HISTORY A LEVEL

The Making of Modern Britain, 1951-2007, 2S

Did Labour build a New Jerusalem 1945-51?

Introduction

So you are considering studying History at A level...

Welcome to the A level History pack preparing you to start your A level History course

This pack contains an outline of half of your A level History course. This includes the structure of the exam, a list of topics to be studied over the 2 years and a useful bank of recommended reading. There is a list of tasks for you to do and a bank of resources (you don't have to use all of these but please make a note of the ones that you do use as a bibliography). You will then choose to complete a power point or essay to answer the following question:

Did Labour build a New Jerusalem 1945-51?

This has been created to prepare you for the academic demands of A level History study.

This activity should be completed in stages throughout the remainder of the summer term and over the summer holidays to ensure you are ready to start your course in September.

AQA AS/A-LEVEL 7041/7042

Component 2- The Making of Modern Britain,1951-2007,2S

What's assessed?

The study in depth of a period of major historical change or development and associated primary evidence.

Assessed

• **AS level**= Written exam: 1 hour 30 minutes • 2 questions (one compulsory) • 50 marks • 50% of AS • 50 minutes on Section A and 40 minutes on Section B	• **A level**= Written exam: 2hours 30 minutes • 3 questions (one compulsory) • 80 marks • 40% of A level • 60 minutes on Section A and 45 minutes on each of the 2 questions in Section B

Questions

- 2 sections
- Section A= 1 compulsory question linked to **primary sources or sources contemporary** to the period (AS=25 A Level=30 marks)
- Section B= AS= 1 from 2 essays= 25 marks or A Level=2 from 3 essays= 2x 25 marks

Assessment objectives for component 2

- **AO1:** Demonstrate, organise and communicate knowledge and understanding to analyse and evaluate the key features related to the periods studied, making substantiated judgements and exploring concepts, as relevant, of cause, consequence, change, continuity, similarity, difference and significance.

- **AO2:** Analyse and evaluate appropriate source material, primary and/or contemporary to the period, within the historical context.

- **AO3: THIS IS NOT APPLICABLE TO COMPONENT 2** (Analyse and evaluate, in relation to the historical context, different ways in which aspects of the past have been interpreted).

Answering source question in Section A

- AS level= **'With reference to these sources and your understanding of the historical context, which of these 2 sources is more valuable in explaining attitudes towards .....?'**
- A level= **'With reference to these sources and your understanding of the historical context, assess the value of these three sources to an historian studying.....'**

Take each source in turn and evaluate the reliability and utility etc. by examining the following:

- Provenance i.e. Who? When? To whom? In what form?
- Argument/content
- Tone/emphasis

AS level requires comparison of sources and an overall judgement. A level does not require an overall judgement!

AQA AS/A-LEVEL 7041/7042

Answering essay/s question in Section B

For example: **'It was the weakness of its own economy that led Britain to apply to join the EEC in 1963'. Assess the validity of this view.**

- Well organised
- Argument delivered effectively
- Well selected supported information
- Precise
- Good understanding of key features, issues and concepts
- Analytical
- **Balanced argument**
- Well substantiated judgement

OUTLINE OF TOPICS - 2S The Making of Modern Britain, 1951–2007

This option provides for the study in depth of the key political, economic, social and international changes which helped to mould Britain in the second half of the 20th century. It explores concepts such as government and opposition, class, social division and cultural change. It encourages students to reflect on Britain's changing place in the world as well as the interrelationship between political policies, economic developments and political survival.

Part one: Building a New Britain, 1951–1979 (AS and A level)

The Affluent Society, 1951–1964 • Conservative governments and reasons for political dominance: Churchill, Eden, Macmillan and Home as political leaders; domestic policies; internal Labour divisions; reasons for Conservatives' fall from power • Economic developments: post-war boom; balance of payments issues and 'stop-go' policies • Social developments: rising living standards; the impact of affluence and consumerism; changing social attitudes and tensions; class and 'the Establishment'; the position of women; attitudes to immigration; racial violence; the emergence of the 'teenager' and youth culture • Foreign relations: EFTA and attempts to join the EEC; relations with and policies towards USA and USSR; debates over the nuclear deterrent; Korean War; Suez; the 'Winds of Change' and decolonisation

The Sixties, 1964–1970 • Wilson and the Labour governments: Wilson's ideology and leadership; economic policies and problems; devaluation; industrial relations; the trade unions; other domestic policies; Labour divisions; the beginning of the 'troubles' in Northern Ireland; the end of post-war consensus; loss of 1970 election • Liberal reforming legislation: private members' bills and the end of capital punishment; divorce reform; the legalisation of abortion; the legalisation of homosexual relations; educational reform • Social and cultural change: the expansion of the mass media; growth in leisure activities; the impact of scientific developments; the reduction in censorship; progress towards female equality; changes in moral attitudes; youth culture and the 'permissive society'; anti-Vietnam war riots; issues of immigration and race • Relations with and policies towards USA, particularly issue of Vietnam; response to world affairs and relations with Europe; decolonisation including 'withdrawal East of Suez' and Rhodesia.

The end of Post-War Consensus, 1970–1979 • Heath's government: Heath as leader; political and economic policies; industrial relations and the miners' strikes; the 'troubles' in Northern Ireland, including the Sunningdale Agreement • Labour governments of Wilson and Callaghan: political, economic and industrial problems and policies; problems of Northern Ireland • Society in the 1970s: progress of feminism; the Sex Discrimination Act; race and immigration; youth; environmentalism • Britain's entry into and relations with Europe; the state of the 'special relationship' with USA; attitudes to USSR and China

Part two: Modern Britain, 1979–2007 (A-level only)

The impact of Thatcherism, 1979–1987 (A-level only) • The Thatcher governments: Thatcher as leader, character and ideology; ministers; support and opposition; electoral success; internal Labour divisions and the formation of the SDP; Northern Ireland and the troubles • Thatcher's economic policies and their impact: monetarism; privatisation; deregulation; issues of inflation, unemployment and economic realignment • Impact of Thatcherism on society: sale of council houses; miners' strike and other industrial disputes; poll tax; extra-parliamentary opposition • Foreign Affairs: the Falklands; the 'special relationship' with USA; moves to end the Cold War; Thatcher as an international figure; attitudes to Europe, including Thatcher's policies; divisions within the Conservative Party over Europe

Towards a new Consensus, 1987–1997 (A-level only) • Fall of Thatcher and her legacy; Major as leader; economic developments, including 'Black Wednesday' and its impact; political sleaze, scandals and satire; political policies; approach to Northern Ireland; Conservative divisions • Realignment of the Labour Party under Kinnock, Smith and Blair; reasons for Labour victory in 1997 • Social issues: the extent of 'social liberalism'; anti-establishment culture; the position of women and race-relations • Foreign affairs: relations with Europe, including the impact of the Single European Act and Maastricht Treaty; interventions in the Balkans; contribution and attitude to the end of the Cold War

The Era of New Labour, 1997–2007 (A-level only)• The Labour governments: Blair as leader, character and ideology; constitutional change; domestic policies; Brown and economic policy; Northern Ireland and the Good Friday Agreement • The Conservative Party: leaders and reason for divisions; reason for electoral failures in 2001 and 2005 • Social issues: workers, women and youth; the extent to which Britain had become a multicultural society • Foreign affairs: attitudes to Europe; the 'special relationship' with USA; military interventions and the 'war on terror'; Britain's position in the world by 2007

AQA AS/A-LEVEL 7041/7042

Key texts for classroom and individual study

- C Rowe, The Making of Modern Britain 1951-2007, Nelson Thornes, 2009
- M Lynch, Britain 1945-2007, Hodder, 2008
- S Waller, A Sixties Social Revolution? British Society 1959-1975, Nelson Thornes, 2008

Useful books for students

- S J Lee, Aspects of British Political History 1914-1995, Routledge, 1998
- N Lowe, Mastering Modern Britain, Palgrave, 1998
- A Marr, A History of Modern Britain, Macmillan, 2007
- A Mayer, Women in Britain 1900-2000, Hodder, 2002
- D Murphy (ed), Britain 1914-2000, Collins, 2000
- M Pearce, British Political History 1867-2000: Democracy and Decline, Routledge, 2001
- C Rowe, Britain 1929-1998, Heinemann, 2004

Reference books

- G Bernstein, The Myth of Decline: The Rise of Britain Since 1945, Pimlico, 2004
- D Childs, Britain Since 1945, Routledge, 1997
- P Clarke, Hope and Glory: Britain 1900-1990, Penguin, 1996
- P Hennessy, The Prime Minister: The Office and its Holders Since 1945, Penguin, 2000
- P Hennessy, Having It So Good: Britain in the Fifties, Macmillan, 2007
- K Jefferys, Finest & Darkest Hours, Atlantic, 2000
- S Jenkins, Thatcher & Sons: A Revolution in Three Acts, Penguin, 2007
- P Johnson, 20th Century Britain: Economic, Social and Cultural Change, Longman, 1994
- A Marwick, The Sixties, OUP, 1998
- D McKittrick & D McVea, Making Sense of the Troubles, Penguin, 2001
- K Morgan, The People's Peace: British History 1945-1990, OUP, 1992
- A Rawnsley, The End of the Party: The Rise and Fall of New Labour, Penguin, 2010
- A Seldon (ed), Blair's Britain 1997-2007, Cambridge, 2007
- D Sandbrook, Never Had It So Good: A History of Britain from Suez to the Beatles, Abacus, 2010
- D Sandbrook, White Heat: A Cultural History of Britain in the Sixties, Abacus, 2009
- N Tiratsoo (ed), From Blitz to Blair, Penguin, 1999
- R Winder, Bloody Foreigners: The Story of Immigration to Britain, Abacus 2004

AQA AS/A-LEVEL 7041/7042

Biographies and first-hand accounts

- A Campbell, The Blair Years: Extracts from the Alastair Campbell Diaries, Arrow, 2008
- J Cole, As It Seemed To Me, Phoenix, 1995
- C Beckett, Thatcher, Haus, 2006
- F Beckett, Harold Macmillan, Haus, 2006
- D MacShane, Edward Heath, Haus, 2006
- J Major, John Major: The Autobiography, Penguin, 2000,
- P Routledge, Harold Wilson, Haus, 2006
- J Sergeant, Maggie: Her Fatal Legacy, Pan, 2005
- M Temple, Tony Blair, Haus, 2006

Visual sources and websites

- Andrew Marr's History of Modern Britain, DVD 2entertain, 2009
- http://www.news.bbc.co.uk/onthisday

TASK

TRANSITION FROM YEAR 11 TO YEAR 12

AQA AS/A-LEVEL 7041/7042

The Making of Modern Britain, 1951-2007, 2S

Read the resources in this pack and make notes on the following:

- What is meant by a New Jerusalem?
- What was the Beveridge Report and its aims?
- How did people in Britain respond to the Beveridge Report?
- What were the problems that the Labour Government were trying to solve?
- What economic problems did Labour inherit and how did they deal with them - 1945-51?
- How successful were Labour's reforms 1945-51?
- How successful was Labour's foreign policy?
- Why did Labour lose in 1951?

Now answer the following question as an essay or power point:

Did Labour build a New Jerusalem 1945-51?

Resources

Did Labour build a New Jerusalem 1945-51?

Section 1: Labour Governments, 1945–1951

Britain in 1945

Revised

In 1945, Britain emerged victorious from the Second World War, but the country had achieved military victory at great cost.

The devastation of war

Debt

Britain had fought much of the Second World War with the aid of loans from the USA. By 1945, Britain owed the USA £4198 million. Debt repayment cost the Government £70 million every day.

Trade and production

Overall, as a result of the war, British **GDP** shrunk by 25 per cent. Britain was also experiencing **balance of payments** problems. Essentially, Britain was spending far more overseas than it was earning from other countries. The balance of payments problems were caused by:

- a decline in British trade – this had shrunk by 66 per cent because of the war
- a decline in the proportion of British industry for overseas markets – as a result of the emphasis on war production only two per cent of British industry was producing goods for export in 1945
- military commitments – Britain's overseas military spending increased by 400 per cent between 1938 and 1946.

Infrastructure

German bombing had destroyed a great deal of Britain's infrastructure. During the war, around 4 million homes were destroyed or damaged, leaving 2.25 million people homeless. Additionally, approximately 20 per cent of schools and hospitals were destroyed or damaged.

Post-war vision

The Second World War was known in Britain as 'The People's War', implying that Britain was fighting for a better future for its entire people.

The Beveridge Report

A vision of a better future was set out in the Beveridge Report (1942). Beveridge's report detailed a plan for a welfare system which would eliminate material poverty. Beveridge proposed a system of social insurance that all working people would pay into, which, in turn, would provide for them when they were unemployed or sick. This system would, Beveridge argued, destroy the 'five giants' of Want, Ignorance, Disease, Squalor and Idleness.

Full employment

Large-scale unemployment was a continual feature of the interwar period. The British economist John Maynard Keynes proposed a new economic approach which he claimed would help governments ensure **full employment**. Keynes argued that governments could stimulate economic growth by spending money and cutting taxes during recessions. Keynes's approach became known as **Keynesianism**.

Education

The first sign of a new Britain emerging from the war was the 1944 Education Act. The Butler Act, named after the Conservative politician Rab Butler, committed the Government to providing free secondary education. The Act set up a **tripartite** system of grammar schools, technical schools and secondary modern schools designed to teach different skills. An exam known as the '11 plus' determined which school students would attend.

Labour's 'New Jerusalem'

During the 1945 election campaign, Labour leader Clement Attlee set out Labour's vision of a **'New Jerusalem'**. His priorities for post-war Britain were to:

- achieve full employment
- address social inequalities by implementing a comprehensive system of social insurance
- nationalise key industries
- resolve Britain's balance of payments problems
- solve the problem of homelessness by building 400,000 new houses a year.

The Labour election victory of 1945

Revised

In 1945, Labour won a landslide election victory. Labour's victory was unexpected for several reasons.

- Winston Churchill, the Conservative Party's leader, had been an extremely popular wartime leader.
- The Conservative Party had a bigger election budget than the Labour Party. On average, Conservative candidates spent £780 on their election campaigns, whereas Labour candidates spent an average of £595.
- The election was based on an out-of-date electoral register which over-represented older voters who tended to support the Conservatives.

Nonetheless, the Labour Party gained an overall majority in the House of Commons.

Party	Percentage of vote in 1945	Seats in Parliament in 1945
Labour	47.8	393
Conservative	39.8	213
Liberal	9	12

The reasons for the Labour landslide

Perceptions of the Conservatives

In spite of Churchill's popularity as a wartime leader, the majority of the public were unenthusiastic about the Conservative Party.

