتم إجراء الأبحاث بشأن إنشاء البرلمان الاسكتلندي في عام 1999.

تعود جذور هذا التطور في الحركة القومية الاسكتلندية إلى ما بعد الحرب العالمية الثانية خاصة مع ازدهار الحزب الوطني الاسكتلندي في الستينات.

وتسعى هذه الدراسة لإظهار مدى أهمية اكتشاف النفط في بحر الشمال في تطوير الحزب التحرري الاسكتلندي وكذا الحركة التحررية الاسكتلندية. كما يلقي الضوء على الجهود المبذولة من طرف الحزب لتحقيق أيلولة الحكم ويهدف أيضا لشرح كيف يمثل هذا الاكتشاف نقطة تحول في الاداء الانتخابي للحزب، كما بدأ هذا الأخير حملته الانتخابية تحت شعار "انه نطف اسكتلندا".

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Introduction :

The beginning of the 1970s represented a new starting point for the nationalist who were seeking for another chance to achieve their goal. Becoming an organized nationalist movement in the 1960s gave the SNP more strength to push Westminster governments to take the issue of devolution seriously. As a matter of fact, British main political parties started to respond positively to the rise of the Scottish nationalist movement by the late 1960s. However, no practical powers were given to Scots. Therefore, the movement continued its struggle for self-government under the leadership of the Scottish National Party.

Furthermore, early in the decade there were oil discoveries in North Sea which gave the party an important chance that could not be ignored. As a result, the SNP entered elections with the idea of victory in mind. Fighting elections in such an atmosphere provided the SNP with a strong evidence to challenge the British government to make further efforts to devolve more powers to the Scottish Assembly. Oil discoveries along with strong SNP worked together to develop the Scottish Nationalist Movement.

British Political and Economic Crises of the Seventies:

The wider problems facing the British economy had a greatest impact on Scotland. Poor industrial relations and inflation were the two most significant British economic problems encountered north of the border. The reason behind this poor performance was because of the use of traditional industries such as coal, steel, shipbuilding, engineering and, of course, because of the workers high tendency to strikes. However, many of these strikes were initiated at a British level, but what emerges is that Scottish strike activity broadly follows the British pattern. Moreover, there was great fear of job losses in these industries. As a result, " high unemployment rates dominated to the Scottish economic scene and the Scottish figure is 40 percent above the UK average."¹

The other twin problem of British economic performance in this period was inflation. In spite of the government intervention to impose wage restraint and a 'social contract' with the trade unions, it proved impossible to lower the inflation rate. The government started a policy of rising prices that led to demands for higher wages; the increased cost of production was passed on in higher prices, leading once more to demands for higher wages. Consequently, inflation rates were still in increase. Once more, the government tried to cut public investment and decrease the state intervention in economy as an effort to lower inflation; but its efforts were in vain. One thing that both management and workers agreed on, however, was that it was government that was responsible for these economic crises.

The policy of state intervention and nationalisation were no longer used as an effort to overcome the economic crises. As a result, workers started strikes which pushed the government to lay off many of them. At the same time, there was a fuel shortage resulting from the Arab-Israeli War that forced the government to institute the three-day working week. The period was also marked by a number of highly publicised closures

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such as that of Plessey in Glasgow in 1971,² though most jobs were lost as a result and Scottish unemployment rates were in climb. The threat of unemployment was a constant fear that lurked in the Scottish society.

Added to the economic crises, there were political problems when striking miners challenged the Prime Minister Edward Heath to hold an early election. In the light of these events, the Conservatives lost the elections in February 1974 to Labour. In such an atmosphere, the new elected government should make strong decisions to solve such problems to avoid any other challenges from the nationalists. In addition, there were troubles in Northern Ireland as the Irish Republic Army began bombing campaign on the main land.

The SNP Electoral Campaigns on Oil:

It was against this background of mounting crises in British economic and political life that the SNP eventually made its electoral breakthrough. In many respects, the rise of nationalism was the Scottish response to the British crises as Britain was seemed to replace Turkey as ‘the sick man of Europe.’ The rise of the SNP in the mid-seventies was a result of the discovery of oil and the emergence of the third-party politics as a response to the failure of the two main parties to deal with the problems of the British economy. In England this led to the support of the Liberal party as an alternative to the two main parties. Similarly, in Scotland the SNP came across as an alternative.

