

The UK general election in February 1974 resulted in the first hung parliament after the Second World War. The result clearly signalled the British two party system is not what it used to be. The people of the United Kingdom was growing dissatisfied with the inability Conservative and Labour governments to tackle the lengthy economic difficulties and other contemporary issues. The dissatisfaction was mirrored by a decline in support for the two main political parties and thereby by an increase of support for third parties, especially the Liberal Party. That is the reason why the Liberal Party enjoyed in this turbulent period from February 1974 general election to 1983 general election a much greater influence on the British politics than at any other point from 1945 to 2010. The aim of this paper is to explore in detail not only the Liberal influence on British politics, but also on British policy and polity. The paper focuses especially on the Lib-Lab pact of 1977-1978, on the birth of the Social Democratic Party and its alliance with the Liberals and on the prospects of the Alliance for the next general election.