- Voters associated the Conservative Party with the **interwar depression**, believing that interwar Conservative Governments had failed to solve Britain's economic and social problems.
- The Conservatives were unpopular because they had backed the policy of **appeasement** rather than standing up to Hitler in the late 1930s.
- Voters tended to view the Conservatives as a party for, and made up of, the rich and privileged.
- Many older voters blamed the Conservatives for failing to build **'a land fit for heroes'** following the end of the First World War.

Additionally, there were problems with the Conservative's election campaign. There was too much emphasis on 'the Churchill factor', that is, the Conservatives stressed Churchill's personal popularity rather than policies designed to improve Britain following the war. Additionally, some of the Conservative campaign was crude. Voters refused to believe Churchill's accusation that the Labour Party would introduce a secret police force similar to the Gestapo (the Nazi's secret police), or the *Evening Standard*'s headline of May 1945 that Labour leaders 'want to be dictators'.

Perceptions of Labour

The Labour Party benefited from the public desire for change. A 1945 **Gallup poll** showed that 56 per cent of voters wanted extensive change. This helped Labour because voters tended to see the Conservatives as the party of the past and Labour as the party most likely to introduce radical reform.

Labour's manifesto, entitled *Let us Face the Future*, was also closer to the public's desire for a more egalitarian Britain. Opinion polls showed that there was an increasing desire for equality of opportunity (the principle that everyone should have the same chance to succeed) in Britain. Voters tended to believe that the Labour Party was more likely to introduce policies that helped ordinary people rather than protecting the privileges of the rich.

The Labour leadership also won widespread respect during the Second World War, particularly Attlee (wartime Deputy Prime Minister), Herbert Morrison (wartime Home Secretary) and Ernest Bevin (wartime Minister of Labour).

Finally, the Labour Party had a significant electoral advantage. The **First Past the Post** electoral system, and the distribution of Labour's vote meant that Labour needed fewer votes to win each seat than the Conservatives. On average, Conservatives needed around 46,000 votes to win a seat, whereas Labour only needed 30,500 votes.

Labour's social policy

Revised

Clement Attlee's Labour Government created the modern welfare state, and introduced legislation which tried to ensure all citizens were entitled to receive a minimum standard of care.

Social security

Labour attempted to produce a 'national minimum' standard of living through a series of laws, establishing new **economic rights**. The Beveridge Report had proposed many of these (see page 4). They included the following:

- The Family Allowances Act (1945), which provided child benefit for each child, other than the eldest. The wartime coalition Government passed this Act, but it came into force under the Labour Government of 1945–1951.
- The Industrial Injuries Act (1946), which provided financial cover for people who were injured at work.
- The National Insurance Act (1946), which established a **universal system of benefits**, including unemployment benefit, sickness benefit, maternity benefit and a pension. These were funded by compulsory National Insurance contributions made by employers, workers and the Government.
- The National Assistance Act (1948), which abolished the **poor law** and established a **welfare safety net** for all living in poverty such as the long-term homeless, those unable to work due to disability and single parents.

Housing

According to opinion polls in 1945, voters said new housing was top priority. The government passed the New Towns Act of 1946 and the Town and Country Planning Act of 1947, and aimed to build 400,000 new homes every year – although shortages of labour, materials and money meant that only 230,000 homes were built in 1948.

Health and education

The National Health Service Act (1946) established government provision of healthcare, **free at the point of delivery**. It came into effect in July 1948 and brought all existing hospitals run by local authorities and charities together into a national network, the National Health Service (NHS).

Attlee's Government also implemented the Butler Act (1944) (see page 4). In 1947, the Government raised the school leaving age to 15. Labour's Education Secretaries tended to have an elitist attitude to education. They prioritised the needs of grammar schools and neglected the needs of secondary modern schools. Nonetheless, overall the Government recruited 25,000 new teachers and increased spending on education.

The impact of the welfare state

Labour succeeded in establishing a universal right to a minimum standard of living. However, the National Insurance Act provided flat rate benefits that did not account for the cost of living. The benefits provided were often so small that, by 1951, 2.5 million working people had to rely on benefits from the National Assistance Act.

Labour's record on housing was mixed. Attlee did not implement his election promise of establishing a Ministry of Housing. Therefore, on becoming Minister of Health, Aneurin Bevan was responsible for health and housing. Bevan tended to prioritise health reform and neglect housing. By 1951, Attlee's Government had built around 1 million new homes but a 1951 government report showed that 750,000 families were still without adequate housing.

The NHS was highly successful in terms of meeting medical need. In its first year, it employed 18,000 general practitioners (GPs) who wrote 187,000 prescriptions, treated 8.5 million dental patients and distributed 5.25 million pairs of glasses. However, the NHS cost £250 million (double the estimated cost) and therefore Bevan's Cabinet colleagues demanded cuts. As a result, and to fund military action in the Korean War, the Government introduced charges for glasses and dental work to save money.

Labour's economic policy

Revised

Between 1945 and 1951, Labour created a mixed economy. High levels of state ownership and government intervention existed alongside **private enterprise**. Government policy reflected the key priorities of creating full employment and solving Britain's **balance of payments deficit**.

Nationalisation

Labour nationalised the following key industries by 1949:

Date	Act	Industry/service nationalised
1946	Coal Industry Nationalisation Act	Coal mining
1946	Bank of England Act	Bank of England
1947	Transport Act	Railways Road haulage Busses
1947	Electricity Act	Electricity
1948	Gas Act	Gas
1949	Iron and Steel Act	Iron and steel

In essence, the Government bought the industries from their existing owners, paying:

- £164 million for the coal mines
- £1000 million for the rail network
- £540 million for electricity companies
- £265 million for gas companies.

Reasons for nationalisation

Many Labour members felt **nationalisation** achieved the goal of establishing 'the common ownership of the means of production', as set out in clause IV of the Labour constitution. Additionally, Labour leaders hoped to ensure full employment by controlling key industries and the Bank of England. Unions hoped workers would come to control nationalised industries, or at least their rights would be protected.

The dollar crisis

In 1945, Labour faced its first major economic problem. The massive cost of the war left Britain economically dependent on the USA. However, President Truman decided to end US economic aid as he did not want to help fund the new socialist Government. Without US support, Britain faced bankruptcy. Consequently, the new Government was forced to negotiate the Anglo-American Loan. The loan gave the British Government $6000 million. In return, the USA demanded that Britain should make sterling fully **convertible** to dollars by mid-1947. This triggered the dollar crisis of 1947. Anticipating that the price of the pound would decline, foreign countries sold their stocks of sterling. Britain was forced to buy sterling to stabilise the price, which cost £645 million during 1947–1949. In 1949, the Government devalued the pound and, on 18 September 1949, the exchange rate dropped from $1:£4.08 to $1:£2.80.

Austerity

Britain had a large balance of payments deficit from the war. The Government continued wartime austerity measures, such as food rationing, to try to solve this. Rationing goods meant that Britain could import less and export more. Under Stafford Cripps, Labour Chancellor from 1947–1950, post-war rationing was more severe than wartime rationing. For example, in 1946 bread was rationed for the first time. Labour also tried to control imports by agreeing a wage freeze with major trade unions in 1948.

How successful was Labour's economic policy?

Britain's economy certainly grew in the period 1945–1951.

- Between 1945 and 1951, industrial production increased by 33 per cent.
- Between 1948 and 1950, the economy grew by 4 per cent a year.
- Britain's labour productivity reached an all-time high in 1950.
- Between 1945 and 1950, exports increased by 77 per cent.
- By 1948, Britain no longer had a balance of payments deficit.
- Britain's share of world trade grew from 17.5 per cent in 1939 to 20.7 per cent in 1950.
- Full employment was achieved: between 1947 and 1951, unemployment never rose above 300,000.

However, in terms of nationalisation, opportunities were undoubtedly missed. There were very few attempts to reform government-controlled industries, and therefore inefficiencies continued. Furthermore, after spending such large sums on nationalising key industries, the Government had less money available to invest in industrial modernisation.

The role of Clement Attlee and Labour's critics

Revised

Man of the people

Attlee was not a gifted public speaker, and, worse still, sometimes gave speeches without wearing his false teeth. However, he had an ordinariness about him that appealed to working-class voters. As Prime Minister he liked to use public transport where possible. For example, when opening a cinema in London's East End in 1947 he travelled to and from the event by bus. Moreover, Attlee's down-to-earth style helped to make the radicalism of some of the new Government's measures less threatening for many voters.

However, by 1951, Attlee's sensible style was less appealing. Bevan noted that after six years the public had come to associate the Labour Government with 'greyness and dullness'. Attlee represented both.

Attlee and the establishment

Attlee's natural sympathy for the British establishment meant that there were limits to the Government's radicalism. Attlee respected the system of British government and admired George VI. Therefore, he was unwilling to support wide-ranging constitutional reform. For example, in 1950 Attlee refused to be pressured into giving a greater measure of self-government to Scotland.

Additionally, Attlee's rather traditional outlook meant that he failed to recognise the significance of movements in France and Germany towards European integration. Consequently, the Government missed the opportunity of putting Britain at the heart of moves towards the creation of the **European Economic Community**. By contrast, Attlee was committed to retaining close links with the USA and sent troops to support the USA during the Korean War, the first military conflict of the Cold War.

Party unity

Attlee was good at managing the different personalities in his Government. The Cabinet was dominated by Bevan, Cripps and Morrison. Bevan, on the left, was continually pushing for more spending on projects like the NHS. Cripps and Morrison, on the right, wanted to keep control of spending and, after 1948, stopped advocating major reform. From 1945 to 1950, Attlee was able to manage these different visions and ensure a high degree of unity but, by 1951, this became increasingly difficult. Attlee was unable to prevent Bevan's resignation when he stepped down as Minister for Health in protest at the introduction of charges for glasses and dental work.

Criticisms of Attlee

Attlee's Government faced criticism from Labour's supporters on the Left, and from the Conservatives and their supporters on the Right.

Left-wing Labour members were critical of Attlee's approach to nationalisation. They argued that the Government should have placed nationalised industries under workers' control, whereas Attlee left the management of nationalised industries unreformed. The Left was also critical of Attlee's decision to support the USA during the Korean War, arguing that entering the war was extremely expensive and government money would have been better spent on welfare and healthcare.

The Conservatives were critical of some aspects of nationalisation. They opposed the nationalisation of iron and steel. They argued that nationalisation had not significantly improved the coal or transport industry and therefore steel was best left in the **private sector**. The sugar manufacturers Tate and Lyle also ran a successful campaign to stop the nationalisation of the sugar industry. The campaign featured the slogan 'Tate not state' and a cartoon sugar cube called Mr Cube.

Age of austerity?

Revised

This period is often remembered as an age of austerity due to continued food rationing, and the limited availability of consumer goods and leisure opportunities. Nonetheless, by 1951, Britain was seeing the first glimpses of a consumer society.

Standard of living

The working class

The standard of living for most working people improved during the period 1945–1951, through the combination of full employment, increased welfare, low **inflation** and, from 1948, increasing economic growth. By 1950, working class incomes had risen by 9 per cent.

Poverty was also significantly reduced. For example, according to the Rowntree Foundation, an organisation known for its research on poverty and housing in Britain, poverty in York decreased from 17.7 per cent of the population in 1936 to 2.8 per cent in 1950.

The middle class

The middle class benefited less from Labour policies. While some middle-class families benefited from a free grammar school education, which meant they did not have to pay for places at private schools, many felt their standard of living had been hit by the lack of availability of consumer goods, furniture, petrol and cars. Middle class incomes fell by 7 per cent between 1938 and 1950.

Rationing

While rationing continued throughout this period, the restrictions relaxed towards the end. In 1948, the Government used some of the $3000 million it gained in **Marshall Aid** to ensure that rations were maintained at their established level. The Government estimated that without Marshall Aid, rations would have been cut by 33 per cent. In November 1948, the President of the Board of Trade, Harold Wilson, announced the 'bonfire of controls' and abolished the rationing of toys, cutlery and pens. By April 1949, bread, sweets and chocolate were no longer rationed.

Leisure

In spite of Cripp's austerity measures there were some leisure opportunities. Between 1945 and 1951:

- attendance at football and cricket matches reached record numbers
- 1635 million cinema tickets were sold
- half a million people took a holiday at Butlins, a chain of holiday camps across Britain, every year.

The 1948 Local Government Act also permitted local authorities to raise money for public entertainment such as drama, music or dancing.

The Festival of Britain

The Festival of Britain, held throughout the summer of 1951, was a clear attempt to break with austerity. The festival attempted to promote exports by celebrating British design and industry, and was open to the public, giving working people a glimpse of cutting edge design.

The South Bank Exhibition was the centrepiece of the festival. It featured the futuristic Dome of Discovery, the Telecinema (which showed films in 3D) and the first performances of steelpan music in Britain, thanks to Trinidad's All Steel Percussion Orchestra. Exhibitions showed new fashion and interior design ideas. Further down the Thames, at the Festival Pleasure Gardens in Battersea, the festival became a huge funfair. More than 8 million people attended the South Bank Exhibition during the summer of 1951.

A special housing project was built as part of the festival: the Lansbury Estate in Tower Hamlets. This was an attempt to build urban housing designed to support the needs of a modern community. Like the rest of the festival, it was intended to be a window to the future.

For Lily May Lynch, born 2007

1 The Labour Party in Power 1945–51

POINTS TO CONSIDER

The period 1945–51 was one of the most formative in the whole century. Labour came into power with a large majority following an impressive victory in the 1945 election. During the next six years it introduced the welfare state and nationalised a significant part of the industrial economy. In doing so, the Labour government set a pattern that was largely followed by all succeeding governments before 1979. This chapter describes the domestic achievements of Clement Attlee's post-war governments and examines the historical debate over those achievements.

- Labour's victory in 1945
- Clement Attlee and his ministers
- Labour's creation of the welfare state
- Nationalisation
- Labour's economic problems
- Labour's defeat in 1951
- The legacy of the Attlee years

Key dates

1945	Overwhelming election victory for Labour
	Family Allowances Act
1946	National Insurance Act
	Industrial Injuries Act
	Nationalisation of coal, civil aviation, Cable and Wireless, Bank of England
1946–7	A severe winter intensified the government's austerity measures
1947	Government undertook to develop Britain's independent nuclear deterrent
	Nationalisation of road transport and electricity services
	Independence of India
1948	NHS began
	National Assistance Act
	Britain began to receive Marshall Plan aid
1949	Nationalisation of iron and steel
	Government forced to devalue the pound

1950 Start of Korean War
Election reduced Labour majority to five seats
1951 Bevanite rebellion over prescription charges
Election success for Conservatives, but Labour gained highest popular vote yet

1 | Labour's Victory in 1945

Key question
What was the scale of Labour's success in the 1945 election?

The scale of the Labour Party's victory in 1945 surprised even the party itself. It had gained a massive majority of 180 over the Conservatives and one of 148 overall.