Moreover, the discovery of oil in the North Sea had an impact on the political fortunes of the nationalist movement. Its discovery came at a time just before the crisis in 1973 when the OPEC cut back oil production, raising prices and triggering a downturn in the world economy. Oil could be presented as “an economic saviour, after massive government intervention had failed to maintain the performance of the Scottish economy relative to that of the rest of the United Kingdom. Contemporary opinion held that the world’s reserves were decreasing and that the oil would become more valuable than gold. Scotland’s black gold was a natural endowment which would make the nation rich.”³ This was a feature of the SNP’s electoral campaign. The historian Richard Finlay described the situation by declaring:

... the slogans ‘it’s Scotland’s Oil’ and ‘Rich Scots or Poor Briton?’ were used to good effect.

Nationalist strategy centred simply on the basic principle that a Scotland which was independent from the rest of the United Kingdom could divorce itself from what appeared to be the endemic problems of poor productivity, bad industrial relations and the rest of the package of what was known as ‘the British Disease’ and lie back and enjoy the spoils of oil revenues.⁴

So, Scots had the idea that an independent Scotland could benefit more from the revenues of its black gold as the British government failed to deliver the social and economic problems. Actually, the emergence of oil into the debate on the fiscal relation between Scotland and England shattered the notion that Scotland was dependent on England for its well-being.

As was stated earlier, the discovery of oil had its impact on Scottish electoral behaviour. Undoubtedly, it was seen as an effective mean to escape from the problems of the British economy. The historian and future nationalist Christopher Harvie believed that there was still enough virtue and merit in the union in 1977 to argue in his book Scotland and Nationalism that: “possibly the most promising option for Scottish politics is that the revenues from oil go to Britain, but that the Scottish legislature be allocated power and cash adequate for a total recasting of Scottish society.”⁵

The idea of nationalism reached its top in the 1970s even if there were great efforts in the period from the Second World War. Nationalist were strong enough to challenge the unity of the UK in that period because of the economic and political crises which dominated Britain for a long time. Despite the great efforts made by the British government to improve the situation, Scots and the SNP saw the strong need for independence to be no longer dependent on England. So, a detailed discussion of the discovery of North Sea Oil and the electoral success of the SNP are as follows after tackling the British economic and political situations.

The SNP victory at Hamilton symbolised the new challenge posed to ‘Britishness’ as a national identity. At the same time, the SNP was transformed from a political party representing the whole Scottish nationalist movement to a force challenging the unity of an established

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nation. As was previously discussed, the decline of the Scottish economy in the post imperial era encouraged the growth of Scottish nationalism and support for the SNP as its political voice. The victory at Hamilton shocked the British political parties. The party's success in Hamilton in 1967 and its growth in the years following were real challenge to the British national identity and ending the consensus that had existed since the union of 1707. Westminster governments saw the need to respond to these developments. That response was "devolution; a plan for shifting of powers away from the centre to Scotland as a means to placate nationalist and others agitating for greater decentralisation."⁶ Thus, devolution emerged as a means of solving the problems of the UK. The focus here will be given to the importance of the discovery of North Sea Oil in the 1970s along with the SNP efforts to push the British governments to respond to the rise of Scottish nationalism.

The 1970s saw an important era for nationalists as they started to secure their position in the political landscape and engaged in challenging British governments through their active voice the SNP. The party had struggled since its existence to become a part of the Scottish political mainstream. The Hamilton by-election in 1967 was an important event in the party's development. Despite the electoral disappointment of 1970 general election, in which the SNP gained 11.4 per cent but one seat,⁷ the party had a considerable impact in both Scottish and British political scene for the rest of the decade as its positions started to improve. The following figure, showing the SNP performance in general election in Scotland since 1959, proved the improvement of the party:

Election	Total SNP Vote	% Share	Candidate	MPs
1959	21.738	0.8	5	0
1964	64.044	2.4	15	0
1966	128.474	5.0	23	0
1970	306.802	11.4	65	1
Feb. 1974	633.180	21.9	70	7
Oct. 1974	839.617	30.4	71	11 ⁸

The results not only put the SNP on the map, but also pushed the British governments to take the issue of self-government seriously. From that time, devolution was a central issue in Scottish politics in the 1970s and

Westminster governments saw the strong need to respond to the SNP's success.

The starting point in the SNP's success was its breakthrough in October 1974 and the appearance of four-party politics in that election. While the Liberals had only twenty-seven candidates, the SNP mustered fifty-nine, contributing to their 11.4 per cent share of the vote, their highest total yet, although they must have hoped for better results.⁹ In addition, most of the votes for the SNP came from Labour and Conservatives because Scots voters were looking for an alternative and were responding to the decline of Britishness as a national identity alongside the Empire. This allowed the party to expand, to field more candidates and thereby to gain credibility by capturing more votes, winning by-elections and council seats. In the light of this development, the SNP saw the strong need to continue its fight to reach its main goal: devolution.

Home rule or devolution is not new but it was until the 1970s that the Scottish National Party began to become a significant political force and also represented a threat for the unity of the United Kingdom. In addition, a more intense feeling about the issue has developed, and more attention has been devoted to it in the British political scene. The major reason behind this development in the devolution debate was growing Scottish discontent with existing political and economic conditions in the UK. In political terms, this dissatisfaction reflects a number of considerations. One was that Scots were not satisfied with the British based Parliament since it devoted less attention to Scottish affairs. Scots also feel the need for an effective voice within the government because they saw that parliament was dominated by English interests rather than theirs.

As a cause of Scottish discontent was the decline of the British economy as a whole. Also involved is something which received more attention from the SNP and the British government than any other factor: the discovery of oil reserves under the North Sea. This was the moment which changed Scottish politics for the rest of the 1970s. It occurred in the summer of 1969 "when the drilling rig The Sea Quest discovered the Montrose oil field 100 miles east of Aberdeen. This would have surprised any political aware Scot in the early 1970s. Optimists predicted an annual gross revenue of £4,000 million, self-sufficiency by 1980."¹⁰

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The SNP had begun researching the oil issue in the 1960s. Some of the motive came from the party's research director and Executive Vice-Chairman Billy Wolfe. He made strong efforts in developing the party's policy and took great interest in economic and industrial matters. The other important figure in the oil issue was Donald Bain, the SNP's research officer, "who has examined the development of oil in Canada and especially its role in fuelling political development in Alberta that derived from its status as an oil-rich province."¹¹ Both of these figures were responsible for researching the oil issue and providing the statistical back-up for the SNP's future arguments over oil.

The reaction of some Scottish nationalists to this discovery was based on the assumption that North Sea oil belongs to Scotland, so that an independent Scotland would have full control of the oil reserves. For example, "in June 1971, the SNP estimated that oil reserves were valued at £200 million, though reported that the oil industry was estimating that £1200 million of reserves would be uncovered each year by the end of the 1970s."¹² The party declared that:

... the discoveries could make a vast difference to our basic standard of living particularly in royalties, etc, are used to prime the pump of Scottish entrepreneurial potential, improve social conditions and protect the environment. It is equally certain that the resources are not sufficient to fulfil anything like as radical a transformation of the UK economy. And there lies the difficulty. If we remain in the UK the benefits of Scottish oil will be marginal.¹³

The party stated clearly that the benefits of North Sea oil went directly to the other parts of the UK and Scotland remained in ignorance. Consequently, oil discoveries gave Scots a new sense of self-confidence and they started to call for control of their country's economy. Their call for self-government was also fuelled by the country's economic difficulties, higher unemployment and a higher cost of living. Thus, Scots saw their country as a victim both of English exploitation as well as of the damaged economy. These reasons gave strength to Scots to call

for control of the North Sea oil. Nonetheless, it is generally agreed that oil has played an important role in the rapid growth of Scottish nationalism generally and of the SNP in particular.

The Scottish National Party launched the 'It's Scotland's Oil' campaign in 1972. The political impact of the issue was aided by the fact that no one but Scots knew the value of this oil in the Scottish economy since Scotland was too poor to be independent, as described by Westminster governments. Now, oil seemed to offer prospects to "employment, cheap petrol and generous pensions in an independent Scotland. At the same time, the party became an electoral threat posed to other political parties. The party's campaign started to give its results in general elections in February and October 1974 in which the SNP achieved seven seats with 22 per cent and then eleven seats with 30 per cent."¹⁴

The goal of launching the oil campaign was publicising the overall value of the oil reserves in the North Sea as well as the positive economic consequences of oil. The oil campaign ran in two phases. The initial one in 1972 sought to publicise the party's assessments of the value of North Sea oil in terms of Tax revenue to the UK or any future Scottish government. Second the SNP was keen to confirm Scottish ownership of the oil and its revenues would come to Scotland to fund economic development. Furthermore, the party was predicting that oil would transform the Scottish economy and reduce unemployment.