Key date
Overwhelming election victory for Labour: 1945

Table 1.1: Election results July 1945

Political party	*No. of votes*	*No. of seats*	*Percentage of vote*
Labour	11,995,152	393	47.8
Conservative	9,988,306	213	39.8
Liberal	2,248,226	12	9.0
Communist	102,780	2	0.4
Others	751,514	20	3.0

In proportional terms, the victory is less impressive; Labour was two per cent short of winning half the total vote, and the opposition parties collectively polled more votes and had a greater percentage of popular support. Despite its overwhelming number of seats, Labour was a minority government. The disparity that the **'first past the post system'** electoral system had produced is evident in the following figures:

- for each seat Labour won, it had polled 30,522 votes
- for each seat the Conservative Party won, it had polled 46,893 votes
- for each seat the Liberal Party won, it had polled 187,352.

However, the observations made above apply to all the governments elected between 1945 and 2005; none of them came to power with the majority of the electorate having voted for them. In all their future election victories, the Conservatives would similarly gain from the inbuilt imbalance of the system which does not operate according to the principle of **proportional representation**. It was only the Liberals who missed out because they could not convert their popular following into seats in Parliament. Political commentators are fond of talking, as in regard to 1945, of landslides and crushing defeats, but these things simply do not happen. What does occur is a marginal shift in a range of closely fought constituencies, sufficient to give the winning party the edge over its opponents.

With that said, it is undeniable that Labour had performed extraordinarily well. In the previous election in 1935, it had gained 37.9 per cent of the overall vote, but had won only 154 seats. In 1945 it gained 10 per cent more of the vote, increased its support by three and half million, and won 393 seats.

Key terms
First past the post system
The candidate with more votes than his nearest rival wins the seat, irrespective of whether he has an overall majority of the votes cast.

Proportional representation
The allocation of seats to parties according to the number of votes they gain overall.

Key question
Why did the Labour Party win a large-scale victory in the 1945 election?

In hindsight, the reasons for this are not difficult to find. Churchill's great popularity as a wartime leader did not carry over into peacetime. In the minds of a good part of the electorate his Conservative Party was associated with the grim **depression** of the 1930s and with the failure either to prevent war or to prepare for it adequately.

In 1945 there was also a widespread feeling in Britain that effective post-war social and economic reconstruction was both vital and deserved, and that the tired old Conservative establishment that had dominated the inter-war years would be incapable of providing it. People could remember clearly how a generation earlier the Lloyd George Coalition and the Conservative governments of the 1920s had failed to deliver the **'land fit for heroes'** that the nation had been promised. It was not so much that Labour won the election as that the Conservatives lost it.

Another important factor was the Conservatives' poor electioneering. Confident of victory, Churchill misread the mood of the nation. On one notorious occasion he suggested that the Labour Party's proposed reform programme would require 'a ***Gestapo***' to enforce it. He also failed to appreciate the reputation that had been gained by the leading Labour figures who had served in his own wartime Coalition. The ministerial record of such men as Attlee, Cripps, Bevin, Dalton and Morrison had destroyed any doubts there might have been about their ability or loyalty.

It used to be claimed that the size of Labour's victory was due to the pro-Labour teaching in the education services of the armed forces. The argument was that the teachers conscripted into the education corps during the war were predominantly left-wing and gave slanted talks and instruction in the classes they put on for the troops. When the soldiers cast their vote in the election, therefore, they had already been indoctrinated into supporting Labour.

It is a difficult claim to sustain. Even if one could know precisely how the armed services voted, it would still not be possible to know their motives. The personnel in education may indeed have leaned to the left, but to ascribe Labour's victory to their efforts would be an exaggeration. What is more likely to have had an impact on voters' attitudes was the work of the government's wartime propaganda department. The documentary films that it put on regularly in the cinemas were not simply anti-German. A recurring theme was the need for the people to look beyond the war and think in terms of acting together to reconstruct a better nation. Such films were not overtly supportive of the Labour Party, and were probably not deliberately intended to be, but their message was much more in tune with the ideas of Labour than any of the other parties.

Key terms
Depression
The period of industrial decline that had witnessed high unemployment and social distress in many areas of Britain in the 1930s.

'Land fit for heroes'
Term used by Lloyd George's wartime government of 1916–18 when promising to reward the British people for their heroic efforts.

Gestapo
The notorious Nazi secret police that had terrorised Germany under Adolf Hitler, between 1933 and 1945.

Reasons for Labour's large-scale victory in 1945

Conservative handicaps

- A broad feeling that the inter-war governments which had been largely dominated by the Conservatives had not understood the needs of ordinary people.
- Churchill's inability to carry his wartime popularity into peacetime. While he was deeply admired for his wartime leadership, Churchill was unable to convince the British people that he could be relied upon as a domestic politician in peacetime.
- The inability of Conservative politicians to manage the economy and deal with unemployment during the 1930s.
- The inglorious **appeasement** policy of the Conservative-dominated National Government that had failed to prevent war occurring.
- The memories of the failure of the inter-war governments to provide 'a land fit for heroes'.
- The Conservative Party's ill-judged and unconvincing election campaign.

Labour's advantages

- The attractive image of the Labour Party as representing the progressive ***zeitgeist*** that encouraged reform and reconstruction.
- Even the Conservatives had accepted the need for post-war construction, but the general view was that Labour was better fitted to carry it out.
- The leading Labour figures had gained invaluable experience as ministers in the wartime Coalition and had gained the respect of the electorate.
- A willingness among voters to overlook Labour's own failings in 1924 and 1929–31 or to put them down to Labour's difficulties as a minority government.
- In 1945 the imbalance in the electoral system worked in Labour's favour.

The leading members of Attlee's governments

In forming his government, Clement Attlee could call on the services of a remarkable set of politicians, most of whom had already proved themselves in public office as loyal and successful members of Churchill's wartime Coalition.

Ernest Bevin

Bevin ranks alongside Churchill and Attlee as one of the most influential British statesman of the age. Between the wars, as a right-wing Labour Party member and trade unionist, he fought against the Communist infiltration of the unions and the party. He held ministerial office continuously for over 10 years after 1940, playing a critical role as Minister of Labour under Churchill in organising the war effort. As Foreign Secretary between 1945 and 1950, in a critical period of **Cold War** diplomacy, he established the basic lines of British foreign policy for the next half century. His pro-American and anti-Soviet stance was the essential position adopted by Britain throughout the Cold War.

Key terms

Appeasement
The policy followed by the British government between 1935 and 1939 of trying to avoid war by accepting German and Italian territorial demands.

Zeitgeist
Spirit of the times, i.e. the dominant prevailing attitude.

Cold War
The period of strained relations over the period 1945–91 between the Soviet Union and its allies and the Western nations led by the USA.

Key question
What qualities distinguished the members of Attlee's government?

Key term

Austerity
Describes the hard times the British experienced in the late 1940s. In addition to the restrictions and rationing imposed on them, people had to endure a particularly severe winter in 1946–7 which exhausted coal stocks and led to fuel shortages and regular and dispiriting cuts in domestic and industrial electricity supplies.

Stafford Cripps

Cripps was regarded as the most intellectually gifted member of Attlee's government. His strong pro-Communist leanings became more acceptable after the USSR entered the war in 1941. He took the post of Minister of Aircraft Production between 1942 and 1945. Cripps was sent on special missions to India in 1942 and 1946 and helped prepare the way to Indian independence (see page 22). His lean features and joyless manner seemed perfectly fitted to his role as Chancellor of the Exchequer during the period of **austerity** after 1947, calling on the nation to make sacrifices and put up with shortages and restrictions. In an unfortunate, but not altogether inappropriate, slip of the tongue, a BBC radio announcer once introduced him as 'Sir Stifford Craps'.

Herbert Morrison

Morrison served with distinction as Home Secretary throughout the war and showed the same dedication as Attlee's second in command after 1945. However, at a personal level Morrison was not an easy man to get on with. He had a running feud with Aneurin Bevan, whose left-wing views he regarded as dangerous. Morrison also clashed with Ernest Bevin. On hearing someone describe Morrison as being his own worst enemy, Bevin growled, 'Not while I'm alive, he ain't.' Having lost to Attlee in the leadership election in 1935, Morrison seemed to be permanently sidelined within the party. He served as Deputy Prime Minister between 1945 and 1951 and, after a brief spell as Foreign Secretary in 1951, as deputy leader of the party between 1951 and 1955.

Key date

A severe winter intensified the government's austerity measures: 1946–7

Hugh Dalton

Dalton had been Minister of Economic Warfare and President of the Board of Trade under Churchill. He made a major contribution to the planning of Labour's nationalisation programme. A loud, self-opinionated academic whom Attlee tolerated only because of his talents, Dalton had to resign as Chancellor of the Exchequer in 1947 after incautiously leaking some of his budget plans.

Aneurin Bevan

Bevan was the dominant figure on the left of the Labour Party in Attlee's time. He came from a Welsh mining background and represented the Ebbw Vale constituency continuously from 1929 to his death in 1960. Like Churchill, he overcame a speech impediment to become an outstanding parliamentary orator. His greatest achievement as a minister was the creation of the National Health Service (NHS), which came into operation in 1948 (see page 12). He was defeated for the leadership of the party after Attlee's retirement in 1955 by Hugh Gaitskell.

History now suggests that Attlee himself may be regarded as the outstanding figure in his government.

Profile: Clement Attlee 1883–1967

1883	–	Born in London into a comfortable middle-class family
1901–4	–	Studied law at Oxford
1907	–	Became the manager of a boys' settlement in London's East End
1914–18	–	Served as an officer in the First World War
1919	–	Became Mayor of Stepney
1922	–	Elected Labour MP for Limehouse
1930–1	–	Served in Ramsay MacDonald's Labour government
1935–55	–	Leader of the Labour Party
1940–5	–	Deputy Prime Minister in Churchill's wartime Coalition government
1945–51	–	Prime Minister
1955	–	Retired as Labour leader and went to the House of Lords
1967	–	Died

In his own time and for years afterwards, Clement Attlee tended to be underrated. He suffered by comparison with Winston Churchill. Attlee's unprepossessing physical presence and limited skills as a public speaker did not create the grand image.

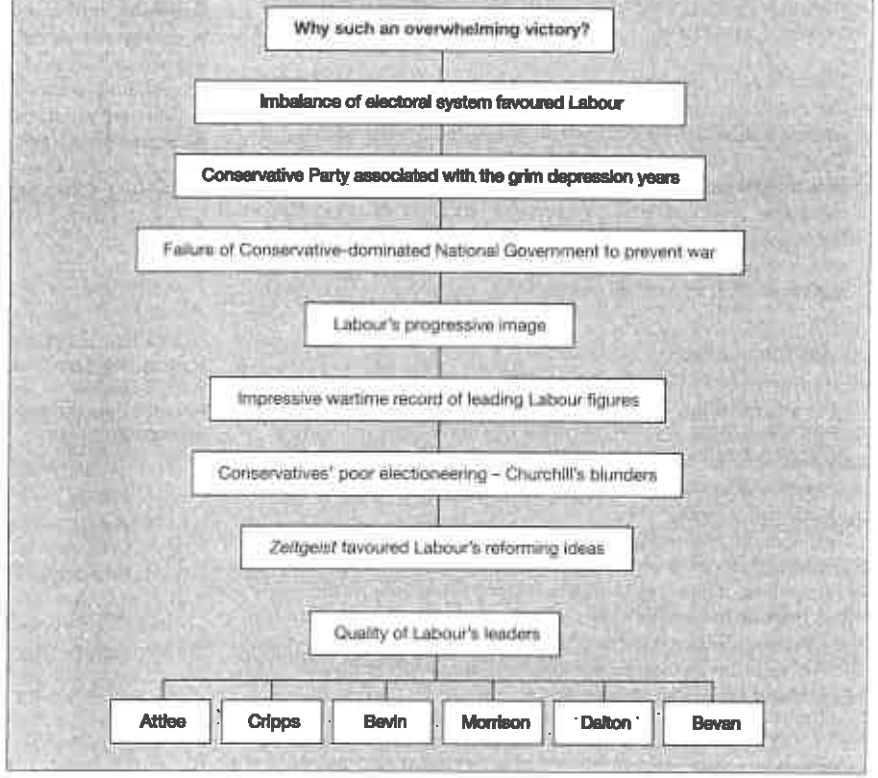
However, in the 1970s, Attlee began to be reassessed. Stress was laid upon his skill in surviving six years of one of the most difficult periods of twentieth-century government. Nor was it merely survival. His record as Prime Minister was truly remarkable. Nationalisation, the welfare state, NATO, Indian independence: these were the striking successes of this unassuming man. His ordinariness was, indeed, a positive virtue in that he came to typify the very people whose well-being he did so much to advance. Attlee's achievements would have been impressive at any time, but when it is appreciated that they were accomplished in a post-war period dominated by the most demanding of domestic and international crises they appear even more striking.

In an interview in 1960, Attlee summed up his own practical, down-to-earth style of conducting government business:

> A Prime Minister has to know when to ask for an opinion. He can't always stop ministers offering theirs; you always have some people who'll talk on everything. But he can make sure to extract the opinion of those he wants when he needs them. The job of the Prime Minister is to get the general feeling – collect the voices. And then, when everything reasonable has been said, to get on with the job and say. 'Well, I think the decision of the Cabinet is this, that or the other. Any objections?' Usually there aren't.
>
> (*A Prime Minister on Prime Ministers* by Harold Wilson, 1977)

Stories are often told of Churchill's withering comments on Attlee's lack of personality. The stories are apocryphal; Churchill always denied them. Despite their party differences, Churchill had the deepest respect for the talent and integrity of the man who had been his committed and loyal wartime deputy, describing him as 'a gallant English gentleman'.

Summary diagram: Labour's victory in 1945



Key question
How had the Beveridge Report prepared the ground for Labour's introduction of the welfare state?

2 | Labour's Creation of the Welfare State

The Beveridge Report

In late 1940, although Britain was in the throes of a war that it was not certain of winning, Winston Churchill had asked his officials to consider the preliminary steps that ought to be taken towards post-war reorganisation. The outcome was the setting up in June 1941 of an Interdepartmental Committee to study the existing schemes of social insurance and make recommendations for their improvement. **William Beveridge** (see page 8) was appointed Chairman of this Committee of senior civil servants. Taking his remit very seriously, Beveridge immersed himself totally in his work. His role in the drafting of the Report containing the Committee's proposals was so central that it was considered appropriate that he alone should sign the document which bore his name and which was presented to the House of Commons in November 1942.

The Report has come to be regarded as singly the most significant social policy document of the twentieth century. The following is a key passage expressing the vision that inspired Beveridge's proposals:

> This is first and foremost a plan of insurance – of giving, in return for contributions, benefits up to a subsistence level, as of right and without means test, so that individuals may build freely upon it. Organisation of social insurance should be treated as one part only of a comprehensive policy of social progress. Social insurance fully developed may provide income security; it is an attack upon Want. But Want is only one of five giants on the road of reconstruction, and in some ways the easiest to attack. The others are Disease, Ignorance, Squalor and Idleness.