However, the SNP had suffered from the absence of by-elections for a long time and thus no early opportunity to exploit the oil issue after the launch of the oil campaign. It was until "March 1973 that the SNP got this opportunity. In this by-election the SNP gained 30.2 per cent of the vote, only 2.5 per cent behind Labour."¹⁵ The party now started to take votes from Labour and Conservative as it reversed the two party politics in the country. Consequently, the party's victory in 1973 by-election paved the way for more victories in two successive by-elections in February and October 1974. Both elections featured SNP success as the party gained more votes which defeated Labour and Conservative simultaneously as the historian Peter Lynch declared: "In February, the SNP gained six seats... The party gained Dundee East and Clackmannan and East Stirlingshire from Labour and Aberdeenshire East, Argyll, Banffshire and Moray and Nairnshire from the Conservatives."¹⁶ The party's performance in February was a positive one not for the increase in its votes, but for the fact that it took votes from both of the main

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parties. These results were extremely encouraging for the nationalist and pushed the main parties to consider their position on devolution.

Indeed, the SNP passed the October 1974 by-election with a constant expectation. The party's increased its votes and continued to take votes from Labour and the Conservative and most particularly the Conservative. As "the SNP gained a further 4 seats at the election in South Angus, Dunbartonshire East, Galloway and Perth and East Perthshire, all from the Conservative."¹⁷ The result gave the party "a total of 11 MPs at Westminster as well as an unprecedented 30.4 per cent of the vote."¹⁸ The victory of the party in two successive by-elections shows that the Scottish nationalist movements now had its own political voice and thus the British governments were pushed to respond to the development of the movement as well as the party. Now, nationalists came to pose a challenge to the British main political parties and to make a real threat to the unity of the whole country.

Moreover, the success of the SNP in this period brought about the prospect of considerable constitutional change. The party now was a national movement rather than simply a political party that pushed the British governments to respond positively on the issue of devolution. At that time, both political parties saw the strong need for tackling the rise of this minority nationalism and were convinced that this movement represented a real threat for the unity of the United Kingdom and they put devolution in their agendas throughout the 1970s.

The growth in nationalist support at parliamentary by-elections was not confined to Scotland. "On 14 July 1966, Labour lost its seat at Carmarthen in a by-election to Gwynfor Evans, the president of the Welsh nationalist party Plaid Cymru. Evans had successfully captured 39% of the vote in this first nationalist victory."¹⁹ This event shocked the Wilson government and as Morgan notes: "it added materially to the feeling that the government was on the run."²⁰

Conclusion:

Oil discovery paved the way for the Scottish nationalist movement for more success in the coming decades and helped the SNP to secure its position in the electoral landscape. The SNP's good performance in elections allowed the party to be a strong political force that could challenge the other British political parties. The party succeeded in its

campaigns in elections to compete the British government and push it to take its goals into consideration. Devolution emerged as government's responses to the success of the SNP and to stop the nationalist attempts for independence.

The SNP's success can be tasted in bringing devolution into the political agenda. On the other hand, North Sea oil played an important role in the development of the Scottish nationalist movement and in bringing the SNP into the political scene. Furthermore, the SNP's good performance in the 1970s elections shows that the Scottish minority nationalism succeeded to challenge the unity of the United Kingdom and 'Britishness' as national identity.

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- ¹⁰ Evan A Cameron. p 294.
- ¹¹ Christopher Harvie. p 122.
- ¹² Peter Lynch. p 125.

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¹³ Peter Lynch. p 123.

¹⁴ Evan A Cameron. p 292.

¹⁵ Hassan, Gerry ed. The Modern SNP: From Protest to Power.
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¹⁶ Peter Lynch. p 128.

¹⁷ Evan A Cameron. p 291.

¹⁸ Peter Lynch. p 130.

¹⁹ Martin Meadows. p 45.

²⁰ Morgan, Kenneth O. ed. The Oxford History of Britain. New York:
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