Key figure

William Beveridge 1879–1963
Beveridge had a long experience as a civil servant specialising in social security provision that dated back to the Liberal welfare reforms of 1908–14; he was a Liberal MP 1944–5.

Beveridge's aims

Beveridge aimed at the abolition of material want. He believed that it was possible to establish a national minimum level of welfare without recourse to extreme methods. He proposed a universal scheme of insurance which would provide protection against the distress that invariably accompanied sickness, injury and unemployment.

Additionally, there would be grants to ease the financial hardships that came with maternity, parenthood and bereavement. The term 'protection from the cradle to the grave', although not Beveridge's own, was an appropriate description of the envisaged scale of welfare provision. The plan was to replace the current unsystematic pattern of welfare with a centrally funded and regulated system. Since it would be based on insurance, it would avoid being associated with the hated **means test**.

Key question
What were the Report's basic social principles?

A 1944 *Daily Herald* newspaper cartoon, welcoming the Beveridge Report, but suggesting that, like the proverbial curate's egg, it might be good only in parts. Why should the *Daily Herald*, a pro-Labour newspaper, have had reservations about the Beveridge plan?

Key terms

Means test
In the pre-war period, to qualify for dole or relief, individuals or families had to give precise details of all the money they had coming in.

'Five giants'
A representation of the major ills afflicting post-war Britain. *Want*, to be ended by national insurance. *Disease*, to be ended by a comprehensive health service. *Ignorance*, to be ended by an effective education system. *Squalor*, to be ended by slum clearance and rehousing. *Idleness*, to be ended by full employment.

Insurance was to form the base with welfare organisations providing the superstructure. Beveridge's **'five giants'** to be defeated on the road to reconstruction were a figurative representation of the major ills afflicting society.

Beveridge's scheme pointed toward 'the welfare state', a term which pre-dated the Report by some 10 years but which began to be widely used during the war years. Hardly any of Beveridge's proposals were new. What made them significant in 1942 was their integration into a comprehensive scheme. Beveridge had laid the theoretical foundations for all subsequent developments in the field of social-welfare provision.

Beveridge proposed to take the best aspects of the existing welfare systems and integrate them into a universal plan. It was no mere coincidence that as a younger man Beveridge had been directly involved in the introduction of the social service programme when, between 1908 and 1914, the Liberal government of the day had introduced a set of important social reforms that included the introduction of old-age pensions and national insurance.

In his proposals Beveridge, true to his Liberal background, insisted on the principle of insurance. He specifically denied that his plan aimed at 'giving everybody something for nothing'. Freedom from want could not be 'forced on or given to a democracy'; it had to be desired by the people. Beveridge stressed that a good society depended not on the state but on the individual. He spoke of the retention of 'personal responsibilities'. Individuals would be encouraged to save as private citizens. These ideas were very much in the Liberal tradition, as was his belief that his proposals would not involve an increase in government expenditure.

'Beveridge's five giants'. What was the cartoonist's view of the problems facing Beveridge?

As a good Liberal, Beveridge at every point assumed the continuation of **capitalism**. The political movement called socialism can be defined in various ways, but one attitude common to all its forms is a conviction that the capitalist system is exploitative and unjust and, therefore ultimately indefensible. Throughout the Beveridge Report there is an essential understanding that post-war welfare reform will take place within the framework of continuing capitalism. It is for that reason that historically the Report has to be seen as belonging to the mainstream of liberal rather than socialist thinking and planning.

William Beveridge stood as a Liberal candidate in the 1945 election, hoping to retain the seat he had won a year earlier. But his defeat meant that he was unable to oversee the progress of his plan through Parliament. Nevertheless the introduction of the welfare state by Attlee's government between 1945 and 1951 (see page 11) was both a fulfilment of the Beveridge plan and a fitting tribute to its creator.

Labour's welfare programme

When Beveridge's Report first appeared it met an eager response from the Labour Party. But the fact was all the parties accepted the Report's basic objectives. There was broad agreement that social reconstruction would be a post-war necessity in Britain. This showed how much ground had been made in Britain by the principle of **collectivism**. This in turn was evidence of the influence of the moderate socialism that the Labour Party espoused. Yet Churchill did not regard the Report as socialist; his reluctance to put the Report into practice was on the grounds of cost rather than principle. It is noteworthy that the Labour members of his War Cabinet supported him in 1942 and 1943 in defeating Commons motions demanding legislation to implement the Report.

However, in office after 1945 with a massive majority, Labour turned its attention to applying the main proposals in the Beveridge Report. Labour's election campaign had promoted the notion that after six years of monumental effort the people were entitled to a just reward. It would also be a fitting recompense for the sufferings of the nation during the depression of the inter-war years. The Beveridge plan had provided the new government with its blueprint for social reconstruction.

The Labour government's strategy for an integrated social-welfare system took the form of four major measures, which came into effect in the summer of 1948. In a Prime Ministerial broadcast on the 4 July 1948, the eve of the introduction of the measures, Attlee explained in plain terms the intention behind them:

> The four Acts which come into force tomorrow – National Insurance, Industrial Injuries, National Assistance and the National Health Service – represent the main body of the army of social security. They are comprehensive and available to every citizen. They give security to all members of the family.

Key question
What were the main features of the welfare state as introduced under Attlee?

Key terms

Capitalism
The predominant economic system in the Western world by which individuals and companies trade and invest for private profit.

Collectivism
The people and the state acting together with a common sense of purpose, which necessarily meant a restriction on individual rights.

The main features of the measures to which Attlee referred were:

- The National Insurance Act created a system of universal and compulsory government–employer–employee contributions to a central fund from which would come payments when needed for unemployment, sickness, maternity expenses, widowhood and retirement.
- The Industrial Injuries Act provided cover for accidents occurring in the workplace.
- The National Health Service Act brought the whole population, regardless of status or income, into a scheme of free medical and hospital treatment. Drug prescriptions, dental and optical care were included. Under the Act the existing voluntary and local authority hospitals were co-ordinated into a single, national system, to be operated at local level by appointed health boards.
- The National Assistance Act complemented National Insurance by establishing National Assistance Boards to deal directly and financially with cases of hardship and poverty.

Key dates

Family Allowances Act: 1945

National Insurance Act and Industrial Injuries Act: 1946

National Assistance Act: 1948

Two other measures need to be added to the four listed by Attlee: the Education Act of 1944 and the Family Allowances Act of 1945. These were introduced before Labour came into office but were implemented by Attlee's government:

- The Education Act 1944 (the Butler Act) was introduced by R.A. Butler, a Conservative, and may be regarded as the first organised attack on one of Beveridge's five giants: ignorance. It provided compulsory free education within a tripartite secondary education system. At the age of 11 years pupils were to take an examination (the '11 plus') to determine whether they were to attend a secondary-grammar (for the academically inclined), a secondary-technical (for the vocationally gifted) or a secondary-modern (for those not suited to either of the former two categories). Selection for the appropriate type of education would be determined by the '11 plus'.
- The Family Allowances Act 1945 provided a weekly payment of five shillings (25p) for every child after the first. The money was paid directly to the mother and did not require a means test.

Key question
How far was the Attlee government's introduction of the welfare state the implementation of socialist principles?

The debate over the principles of the welfare state

The Labour government's implementation of the welfare state has been described as a social revolution. It was certainly an event of major significance, but it is important to see it in context. It was a not a revolution forced on an unwilling people and it was not a revolution that pushed down existing structures. Quite the opposite: it built upon what was already there. Beveridge had, indeed, described his plan as a revolution but he had been keen to stress that it was a British revolution, by which he meant it was not destructive but constructive, and built upon precedent. He said it was 'a natural development from the past'; the nation was ready for such a revolution.

Interestingly, Attlee's government, when introducing the welfare measures, was also careful to point out that, far from representing revolutionary socialism, the welfare state was a responsible act of **social reconstruction**. Ernest Bevin expressed the government's basic view in a speech in the Commons in June 1949:

> From the point of view of what is called the welfare state and social services, I beg the House not to drag this business into a kind of partisan warfare. This so-called welfare state has developed everywhere. The United States is as much a welfare state as we are, only in a different form.

In saying this, Bevin was responding to the criticism of the Conservative opposition who voted against nearly all the major clauses of the various welfare measures. He was hoping to take the question out of the political arena, arguing that the welfare state was not peculiar to Britain. This now looks somewhat naïve; it had become a political issue and the American system at the time bore little relation to the one that Britain was adopting.

Key terms

Social reconstruction Shaping society so as to provide protection and opportunity for all its citizens.

Consensus Common agreement between the parties on major issues.

The welfare state: fulfilment of socialism or liberalism?

Bevin's claim is instructive since it shows that the Labour government was not hell-bent on pursuing revolutionary socialist policies. In the light of such views, it is perhaps best to see Labour's impressive achievement in the field of social services not as an entirely new departure but as the implementation of welfare policies that represented progressive thinking in all parties. Although Churchill and the Conservatives opposed the measures at every turn, subsequent events were to show that this was purely tactical and expedient. All the Conservative governments that were to follow between 1951 and 1997 committed themselves to the preservation and, indeed, the extension of the welfare state in all its main aspects. It is true that the main parties would continually row about how it was funded and how efficiently it was managed, but there was no serious difference between them over the need to keep the welfare state in existence.

It can now be seen that, rather than being the advent of reconstructive socialism, Labour's moves towards a welfare state marked the high point of reforming liberalism. It was very much in the tradition begun by the Liberal governments between 1906 and 1914. Although the Liberal Party by 1945 had ceased to be a major political force, it could be argued that the coming of the welfare state marked the final great triumph of liberalism as a set of ideas. It had set the agenda for the foreseeable future.

Resistance to the introduction of the NHS

Yet when due note has been taken of liberal influence and of the ultimate **consensus** between the parties over welfare, the clear historical fact remains that it was the Labour Party under Attlee that between 1945 and 1951 found the commitment and

consistency of purpose to turn good intentions into workable and permanent structures. This was often, moreover, achieved in the face of determined opposition. One of the most controversial examples of this was the resistance of the British Medical Association (BMA) to the introduction of the National Health Service (NHS). The Act setting up the NHS was passed in 1946 and was intended to come into effect in 1947. However, the resistance of the medical profession meant its introduction was delayed until 1948.

Key date

NHS began: 1948

Professions are notoriously reluctant to put the public first. George Bernard Shaw once memorably described them as 'conspiracies against the people', suggesting that all professions invariably place their members' interests above the needs of the public they supposedly exist to serve. It was certainly the case that the majority of the consultants and GPs, fearing a loss of their privileges and a reduction in their income, initially refused to co-operate with Aneurin Bevan, who as Minister of Health had the task of planning and implementing the NHS. A poll of doctors in March 1948 revealed that, of the 80 per cent of the profession who voted, only 4735 supported the NHS scheme while 40,814 were against it. The doctors' basic objections were:

Key term

GPs General practitioners, family doctors.

- They did not wish to become mere 'salaried civil servants' of the government.
- They feared government interference in doctor–patient relations.
- They were concerned that the regional management boards which would run the NHS would take away their independence as practitioners.
- They saw the proposed NHS as a form of nationalisation (see page 16) which treated the medical profession as if it were an industry.

Although not formally stated, one of the doctors' grievances was Bevan himself. The BMA felt that Attlee had made a mistake in appointing as Minister of Health a man renowned for his aggressive left-wing views, who would make negotiations very difficult. The doctors complained that Bevan looked upon the NHS as a political crusade rather than a practical plan for improving health care. They were able to quote such statements of his as, 'a free health service is pure Socialism and as such it is opposed to the hedonism of capitalist society'. In fairness, however, it should be said that, despite his reputation as a bullying fanatic, Bevan could be utterly charming when he chose. Many of those who opposed his views remarked that in his personal dealings with them he was courteous and understanding.

In the end, Bevan had to buy off the BMA. It was only in return for a guarantee that they would not lose financially and would be allowed to keep their private practices that the doctors eventually agreed to enter the NHS. Bevan remarked bitterly that in order to establish the NHS with its ideal of medical care provided free to all at the point of treatment he had won the doctors over only

by 'stuffing their mouths with gold'. As it finally came into effect in 1948 the NHS had these main features:

- Primary care would be provided by GPs, who would work as independent contractors and be paid for each patient on their books.
- Dentists and opticians, while providing NHS treatment, would continue to operate as private practitioners.
- Hospitals would be run by 14 regional boards, which would appoint local management committees to oversee matters at local level.
- Community services such as maternity care, vaccination and the ambulance service were to be provided by local authorities.
- Medical prescriptions would be provided free of charge.

'It still tastes awful.' 'Matron' Bevan forcing doctors to take the 'nasty' medicine of the NHS. How accurately does the cartoon depict the relationship between the BMA and Aneurin Bevan?

Further particular concessions that Bevan had to make to the BMA's demands included:

- Private practices and hospitals, in which doctors charged their patients fees, were to be allowed to continue, thus enabling GPs to be both NHS and private doctors.
- 'Pay beds' for private fee-paying patients were to be reserved in NHS hospitals.
- Teaching hospitals were to be run by independent governors outside government control.

Regardless of his long and often bitter struggle with the medical profession, Bevan still believed that the NHS would not only solve the nation's major social problems, but also pay for itself. A healthy society would mean far fewer workers being absent. Efficiency and wages would rise. Higher wages would produce higher tax yields. From that increased revenue the state would be able to finance its welfare provision.

Such thinking now seems sadly unrealistic. Bevan declined to listen when he was told that the demand for treatment would outstrip supply and that government revenue would be insufficient to meet the cost of drugs, medical appliances and machinery. This had already begun to happen by the mid-1950s. But he was less culpable in regard to another development that undermined the NHS. He could not know that there would be a major population shift in the second half of the century caused by people living longer and in old age making demands on a service that could be financed only by a dwindling proportion of people of working age who were paying tax. Nor was Bevan aware that his scheme would fall foul of two particular developments: bureaucracy and the 'dandruff syndrome'.

Bureaucracy

From its inception to the present day, the NHS has continued to grow as a supplier of jobs. By the 1980s it had become the largest single employer in Europe. Many of the posts created were managerial and administrative positions which provided handsome incomes for the holders, but were not directly related to treatment for patients. For decades a controversy has continued to rumble on over how the NHS can be reformed so that it can best fulfil its primary task of providing patient care. However, the strong vested interests among its millions of employees have so far thwarted attempts at genuine reform.

The 'dandruff syndrome'

The second problem which Bevan could not foresee was the tendency that affects all systems that are provided to the consumer without charge. Since all medical treatment was free, there was no limit to the number of people entitled to call on the services of doctors and nurses. This led to time and resources being wasted on trivial complaints, e.g. dandruff. The gap

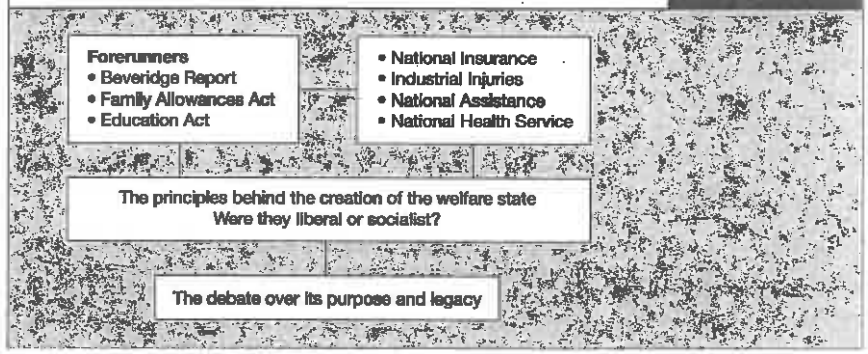
between Bevan's estimation of cost and the reality is clear from these comparative figures:

Year	*Health and Social Security budget*
1949	£597 million (equivalent to 4.7% of GDP)
1990	£91 billion (equivalent to 14% of GDP)

Key term

GDP
Gross domestic product: the annual total value of goods produced and services provided in Britain.

Summary diagram: Labour's creation of the welfare state



3 | The Economy Under Labour 1945–51

Key question
How extensive was the Labour government's restructuring of the economy?

Nationalisation

From its earliest days, the Labour Party had advanced the principle that government had the right to direct the key aspects of the economy in order to create efficiency and social justice. When it came into office with an overwhelming majority in 1945, the times were ripe for it to fulfil its aims. In its election manifesto, *Let us Face the Future*, the party promised to implement an ambitious programme for the **nationalisation** of Britain's major industries. These were specified as:

- fuel and power industries
- iron and steel
- inland transport, which included rail, road and air services.

Key term

Nationalisation
Clause IV of the Labour Party's constitution committed it to achieving 'the common ownership of the means of production, distribution and exchange'. In practice, common ownership or public control meant government control.

The nationalisation programme

Labour's public ownership programme makes impressive reading:

- 1946: coal, civil aviation, Cable and Wireless (a company providing long-distance communications) and the Bank of England
- 1947: road transport and electricity
- 1948: gas
- 1949: iron and steel.

Coal, Britain's most vital industry, yet one which for decades had been subject to disruption and underproduction, was the first earmarked for public ownership. The government considered

Key dates

Nationalisation of coal, civil aviation, Cable and Wireless, Bank of England: 1946

Nationalisation of road transport and electricity services: 1947

Nationalisation of iron and steel: 1949

that the modernisation that this would bring could also be achieved in the gas and electricity undertakings. Nationalisation would bring greater safety, productivity and efficiency, with the result that all the other industries associated with fuel and power production would benefit. It was also reckoned that the ending of private ownership in transport, which would be the prelude to the co-ordination of the road, rail and canal system, would similarly improve the quality of the nation's essential services.

Iron and steel

The odd-man-out in the list of enterprises scheduled for nationalisation was the iron and steel industry. It had in fact been included only because of a Labour conference decision of 1944 that had imposed it on the unwilling Labour leaders. Since steel was the only profit-making industry, it had stout defenders willing to fight against nationalisation. This made the legislation relating to its takeover by the state a fierce battleground.

The key factor here was that nationalisation involved compensating the former owners of the concerns that were taken into public ownership. In a declining industry, coal for example, nationalisation might well be a blessed relief to the owners since it bought them out at a price that cut their losses. However, in a concern that was still profit-making, compensation was a much more difficult issue to resolve. It raised the question of what was a fair settlement, but, more significantly still, it opened up the larger issue of whether the state had the right to overrule the declared objections of the owners and shareholders. It became an argument over justice in a free society.

Opponents of the nationalisation of the steel industry protested on four main grounds:

- it was not a public utility, but a privately owned manufacturing concern
- it was successfully run and making profits
- large investments had recently been made into it
- it had an excellent record of employer–employee relations.

Conservative resistance

The row over iron and steel proved a godsend to the Conservatives. They had been badly damaged by their heavy defeat in 1945, and their morale and reputation were low. Now in 1948 the proposal to nationalise steel created a rallying ground for them. Up to that point, the Conservative opposition had offered only token resistance to nationalisation. There was a sense in which the war seemed to have won the argument for state direction. The principle of public ownership itself was rarely discussed; most of the debates were taken up with the dry detail of the methods for making the change and with the levels of compensation. The iron and steel bill changed all that. The Conservatives now had a cause to defend. In the Commons and in the constituencies, they began to launch a series of spirited onslaughts on the nationalisation programme as an abuse of government power.

Government victory over iron and steel

However, in the end the government was able to push through the nationalisation of iron and steel in 1950. The path to success was greatly eased by the passing of the **Parliamentary Reform Act of 1949**, a measure which effectively prevented the Conservatives from using their majority in the House of Lords to block the steel bill. This allowed nationalisation to become law before the scheduled end of the Labour term in office in 1950.

Keynesianism

Every so often a particular financial or economic theory arrives to dominate its time. For most of the period between the late 1940s and the late 1970s, Keynesianism provided the basic frame of reference. John Maynard Keynes (1883–1946), a Cambridge academic and one of the wartime government's chief economic advisers, believed that economic depressions, such as the one that had afflicted the economy in the 1930s, were avoidable if particular steps were taken. His starting point was demand. He calculated that it was a fall in demand for manufactured products that caused industrial economies to slip into recession. If demand could be sustained, decline could be prevented and jobs preserved.

Keynes maintained that the only agency with sufficient power and influence to keep demand at a high enough level was the government itself. He urged, therefore, that:

- The government should use its budgets and revenue powers to raise capital, which it could then reinvest in the economy to keep it at a high level of activity.
- This artificial boost to the economy would lead to genuine recovery and growth. Companies and firms would have full order books and the workers would have jobs and earnings.
- Those earnings would be spent on goods and services with the result that the forces of supply and demand would be stimulated.
- The government should be prepared to abandon the practice of always trying to balance the budget between income and expenditure. It should be willing to run **deficit budgets** in the short term even if this meant borrowing to do so. The government would eventually be able to repay its debts by taxing the companies and workers whose profits and wages would rise considerably in a flourishing economy.

The six years of government-directed war effort, during which Keynes was an influential figure at the Treasury, helped to give strength to his arguments. What is interesting is that although Keynes thought in terms of limited government action, it was the notion of government being an *essential* part of economic planning that become widely accepted. This new conviction had the effect of giving added legitimacy and justification to the economic reform programme followed by Clement Attlee's Labour governments after 1945.

Key question
According to Keynes, what role should government play in the economy?

Key terms

Parliamentary Reform Act of 1949
First introduced in 1947, this measure, which became law in 1949, reduced the delaying power of the House of Lords over a Commons' bill to two sessions and one year.

Deficit budgets
Occur when a government spends more than it raises in revenue.

Key question
How did Labour attempt to deal with the financial problems it inherited?

Key terms

Balance of payments
The equilibrium between the cost of imports and the profits from exports. When the cost of imports outweighs the income from exports, financial crisis follows.

Invisible exports
The sale of financial and insurance services to foreign buyers, traditionally one of Britain's major sources of income from abroad.

The government's financial problems

Attlee's government inherited crushing financial difficulties in 1945. By the end of the war Britain carried the following burdens:

- debts of £4198 million
- a **balance of payments** crisis: in the financial year 1945–6, Britain spent £750 million more abroad than it received
- exports of manufactures had dropped by 60 per cent in wartime
- **invisible exports** had shrunk from £248 million in 1938 to £120 million in 1946
- costs of maintaining overseas military commitments had quintupled between 1938 and 1946.

To meet this crisis Hugh Dalton, Chancellor of the Exchequer (1945–7), negotiated a loan of $6000 million from the USA and Canada. The government's hope was that, in accordance with Keynesian theory, the loan would provide the basis of an

'Economic blizzard.' Freezing cold, accompanied by heavy snowfalls, persisted in Britain between January and March 1947, leading to fuel shortages and regular cuts in domestic and industrial electricity supplies. Some four million workers were laid off as a direct result of the weather conditions. Why was the country so poorly prepared for dealing with the situation?

industrial recovery. But such recovery as did occur was never enough to meet expectations.

Part of the problem was that the US dollar was so strong at the end of the war that it dominated international commerce. The consequence was that Britain began to suffer from what was known as the **'dollar gap'**. This drained Britain of a substantial part of the loan it had negotiated while at the same time making it harder to meet the repayments.

What made the situation still worse was that Britain had agreed with the USA, its Cold War ally, to increase its spending on defence from £2.3 billion to £4.7 billion. Despite demobilisation in 1945, Britain, as one of the occupying forces in Europe and as a member of the United Nations Security Council, continued to maintain a large peacetime army. In 1950 this stood at nearly a million men. In addition to the expense this entailed, there was the financial burden Britain had shouldered when Attlee's government in 1948 committed Britain to the development of its own **independent nuclear deterrent**. Ernest Bevin, the Foreign Secretary, declared: 'We've got to have it and it's got to have a bloody Union Jack on it.'

By the late 1940s Britain was spending 14 per cent of its **GNP** on defence. Faced with these burdens, the Labour government's only recourse under Dalton and his successor, Stafford Cripps, was to adopt a policy of austerity. The basic aim was to use rationing and tight economic controls to prevent **inflation**. Such measures, it was hoped, would keep employment high and allow the government to continue with its welfare programme. Controls on imports were imposed to keep dollar spending to a minimum. But this led to further shortages and rationing. In 1949, in an effort to relieve the situation and make British goods easier to sell abroad, the pound sterling was devalued from $4.03 to $2.80.

The government's deflationary policies did not please the trade unions, particularly when they were asked to show restraint in these difficult times and operate a **wage freeze**. There were thinly veiled threats from the government that if the unions did not do this voluntarily, wage restrictions would have to be legally imposed. Despite being the government's natural supporters and the chief provider of Labour Party funds, the unions were not prepared to be docile. As they saw it, a Labour government was in power to provide for the needs of the workers, not involve itself in financial deals which kept the USA happy but left British workers vulnerable. Arthur Deakin, General Secretary of the large and influential **TGWU**, had warned the government in its first year of office that the unions would resist any moves to weaken their members' interests:

> We shall go forward building up our wage claims in conformity with our understanding of the people we are representing. ... Any attempt to interfere with that position would have disastrous consequences.

Key dates

Government committed to develop independent nuclear deterrent: 1947

Government forced to devalue the pound: 1949

Key terms

Dollar gap
Since the pound was weaker than the dollar, the goods that Britain desperately needed from North America had to be paid for in dollars.

Independent nuclear deterrent
In 1947, to the anger of its left wing, the Labour government initiated a research programme that led to the detonation of a British atom bomb in 1952 and a hydrogen bomb in 1957.

GNP
Gross national product. The annual total value of goods produced and services provided by Britain at home and in trade with other countries.

Inflation
A decline in the purchasing power of money, which meant Britain had to spend more dollars to buy its imports.

Key terms

Wage freeze
An undertaking not to press for higher wages until Britain's economy had improved.

TGWU
Transport and General Workers Union.

Key figure

George Marshall
1880–1959
One of America's most distinguished soldier-statesmen of the twentieth century.

Key date

Britain began to receive Marshall Plan aid: 1948

The hard times were made harder by the coinciding of this period of austerity with Labour's creation of the welfare state, which placed further heavy financial burdens on an already strained economy. Yet Britain's financial problems would have been even greater had it not been for the relief provided by the Marshall Plan, which began to operate from 1948.

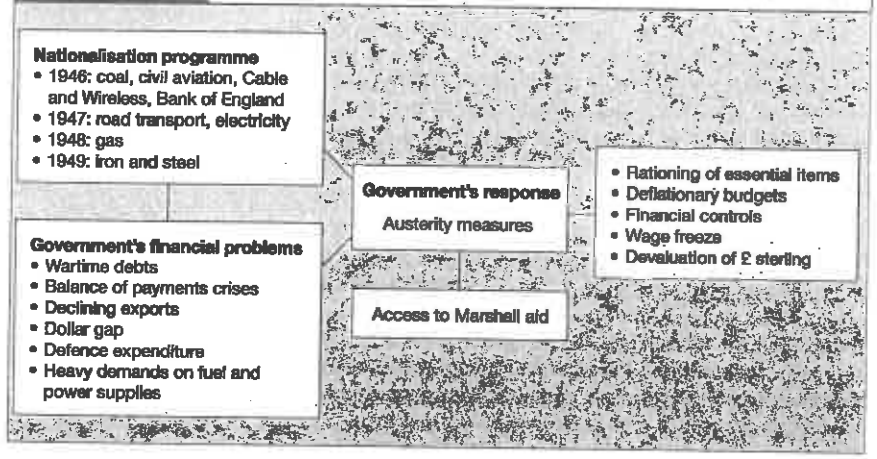
Britain and the Marshall Plan

After 1945, the world's trading nations all experienced severe balance of payments difficulties. Worried that this would destroy international commerce, the USA, the only economy with sufficient resources, adopted a programme in 1947 to provide dollars to any country willing to receive them in return for granting trade concessions to the United States. Whatever America's self-interest may have been, it is difficult to see how Europe could have recovered without a massive inflow of American capital. Under the plan, which bore the name of the US Secretary of State, **George Marshall**, Europe received $15 billion, Britain's share being 10 per cent of that.

The Marshall Plan ranks as one of the major achievements of Ernest Bevin as foreign secretary. It was he who did so much to convince the USA of the necessity of such a plan both for shoring up Europe against the threat of the USSR and for sustaining an international economy, without which the USA would not be able to maintain its strength as the world's greatest industrial power.

Desperate though Britain was for Marshall aid, the left-wing of the Labour Party was frustrated and angered by the government's acceptance of it. For many Labour MPs, the financial arrangement tied Britain to the USA in the relationship of beggar and master and so denied the government any chance of acting independently in the Cold War world.

Summary diagram: The economy under Labour 1945–51



3 Foreign affairs

- *What issues in foreign affairs confronted the Labour government?*
- *Why was foreign policy a divisive issue within the Labour Party?*

The question that confronted Britain after 1945 was what role it should play in the post-war international order. The Labour government's answer came in the form of a range of momentous decisions:

- Britain became one of the **'the big five'** members of the UN Security Council.
- Britain chose to side with the USA in the Cold War divide.
- Britain declined to become formally involved in Europe.
- Britain granted India independence.
- Britain became a nuclear power.

These decisions indicated that Britain, led by a Labour government, had opted to remain a world power. By taking on such heavy burdens, Britain, at a time when it was implementing the welfare state at home, subjected itself to chronic economic strain.

KEY TERMS

The big five USA, USSR, Britain, France and China.

Soviet Union Formed in 1922, the Union of Soviet Socialist Republics (USSR, or Soviet Union) was a single-party Communist state that existed until it was dissolved in 1991.

Labour and the Cold War

In a speech in March 1946 at Fulton in the USA, Winston Churchill gave a dramatic definition to the Cold War in Europe. He spoke of the occupation of large areas of Eastern Europe by the **Soviet Union** as having created an 'iron curtain' running from the Baltic to the Adriatic. To the west of that line lay the democracies; to the east lay the Soviet-dominated countries of Poland, East Germany, Czechoslovakia, Hungary, Romania, Yugoslavia, Albania and Bulgaria. He warned that while the USSR did not want war it did desire 'the fruits of war and the indefinite expansion of their power and doctrines'. It was, therefore, the duty of the Western world, led by the USA, to unite to prevent further Soviet expansion. Although Attlee pointedly declined to comment on Churchill's Fulton speech, there is little doubt that it coincided in its key points with the pro-American, anti-Soviet attitude that the Labour government had adopted.

It was as British statesmen rather than socialists that Attlee and Ernest Bevin, his foreign secretary, approached the problem of Britain's policies in the post-war world. Their intention was to protect British interests, which in the nature of things after 1945 also meant Western interests, in the face of what they regarded as the threat to Europe presented by the Soviet Union. Joseph Stalin, the Soviet leader, had refused to withdraw his forces from the territories of Eastern Europe which they had occupied during the course of the war. Bevin often said that his natural desire was to be neither anti-Soviet nor pro-American, but that Stalin's stubbornness in occupying half of Europe, and threatening the other half, obliged him to be so.

It was in this regard that early in his government Attlee faced a challenge in Parliament over his foreign policy. Interestingly, it came not from the opposition but from within his own party. In 1946 a group of 60 **backbench** Labour MPs, representing the left of the party, introduced an amendment criticising the government for its pro-American stance. Moved by **Richard Crossman**, the amendment called on Attlee's government to co-operate less with the USA and more with the Soviet Union.

Attlee replied by repeating Bevin's claim that the government was not anti-Soviet through prejudice, but simply because the USSR under Stalin was continuing the aggressive, anti-Western approach that had characterised Russian policy since the days of the tsars. This made genuine co-operation with the Soviet Union impossible.

Behind this disagreement between Attlee and the left wing of his party lay a fundamental and lasting difference of opinion as to the real character and purpose of the Labour Party. The mainstream members, typified by Attlee, saw Labour as a radical but non-revolutionary force that was prepared to work within the existing political system to achieve its aim of social reform. In contrast, those on the **Marxist** left believed that Labour's essential role was to work for the replacement of the prevailing capitalist system in Britain with a truly socialist one. They had anticipated that with a Labour Party in power, Anglo-Soviet relations would vastly improve: 'left would understand left'. However, the rapid development of the Cold War after 1945 shattered this hope. Britain found itself siding with the USA against the USSR. The Labour left argued that this was not inevitable; they asserted that, in leaning so heavily on the USA for financial aid, the government was destroying the chance of genuine British independence in international affairs. Desperate though Britain was for Marshall Aid, the left wing of the Labour Party was dismayed by the government's acceptance of it. For many Labour MPs, the financial arrangement tied Britain to the USA in the relationship of beggar and master and so denied the government any chance of acting independently in the post-war world.

Bevin's angry reaction to this was to accuse the left of a total lack of political realism: without the US dollars from the Marshall Aid programme and military support, Britain and Europe could not be sustained. Bevin also angered the left of the party by his contribution to the creation of the **NATO** alliance. Bevin, having played a major role in forming the alliance, then invited the USA to be a member. The USA, which had declared its attitude two years earlier in the **Truman Doctrine**, eagerly accepted the invitation.

The importance of Ernest Bevin as foreign secretary at this critical period was that he established the tradition of post-war British foreign policy: pro-American and anti-Soviet. This was an approach that was to be followed by all the British governments, Labour and Conservative, throughout the existence of the Cold War between 1945 and the early 1990s.

KEY FIGURE

Richard Crossman (1907–74)

Left-wing Labour intellectual who urged the government to follow truly socialist principles.

KEY TERMS

Backbench The area in the House of Commons where MPs sit who hold no official position in the government or opposition.

Marxist The views of Karl Marx, the nineteenth-century revolutionary who believed in the inevitable destruction of capitalism by the workers.

NATO The North Atlantic Treaty Organisation, a defensive alliance formed in 1949 by Britain, France and the Benelux countries as a safeguard against Soviet expansion into Western Europe. The USA became a member by invitation.

Truman Doctrine In 1947 President Truman pledged the USA 'to support free peoples who are resisting attempted subjugation by armed minorities or by outside pressure'. Although he did not mention the Soviet Union by name, he clearly had it in mind as the aggressor. Two particular developments indicated the willingness of the Labour government to support the USA in the growing Cold War: the Berlin Airlift and the Korean War.

The Berlin Airlift 1948–9

At the end of the Second World War, the four Allied powers divided defeated Germany into four separately occupied zones. The eastern zone, which was under Soviet control, included Berlin, which itself was divided into four sectors. The descent of the 'iron curtain' (see page 10) left West Berlin in a very vulnerable position. A hundred miles within East Germany, it was accessible from the West only by the most limited routes. When the Western powers in June 1948 introduced the new German currency (the Deutschmark), already operative in West Germany, into West Berlin, the Soviet Union retaliated by imposing a blockade. This amounted to cutting off all electricity and fuel supplies to West Berlin and closing all road and canal links to West Germany. The aim of the Soviets was to oblige the Western allies to abandon their plans for a separate German state.

The USA and Britain decided to break the siege by a massive airlift of essential supplies, using the narrow air corridors; if the Soviet Union dared to interfere with the planes, it would be an act of war. In a period of 318 days the Western allies maintained the 2.5 million population of West Berlin with 1.25 million tons of food and fuel by an average of over 600 flights per day. The prodigious effort was successful. In May 1949 the Soviet Union ordered the siege to be abandoned.

The Korean War 1950–3

This was the first open conflict of the Cold War. In 1945 Korea, after being liberated from Japanese occupation, was divided between a Communist-dominated north and a US dominated-south. In 1950, northern troops, strongly supported by Chinese Communist forces, invaded the south. (Mao Zedong had led his Chinese Communist Party to power in China in 1949.) South Korea appealed to the UN Security Council for assistance. The USA immediately proposed that a UN force be sent to aid the South Koreans. The Soviet Union had temporarily withdrawn from the Security Council in protest against its refusal to recognise Mao Zedong's People's Republic of China. This enabled the US resolution to be pushed through without the USSR being present to exercise its usual veto. Large numbers of US troops under the UN flag were dispatched to Korea, where bitter fighting causing heavy casualties, particularly on the Chinese side, ensued before a stalemate truce ended the war in 1953. From the first, Britain gave the USA substantial diplomatic and military support. British casualties were 1788 servicemen killed or missing, and 2498 wounded.

Labour and Europe

After 1945 there was a significant movement among the war-weary Western European nations to avoid future conflict by agreeing on mutual co-operation and the establishing of some form of economic and political organisation to link them. This culminated in 1951 with the acceptance of the Schuman Plan. First

introduced by **Robert Schuman** in 1950, this was a scheme for the European nations to pool their most productive resources – coal and steel – in a European Coal and Steel Community (ECSC). Britain deliberately refrained from being involved in this. Not having experienced hostile occupation in wartime and now a nuclear power (see page 14), it was not convinced of the need for a formal European union as a means of preserving peace. Ernest Bevin, believing that Britain's future could best be guaranteed by developing its ties with the USA and the Commonwealth, chose not to attend the preliminary talks and so did not join **the Six** in the signing of the Treaty of Paris in April 1951 which formally set up the ECSC.

When Clement Attlee was asked in the House of Commons in 1950 why his government was not considering joining the Schuman Plan, he replied unequivocally: 'We are not prepared to accept the principle that the most vital economic forces of this country should be handed over to an authority that is utterly undemocratic and is responsible to nobody.' Interestingly, the Conservatives at this time fully shared the Labour government's view on Europe. Harold Macmillan, a Conservative politician, directly echoed the view of Attlee and the trade unions when he declared, also in 1950, that Britain was not prepared to take risks with the British economy by subjecting it to the control of a foreign organisation: 'We will allow no **supranational** authority to put large masses of our people out of work in Durham, in the Midlands, in South Wales and in Scotland.'

Labour and Indian independence 1947

In 1942, Mohandas Gandhi inaugurated the 'Quit India' movement, which openly agitated against British rule. The local police and army remained largely loyal and British control was maintained, although only through increased political repression. The Labour Party, which from its beginnings had condemned colonialism as immoral, came to power in 1945 fully committed to independence for India. The problem was when and how this could be best arranged. The Muslim League, led by Mohammed Jinnah, was increasingly suspicious of the Hindus, represented by the Congress Party and its leader Pandit Nehru. A sizeable Sikh minority was equally apprehensive of being swamped in an independent India.

Eager now to settle 'the Indian problem', the government dispatched Earl Mountbatten as special envoy to negotiate Britain's final withdrawal. After much haggling, the Hindu Congress and Muslim League agreed to the Mountbatten proposals for partition:

- The subcontinent was to be divided into two distinct states: India, overwhelmingly Hindu, and Pakistan and East Pakistan, predominantly Muslim.
- The date for the formal end of British rule was brought forward from 1948 to 1947.

KEY FIGURE

Robert Schuman (1886–1963)
Luxembourg-born, French statesman.

KEY TERMS

The Six France, Germany, Italy and the Benelux countries (Belgium, the Netherlands, Luxembourg).

Supranational
An organisation having power over its individual member states.

Considering the scale of the problem, this compromise was doubtless the best solution that could be arrived at, but how far it was from being a lasting one was soon revealed by the tragedy that ensued. In the same week in which the transfer of power from Britain became law, civil war broke out. Muslim–Hindu–Sikh passions spilled over into desperate acts of mutual violence.

KEY TERM

Decolonisation
The granting of independence by Britain to the majority of its colonies and dependencies.

Whatever the arguments about its timing, the granting of independence was hugely significant. It marked the point at which Britain began to dismantle its empire and set in train a process of **decolonisation** that all subsequent governments would follow.

Britain's independent nuclear deterrent

Ernest Bevin had claimed that if Britain wished to maintain parity with the USA as a world power, it had to have its own nuclear weapon. Referring to the atom bomb, Bevin declared: 'We've got to have it here, whatever it costs, and it's got to have a bloody Union Jack on it.' Attlee fully accepted his foreign secretary's reasoning. In January 1947, he told a secret Cabinet sub-committee that Britain could not allow the USA to have a nuclear monopoly and was, therefore, embarking on a programme for the construction of its own bomb. The research programme was begun in 1947, although this information was not revealed to Parliament or the people at the time of the decision. Britain's first atomic bomb was detonated in 1952 and its hydrogen bomb in 1957.

The adoption of a nuclear weapons programme outraged the Labour left, who were offended both by the decision itself and by the way it had been arrived at in secret with no opportunity given to Labour MPs or party members to discuss the issue. The question of whether the possession of an independent nuclear deterrent was morally defensible or strategically necessary, quite apart from whether Britain could afford it, was to cause deep dissension in the Labour Party for generations.

Summary diagram: Foreign affairs

United Nations
- Britain one of the 'big five' members of the UN Security Council
- Bevin sided with USA against Soviet Union in Cold War

Europe
Government uninterested in joining European supranational body

Left–right internal party rivalry over government policy
- Pro-Americanism
- Decision to develop atomic weapons
- Support of Truman Doctrine

India
Labour fulfilled its pledge to grant Indian independence

Government proactive over:
- Berlin Airlift 1948–9. RAF joined USAAF in supplying Berlin
- Korean War 1950–3. British troops fought as part of UN forces

Independent deterrent
Britain became a nuclear power

4 Labour's defeat 1951

What caused Labour to lose the 1951 election?

In 1951, forced by its financial difficulties to make savings in public expenditure, Attlee's government had imposed charges on medical prescriptions. Aneurin Bevan, the designer of the NHS (see page 5), led a number of ministers in resigning from the Cabinet in protest. Those who followed him in this became known as Bevanites. Their rebellion encouraged other Labour MPs and members of the party to voice their doubts over the direction the government had taken over economic and foreign policy. Such divisions stimulated the Conservatives and gave them ammunition to fight the 1951 election campaign. In the election itself the Conservatives gained a narrow victory.

Table 1.1 Election results in 1951

Party	Votes	Seats	Percentage of vote
Conservative	13,717,538	321	48.0
Labour	13,948,605	295	48.8
Liberal	730,556	6	2.5
Others	198,969	3	0.7

Reasons for Labour's 1951 defeat

While the Bevanite revolt certainly contributed to Labour's problems in 1951, there were a whole set of factors that cumulatively explain the election defeat:

- Attlee's government was worn down by heavy economic and financial difficulties.
- Collectively and individually, the government was exhausted after six troubled years in office.
- A number of its ministers, for example, Attlee himself and Ernest Bevin, had been working continuously in office since 1940.
- Serious divisions had developed between the right and left of the party over economic, welfare and foreign policies.
- There was resentment among some trade unions at Labour's slowness in responding to workers' demands.
- The shrinking in the 1950 election of its large majority made governing difficult and damaged party morale.
- Labour found it difficult to shake off its image as party of rationing and high taxation.
- In their call for the austerity that they claimed the times demanded, leading ministers such as the ascetic Stafford Cripps as chancellor of the exchequer did not present an attractive picture to the electorate.
- Britain's entry into the Korean War in 1950 (see page 12) made Labour's left wing unhappy; it argued that although technically British forces fought as part of a UN force, in reality the Labour government was sheepishly following the USA into a Cold War engagement.

KEY FIGURE

Lord Woolton (1883–1964)

Minister of food in Churchill's wartime government. Minister of reconstruction 1943–5. Conservative Party chairman 1946–55.

Conservative strengths

There were, of course, more positive aspects to the victory of the Conservatives. Their heavy and unexpected defeat in 1945 had left them shell-shocked. However, by the late 1940s their fortunes had begun to improve. Much of this was due to the reorganisation of the party undertaken by **Lord Woolton**, the Conservative Party chairman. It was also at this time that younger Tory MPs, such as R.A. Butler, began to bring new ideas and confidence to the party. The nationalisation issue gave them a cause round which they could rally and on which they could attack the government. Conservative advantages in 1951 can be listed as:

- The Conservatives had begun to recover from the shock of the party's defeat in 1945.
- The 1950 election saw an influx of bright young Conservative MPs eager for battle against a tiring government.
- Under the direction of the dynamic Lord Woolton, 'a cheerful cove' as a colleague put it, the Conservative Party had reformed its finances and constituency organisation and was much better positioned to fight for seats and votes than in 1945.
- The government's nationalisation of iron and steel provided an easy target for opposition attacks.
- Some of the electorate were impressed by the Conservatives' projection of themselves as upholders of liberty and individualism against the deadening hand of state centralisation and collectivism.

The explanation for Attlee's losing office in 1951 is not so much Labour's decline as the Conservatives' recovery. Yet they only just squeezed into power. What benefited them was the Liberal Party's decision to put up only 109 candidates, a drop of 366 compared with 1950. The nearly 2 million ex-Liberal votes that became available went largely to the Conservatives.

The election figures for 1951 reveal one of the oddest aspects of British electoral politics. It is possible for a party to poll more votes than its opponents yet still be defeated. After six years of government Labour had in fact more than held its share of the vote. Remarkably, the 1951 election saw Labour gain the highest aggregate vote ever achieved by any party up to that point. It outnumbered the Conservatives by a quarter of a million and had nearly one per cent more of the vote. The ratio of votes to seats was as follows:

- Labour: 47,283:1
- Conservative: 42,733:1
- Liberal: 121,759:1.

It was clearly not the case that Labour had been thrown out of office by a disillusioned electorate. It was more a matter on this occasion of Labour's being the victim, not the beneficiary, of the imbalance of the British electoral system.

Summary diagram: Labour's defeat 1951

Reasons for Labour's defeat

- Attlee's government was worn down by burdens
- Ministers exhausted after six years in office
- Trade unions' disillusion with Labour's economic policies
- Tight majority after 1950 election made governing difficult
- Labour gained reputation as party of rationing and taxation
- Austerity measures were not popular
- Left vs right internal divisions over foreign policy and NHS

Conservative recovery

- The 1950 election saw an influx of fresh and eager Conservative MPs
- Conservative Party had reformed its finances and organisation
- Its crusade against iron and steel nationalisation had galvanised the party
- Electorate impressed by the Conservatives' resistance to state control

1951 Result a close-run thing – Labour gained more votes than Conservatives

5 The legacy of the Labour governments 1945–51

What was the legacy of the Labour governments?

There is little doubt that the period 1945 and 1951 had been a momentous one:

- Labour had created the welfare state.
- Labour had carried into peacetime the notion of state-directed planning, which had always been one of its socialist objectives.
- In doing so, Labour had established Keynesianism as the basic British approach to economic planning (see page 6).

In its six years of government, the Labour Party had laid down the policies that were followed in all essentials by successive Conservative and Labour administrations during the next 35 years. Until Margaret Thatcher came into power in 1979 and deliberately challenged this consensus (see page 118), there was a broad level of agreement on what the major domestic and foreign issues were and how they were to be handled.

Conservative and Labour strategies were both founded on:

- economic policies based on Keynesian principles of public expenditure and state direction
- welfare policies based on the implementation of the Beveridge Report
- foreign policies based on a pro-American, anti-Soviet stance
- imperial policies based on the principle of independence for Britain's former colonies.

R.A. Butler, a leading Conservative, put the Labour reforms into historical perspective by describing them as 'the greatest social revolution in our history'. What gives particular significance to Butler's words is that the Conservative Party came in all major respects to accept that revolution. The distinctive characteristic of the policies followed by Conservative governments from 1951 was how closely they coincided with those introduced by the Attlee governments. In the words of a modern historian, Dilwyn Porter, 'Attlee's patriotic socialists gave way to Churchill's social patriots'. Just as Labour had moved to the right by accepting capitalism and the mixed economy, so the Conservatives moved to the left by accepting Keynesianism and the managed economy. While in opposition the Conservatives had opposed every nationalisation measure and many of the welfare proposals. Yet, in government themselves after 1951, they fully denationalised only one industry, steel, and built on the welfare programme which they had inherited. Labour could justly claim that it had converted the Conservative Party to the welfare state. This was perhaps one of Attlee's most enduring legacies.

Summary diagram: The legacy of the Labour governments 1945–51

Created the welfare state by implementing Beveridge Report	**Shaped UK's foreign policy** by adopting a pro-American, anti-Soviet approach
Established the notion of state-directed economic and social planning by implementing Keynesianism	**Introduced the principle of independence for Britain's colonies** by granting independence to India

How successful were the Labour Government reforms of 1945-51 in improving social and economic conditions?

From 1945 to 1951, Clement Attlee was prime minister of the Labour Government. He aimed to improve the Social and Economic Conditions. The main aims to improve the social conditions were: to create a fairer society and improve the lives of ordinary people, build on the recommendations of the Beveridge Report, and slay the five giants (Want, Disease, Squalor, Ignorance, and Idleness). The main aims to improve the economic conditions were: fulfilling the Nationalisation programme and reducing unemployment. Labour had to recover from being identified with the failures of the 1930s.

The Beveridge Report of 1942, written by William Beveridge, stated the five giants of evil and need to introduce welfare. Attlee wanted to build on these points. The conservatives wanted to try and find the money to fund this, but Labour found the money to pay for these reforms even with their economic hardship.

The Labour Government passed a variety of welfare and social reforms through parliament, such as the National Insurance Act in 1946 and the National Assistance Act in 1948. The National Insurance Act provided sickness and unemployment benefit, retirement benefit, and widow and maternity benefit: this act covered most eventualities, but it was still crticised because benefits were restricted- many workers were not included in this scheme. The National Assistance Act provided benefits for people who were not covered by the National Insurance Act, but this scheme had the same problem as the National Insurance Act- benefits were set too low; so, many citizens remained below subsistence level. These acts slayed one of the five giants: Want. Want is involved with the needs of the citizens. Britain was already known as a 'welfare society'; although, there were still differences in health and living standards between social classes and regions.

Disease is another giant that was slayed. The National Health Service (NHS) became effective on July 5, 1948. Citizens could receive medical, optical, and dental services for free. It was established by Aneurin Bevan (Minister of Health and Housing). The NHS covered everyone after 1945. Before 1945, healthcare was not free. Setting up the NHS was not easy because Bevan had opposition. His opposition was Conservatives and people who had vested interests in the medical profession. Bevan needed support from the British Medical Association (BMA), but the BMA was against doctors being salaried state employees because they believed that it could weaken their professional status. Bevan had to compromise; he said that consultants were allowed to have private patients and work in the NHS. Doctors would get some of their salary from the state and the rest would come from a fee for each patient treated. The NHS did improve health: the number of infant mortalities and patients with tuberculosis and other diseases had decreased.

Housing was quite successful in a way (Squalor was another giant); many houses were built. 1.5 million Council houses were built and quarter of a million pre-fabricated houses were built. Although, with the amount of houses being destroyed by bombs, not enough houses were built. It was successful because many people were able to move into one of these homes.

Ignorance and Idleness were two of the five giants; ignorance was based around education and idleness was based around employment. Both of these 'giants' were part of the economic conditions. Economic policies also included rationing, loans from the USA, and economic planning. They may have suffered more austerity with food shortages and rationing than during the war.

Ignorance was dealt with by implementing the Education Act from 1944. This act was proposed by the conservatives but implemented by the Labour government. The Education Act made secondary education compulsory until the age of 15. All students had an exam at the age of 11 which decided what school they should attend. If they failed this exam, they were not expected to stay at school after they turned 15; these students were the ones who were expected to get the unskilled jobs. The main focus was on the primary sector due to the baby boom. This act was successful because many students learned about being a skilled worker. The negative side of this act was that this did not give working class children equal opportunities.

The last of the five giants is idleness. Attlee's aim was to create and maintain full employment. Full employment was maintained through the period 1945-51; unemployment did not get higher than four percent. Nationalisation was one way in which unemployment was able to stay low. Improving idleness was very successful during this time period.

A failure to improve economic conditions was a deficit. Britain's exports to the USA had declined enough to create a deficit. Creditors lost faith in sterling and recovery wasn't seen until after the 1951 election

Overall, the Labour government was very successful with their aims to improve the social and economic conditions in Britain. Even though there were some failures and obstacles, such as not enough housing or Bevan's opposition, the Labour government did improve lives, they slayed the five giants, and they reduced unemployment.

Rebuilding Post-war Britain: Conflicting Views of the Attlee Governments, 1945-51

by Professor Kevin Jeffreys. University of Plymouth

new perspective. Volume 3. Number 3. March 1998

Summary: *Labour won a resounding election victory in 1945, but from 1947 its popularity began to ebb, with economic, financial and foreign policy problems, and it went out of office in 1951. In the meantime it instituted substantial reforms, including the creation of the welfare state and the nationalisation of important industries. How should the party's achievements be judged? Did Labour under Attlee miss a golden opportunity to introduce socialism, or did his governments attempt too much and over-stretch the economy? Kevin Jefferys accepts neither of these alternatives. Instead he praises Labour for making Britain a better place in which to live.*

Introduction: Attlee becomes Prime Minister

WINSTON CHURCHILL'S WIFE was said to have remarked that electoral defeat in 1945 was a blessing in disguise. If so, Churchill said, the blessing was extremely well disguised. In spite of his reputation as Britain's saviour during the Second World War, the Conservatives were decisively rejected at the polls. At the last pre-war election, Labour trailed the Tory-dominated National Government by over 200 parliamentary seats. But as victory against Hitler came into sight during 1943-44, Churchill and other leading Conservatives misjudged the mood of the nation. By championing the wishes of millions who hoped to see a 'New Jerusalem' emerging out of the ashes of war, Labour swept into office in 1945 with one of the biggest landslide victories in modern politics. As Churchill licked his wounds, the enigmatic figure of Clement Attlee entered No. 10 Downing Street, at the head of the first-ever Labour government with a clear majority over all other parties combined.

Attlee was much under-rated at the time. He clearly lacked certain qualities. On the 'equivalent of the Richter scale for oratory', Peter Hennessy has written, 'the needle scarcely flickered'. Yet Attlee was a leader with considerable self-belief, and his shrewd common sense and skilful handling of colleagues enabled him to remain at the helm for six gruelling years. He was confronted by desperate economic hardships and found his parliamentary majority greatly reduced in 1950. Yet by the time his second, short-lived administration came to an end in 1951, Attlee could reflect with pride on what had been achieved. The face of domestic politics had been transformed by a new 'post-war settlement': this included a mixed economy containing many nationalised industries; the maintenance of high wartime levels of employment; and the introduction of what became known as the welfare state.

Historians, social scientists, journalists and politicians have debated long and hard about the type of society Britain became in the immediate post-war years. Before assessing some of the conflicting interpretations, we mightfirst set the scene by outlining four broad stages in the history of the Attlee governments.

Full Speed Ahead 1945-46

Britain had lost a quarter of its national wealth in defeating Hitler; without urgent attempts to recover lost exports markets, the government faced a 'financial Dunkirk'. Yet fortified by the negotiation of a controversial American loan, ministers forged ahead with an extensive reform programme, as promised in Labour's election manifesto. The pace of change in the early days was encouraged by the Chancellor of the Exchequer, Hugh Dalton, whose economic policy was designed to favour ordinary working-class families, most of whom were still suffering from the privations associated with war. Food subsidies were retained in order to keep down living costs; progressive rates of taxation were kept in place; and regional development was pursued vigorously, so helping to avoid any return to mass unemployment in pre-war industrial blackspots. Under the watchful guidance of Herbert Morrison, Labour's organisational supremo, several major industries were taken into public ownership. In later years the development of a mixed economy was to falter, but in the aftermath of war nationalisation provided a popular means of seeking to redeem industries such as coal mining that had been inefficient and unprofitable in private hands.

Concern about 'our people' - the working classes - also underpinned the rapid introduction of welfare reform. In 1942 the Beveridge Report publicised the need for an overhaul of social security provision. Labour's National Insurance Act of 1946 provided for the first time a comprehensive safety net by bringing together benefits to insure against sickness, unemployment and old age. In housing, Labour faced the task of fitting a population enlarged by a million into properties reduced in number by 700,000 owing to bomb damage. After a slow start, one million new homes were built. Eighty per cent were council houses (rather than being built for private sale) - a clear reversal of Tory priorities in the 1930s. But the jewel in Labour's welfare crown

was the National Health Service (NHS), which introduced free access to a wide range of hospital and general practitioner services. The Conservatives voted against the 1946 NHS Act, though opposition dwindled as the popularity of free medical care became obvious, especially among working-class women hitherto unable to insure themselves against ill-health. Labour charges that the Tories would dismantle the welfare state had to be strongly denied. In the words of one Tory MP, 'No one shoots Santa Claus'.

The Crises of 1947

The government's honeymoon period came to an abrupt halt in 1947. In February ministers struggled to cope with the 'winter crisis': fuel shortages compounded by the coldest weather in living memory. As much of industry ground to a temporary halt, the Minister of Fuel and Power, Manny Shinwell, came under attack. 'Shiver with Shinwell' became a potent Tory slogan. In the summer fresh turmoil was created when it became clear that the American loan came with strings attached: the so-called 'convertibility clause' intensified Britain's balance-of-payments problem in trading with the affluent USA and brought sterling under intense pressure on the foreign exchanges. Dalton as Chancellor was forced into a rapid tightening of economic policy - a humiliation from which his reputation never recovered. In November, after controversy over the delivery of his emergency budget, Dalton resigned. In the wake of these recurrent economic difficulties, ministers were faced with a gradual erosion of public confidence. By the autumn the Tories were ahead in the opinion polls for the first time since Attlee came to power. In domestic politics, 1947 thus marked an important point of transition: from the confidence of the early months in power to a less buoyant phase in which ministers spoke of 'consolidating' advances already made.

Stafford Cripps and 'Austerity' 1948-50

The period between 1948 and the general election in 1950 became indelibly associated in the public mind with drabness and petty restrictions. This 'age of austerity' was closely identified with the persona of Dalton's successor, Sir Stafford Cripps, a vegetarian teetotaller noted for cold baths at four in the morning and a prodigious work rate that included three hours at his desk before breakfast. Hoping for similar self-discipline from the nation, Cripps continued with a wartime-style 'fair shares' policy of food rationing. This was in spite of growing resentment among middle-class women over ever-lengthening queues to obtain food of dubious quality, such as the infamous South African fish snoek, which tasted so unappetising that the whole bulk consignment had to be sold off for reprocessing as cat food.

Under Cripps, Labour's domestic policy became more pragmatic. Welfare expenditure was tightened, talk of 'socialist planning' was downplayed, and sterling was devalued in order to make British exports more competitive overseas, above all in American markets. Churchill depicted devaluation as a national humiliation, and the opposition recovered further ground by claiming that scarcities in the shops were entirely the product of government mismanagement. This proved a telling theme at the general election in February 1950, which saw a swing against Labour of 2.9 per cent (compared with 12 per cent against the Conservatives in 1945), so leaving Labour in office but as Dalton said 'without authority or power'. Whereas many working-class areas remained loyal to Labour, the party fared badly in middle-class districts in southern England, where austerity proved to be a prime cause of voter disaffection. Attlee remained in Downing Street, but this time - unlike 1945 - there were no joyous celebrations in the streets.

The Second Attlee Government 1950-1

For several months, the reconstituted government locked capable of confounding those who felt Labour could not survive another full term. But in the summer of 1950 the outbreak of the Korean War proved divisive and contentious. Several Labour MPs felt that the decision to send British troops to combat Communist forces in North Korea smacked of subservience to American wishes. More seriously, the decision to further increase an already large defence budget precipitated the first major split in party ranks since 1945. Nye Bevan as the architect of the NHS refused to accept the case made by Hugh Gaitskell - Chancellor after Cripps resigned on medical grounds - that rearmament required spending cutbacks on the home front. Bevan's resignation over the breaching of the principle of a free health service symbolised an emerging division over future strategy that was to bedevil Labour for years to come. 'The End Is Nye' claimed Tory propagandists, and this proved the case for Attlee when a further small swing was sufficient to bring the Tories back to power at the election of October 1951. Churchill, having spent six fairly leisurely years recuperating from his wartime exploits, could at last leave behind the humiliation of defeat in 1945. Perhaps his wife had been right after all.

Interpreting the Attlee Years

How then have observers and commentators summed up Attlee's legacy? Among the majority of historians, Labour has received a fair trial. The counsel for the defence has included distinguished writers such as Kenneth Morgan, Henry Pelling, Alec Cairncross and Peter Hennessy (see Further Reading below). The Attlee era, so the argument goes, constituted Labour's finest hour. This was a period that went some way towards satisfying wartime demands for a New Jerusalem: the economy recovered from the ravages of war while avoiding a return to mass unemployment, and simultaneously ministers never wavered in their determination to fulfil the Beveridge promise of social protection 'from the cradle to the grave'.

Other historians have been less impressed. For left-wing critics, the immediate post-war years were marked by a betrayal of socialist idealism and by wasted opportunities. Instead of using public backing as evident in 1945 to introduce wholesale socialist change, Labour instead opted for cautious reformism: for example failing to break down entrenched class barriers. In Jim Fyrth's recent collection of fifteen essays the left-wing case for the prosecution receives its most extended treatment yet. The tone for the volume is set by John Saville's introduction, which claims that the Attlee government 'disillusioned its own militants' by achieving only modest reform, so providing a 'springboard for the rich totake off into the profiteers' paradise of the 1950s'.

Correlli Barnett and Industrial Decline

From an alternative critical perspective, Correlli Barnett has attacked Labour for introducing too much rather than too little socialism. In his concern to explain Britain's post-war 'industrial decline', Barnett is highly critical of wartime evangelists of a 'Brave New World', such as Beveridge, who were allowed to prevail over those aware of the 'Cruel Real World' of lost exports and vanished overseas investment. The folly of giving priority to welfare reform over economic regeneration was compounded by Attlee after 1945, with the result that Britain missed a unique chance to remake itself industrially while her rivals were crippled by defeat and occupation. In this line of thinking, the newly imposed 'burden' of a welfare state was unsustainable in the longer-term.

This forceful critique was taken up by Conservative politicians seeking to 'roll back' the frontiers of the state in the 1980s, though it has found little support among academics. Economic historians point out that Labour was remarkably successful at boosting industrial production, manufacturing output and the volume of exports (the latter up by 73.1 per cent between 1945 and 1951). The priority given to social needs was hardly surprising given the nation's verdict in 1945: voters promised jam tomorrow were adamant that 'never again' should there be a return to the misery associated with inter-war Britain. If there was a failure to modernise infrastructure, then this was not considered necessary: the swift rise of European competition in the 1950s was not something that could be predicted in advance. Nor was there anything incompatible about aiming for both economic regeneration and social reform. Far from imposing crippling costs, the British version of the welfare state consumed quite limited resources, especially when seen as a positive contributor to the economy and not simply as a burden upon the taxpayer.

Barnett has also been taken to task for failing to acknowledge the 'fair-shares' ethos left by the searing experience of war. Recent studies have been keen to stress that Labour ministers hoped to turn people into better citizens; values such as duty and responsibility were frequently extolled, and the needs of the community were always to come before the wishes of the individual. There was, in other words, a desire for moral as well as economic change, an unusual combination of what Peter Hennessy calls 'hope and public purpose'. Indeed one cause of Labour's demise in 1950-51 has been identified as the party's mistaken view that voters fully shared its ethical vision. Measures to sustain a wartime sense of community, instead of transforming people into active citizens, foundered in the face of apathy. But the effort had been made. 'There were many more responsible than the Labour Party', conclude the authors of 'England Arise', for ensuring that the high ideals of the 1940s were never achieved.

Conclusion

Several critiques, in the view of this writer, mistakenly judge the Attlee years against inappropriate yardsticks. Criticism has often been unduly influenced by later developments in politics and society. Britain's 'industrial disease' became a matter of widespread concern from the 1960s onwards. Yet Correlli Barnett's talk of decline finds little echo in the debates of the late 1940s, when much of the nation took pride in having survived and recovered from war. Labour governments in the 1960s and 1970s proved gravely disappointing to activists hoping for fundamental change, and left-wing historians have read back from this a willingness on the part of Attlee's ministers to oppose radical solutions. But at the time very few Labour MPs or party workers had clear ideas about what 'more socialism' might amount to in domestic policy. Indeed for most of the Labour movement, from the leadership down to the rank-and-file, the Attlee years were soon regarded as something of a golden age.

One reason for this sense of shared pride was that Labour stalwarts remembered what came before. When judged against pre-1945 standards, Britain for most of its citizens had become a more tolerable place in which to live. Austerity, the inevitable by-product of war, grated among the middle classes especially, and ministers were increasingly forced on the defensive by opposition exploitation of public weariness with the ethos of fair shares. But in 1951, while the Tories won more seats, Labour secured the highest ever number of total votes, based on massive support in industrial strongholds. For the working classes who made up the majority of the population, job security was on a level unknown in the 1930s, fresh opportunities were opening up for the young in education, and pensions approximated as never before to a living income. Affordable, decent housing came within the reach of thousands of lower income families, and the NHS treated millions of patients in its early years of operation. One woman recalled how, on the evening before the health service was formally launched in July 1948, she was delivered of a baby shortly before midnight. The next morning she received a bill from the doctor; had the baby been born fifteen minutes later, there would have been no charge. This was what Attlee meant when he spoke of having achieved a 'revolution without tears'.

Words and concepts to note

financial Dunkirk: British troops were forced to make a hasty exit from the Continent by advancing German forces at Dunkirk in 1940; five years later the British economy faced humiliating ruin unless remedies were found.

mixed economy: an economy containing a mixture of both state-controlled and privately owned industries.

welfare state: social and economic policies designed to provide security against want and ill-health, e.g. social security, health service etc.

enigmatic: puzzling, hard to understand.

recurrent: occurring again and again.

ethos: distinctive character or atmosphere.

demise: death, ending.

Questions to consider

- What were the reasons for the decline in Labour's popularity after 1945?
- What were the main achievements of the 1945-51 Labour governments?
- 'Attlee's Labour governments were too timid to grasp the nettle of socialism.' Discuss this view.
- Why, and with what justification, has it been argued that the 1945-51Labour governments saddled the British economy with an insupportable welfare state?

Further Reading: Correlli Barnett, *The Lost Victory. British Dreams, British Realities 1945-50, Macmillan, 1995; Stephen Brooke (ed.), Reform and Reconstruction. Britain after the War 1945-51, Manchester University Press, 1995; Alec Cairncross, Years of Recovery: British Economic Policy 1945-51, Methuen, 1985; Jim Fyrth (ed.), Labour's High Noon. The Government and the Economy 1945-51, Lawrence and Wishart, 1993; Peter Hennessy, Never Again: Britain 1945-51, Jonathan Cape, 1992; Kevin Jefferys, The Attlee Governments 1945-51, Longman, 1992; Kenneth Morgan, Labour In Power 1945-51, Oxford University Press, 1984; Henry Pelling, The Labour Governments 1945-51, Macmillan, 1984; John Saville, The Labour Movement in Britain, Faber and Faber, 1988; Nick Tiratsoo (ed.), The Attlee Years, Pinter, 1991; Steve Fielding, Peter Thompson and Nick Tiratsoo, 'England Arise!' The Labour Party and Popular Politics In 1940s Britain, Manchester University Press 1995.*

Kevin Jefferys is Reader in Contemporary History at Plymouth University. He is general editor of the Manchester University Press series 'Documents in Contemporary History', and his publications include *The Labour Party since 1945*, Macmillan, 1993 and *The Churchill Coalition and Wartime Politics*, MUP, 1995.

Building a New Jerusalem?: Labour in Power 1945-51, Part II

Corelli Barnett, ***The Lost Victory: British Dreams, British Realities; 1945-1950***, (London: Macmillan, 1995).

Jose Harris, *"Society and the state in 20th century Britain,"* in F.M.L. Thompson, ed., ***The Cambridge Social History of Britain, 1750-1950***, vol. 3, (Cambridge, UK: Cambridge University Press, 1990).

Kenneth O. Morgan, ***Labour in Power***, (Oxford: Clarendon Press, 1984).

David Vincent, ***Poor Citizens: The State and the Poor in Twentieth Century Britain,*** (New York and London: Longman, 1991).

The cheerful assessment found in Kenneth Morgan's study is not agreed upon by the others. One of its chief critics is David Vincent, who sees the Labour Government as a disappointing failure rather than one that "offered a basis for future social advance." **[1]** When the Government offered so much promise in the way of genuine social reform, in the end little was changed. Income distribution remained almost the same before the war as after and class divisions remained as defined as before. **[2]** While the Government placed into public ownership nearly one-fifth of the economy, workers in these nationalized industries had no more authority than when the industries were privately owned. **[3]** In the end, despite all the "improvements" in the average standard of living that the Labour Government implemented, Vincent asserts that the middle and upper classes benefited much more than the working classes. **[4]**

Yet while Vincent attacks the Attlee Government from a left-wing perspective that measures the aims of the Government against what it actually achieved, right-wing historian Corelli Barnett argues that these achievements, no matter how limited they were, should never have been implemented. In 1945, the Labour Government faced two stark choices: either it could have halted the building of a "New Jerusalem" and concentrated instead on reviving the war-damaged British economy, or it could have pushed ahead with the construction of this new society with no concern for the costs involved. Impetuously, the Labour Government opted for the latter, implementing an extensive Welfare State that was akin to "declaring a dividend on the Golden Age before it had been earned in fact." **[5]**

Yet while this was bad, the massive housing programs implemented by Aneurin Bevan [the Minister of Health--and founder of the National Health Service as well....] and others caused even more problems. Whereas the National Health Service and other programs on the new Welfare State only spent "dividends", the housing programs diverted workers and materials from modernization efforts that were essential if the "dividend" were to be earned at all. **[6]** All in all, the total burden placed upon the British economy by the Labour Government's policies amounted to over 11 percent of 1948-1949 GNP, a burden which severely hampered British industry's efforts to modernize so that Britain could compete with the rest of the world. **[7]** While the rest of Europe and the world was booming in the 1950s, Britain was growing at a much slower rate, and much of the blame for this, Barnett feels, had to be laid directly at the feet of "romantic fantasizers" of Attlee's Government. **[8]**

But how important was the Attlee Government? While Morgan, Vincent and Barnett focus their attentions on this "landmark" Government, Jose Harris argues that it was not as important in terms of its effects on British society as were other Governments in other periods of the twentieth century. While she refrains from considering any particular period of the century as *the* period of social change, Harris notes that certain periods, namely the First World War and the Interwar period were more important than 1945-1951. Whereas World War I fundamentally altered class and other relationships and the 1930s saw the greatest expansion of government expenditure in any peacetime economy, the Labour Government merely implemented reforms that were anticipated mainly by the war or the 1930s. **[9]** Furthermore, while the Welfare State and other Labour Government policies created a larger than ever peacetime bureaucracy, this change did not substantively alter the permanent structure of British government and society. **[10]** In the end, despite its record of achievement, Jose Harris feels the Labour Government was not all that important in the evolution of British society during the twentieth century.

In closing, I must say that I found Morgan and Harris to be the most convincing, and Vincent and Barnett less so. Morgan's greatest strength is his ability to critique the Labour Government for its failures while at the same time realizing its fundamental role in shaping modern British social history. By proceeding cautiously in both its establishment of the modern Welfare State as well as its nationalization program, the Attlee Government helped to establish the "post-war consensus" that held up until Thatcher. It remade society, and this effort "acted as a platform for successive governments" to effect much change. **[11]** Harris also focuses on long-term trends but from a different direction. While she discounts the importance of

the Labour Government, her focus on continuity and evolution rather than sharp division is probably, in my opinion, the best way to describe British social history when considering the numerous counterchanges and continuities imbedded throughout.

I found Vincent to be less convincing and unnecessarily negative and polemical. To suggest that the Attlee Government did not effect any meaningful change whatsoever is somewhat disingenuous. Surely a government that implements a vast Welfare State and nationalizes nearly one-fifth of the economy can not be seen as a status quo government. While the changes that the Labour Government effected might not be nearly as much as Vincent and others desired, to say that no change occurred is just plain wrong.

Lastly, Corelli Barnett's argument that the Labour Government should have focused their attention on building and repairing industrial plants rather than building and repairing houses is quite disingenuous as well. To suggest that the Labour Government should have done things completely differently, forgoing the establishment of the Welfare State and building of houses for increased investment in the industrial plant of the country, belies common sense. Politics is about the art of the possible at any given moment, not necessarily about the long-term. To suggest that a democratically elected government would have been able to forgo building houses, or establishing a Welfare State that many Britons wanted just does not make much sense. Instead of placing all the blame for Britain's anemic economic position during the post-war period squarely on the shoulders of the Labour Government, I would suggest that Barnett take another look at the Governments of the 1930s and their appeasement policies that caused Britain to enter war in 1939 economically ill-prepared.

Footnotes:

[1] Kenneth O. Morgan, ***Labour in Power***, (Oxford: Clarendon Press, 1984), p. 186.

[2] David Vincent, ***Poor Citizens: The State and the Poor in Twentieth Century Britain***, (New York and London: Longman, 1991), p. 132.

[3] Ibid.

[4] Ibid.

[5] Corelli Barnett, ***The Lost Victory: British Dreams, British Realities; 1945-1950***, (London: Macmillan, 1995), p. 142.

[6] Ibid., p. 154.

[7] Ibid., pp. 163-4.

[8] Ibid., p. 128.

[9] Jose Harris, *"Society and the state in 20th century Britain,"* in F.M.L. Thompson, ed., ***the Cambridge Social History of Britain, 1750-1950***, vol. 3, (Cambridge,UK: Cambridge University Press, 1990), pp. 74, 78, 89.

[10] Ibid., p. 99.

[11] Morgan, p. 494.