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Review by: Dilwyn Porter
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The Attlee Years
Re-assessed

DILWYN PORTER


By any standards the legislative achievement of Britain's Labour governments between 1945 and 1951 is impressive. The so-called 'commanding heights' of the industrial economy were scaled as coal, electricity, gas, railways and iron and steel were brought into public ownership along with the Bank of England. At the same time the framework of the post-war welfare state was established by stretching a safety blanket of social security from the NHS maternity ward to the state-subsidised funeral. All this was accomplished against a background of chronic financial instability as Britain, its resources exhausted by war, struggled to maintain a semblance of its world power status while fulfilling the exacting conditions of the American loan.

In such circumstances there was, inevitably, a Heath-Robinson aspect to Labour's New Jerusalem. Emanuel Shinwell's Coal Industry Nationalisation Bill, hastily improvised before the appropriate government machinery was in place, was a crude instrument and has attracted significant criticism. Though the benefits which it brought to the British people at large are not in doubt, the National Health Service, by the time it reached the statute book, was compromised by concessions wrung out of Bevan by the hospital consultants. It is, however, of overriding importance to re-examine the evidence on which these judgments were made and to reassess the achievements of the Attlee government.
importance that Attlee’s government saw its programme through. As Anthony King has indicated, ‘Let Us Face the Future’, the Labour Manifesto for the 1945 general election, ‘reads like a prospective history of the postwar period’. In this sense Attlee’s record is one which his successors could only envy as they experienced the frustrations of the mismatch between what could be promised and what could be delivered. Moreover, despite Labour’s defeat in the October 1951 general election and what Harold Wilson called the ‘thirteen years of Tory misrule’ which followed, the legacy of mixed economy and welfare state bequeathed by the Attlee Government proved remarkably resilient, surviving virtually intact until the Conservative privatisation drive of the 1980s.

If, as Herbert Morrison once suggested, ‘socialism is what Labour governments do’, then a substantial dose had been administered by Attlee and his comrades between 1945 and 1951. This assessment, however, has long been regarded as simplistic. Even by 1951 Britain was still securely anchored off north-west Europe, well short of ‘half way to Moscow’, a projected destination which had alarmed readers of the Daily Telegraph when it had been attributed to Beveridge in 1942. Paul Addison’s The Road to 1945 (1975) remains persistently influential here, casting Attlee, Bevin, Morrison and other Labour leaders in the role of moderate ‘social patriots’ who used the opportunities provided by coalition after 1940 to pursue the politics of amelioration. ‘To a man with Attlee’s frame of reference’, he notes, ‘any substantial increase in the welfare of the working class was in itself a revolution’. Armed with its own electoral mandate after 1945 Labour simply carried on: Attlee’s governments thus ‘completed and consolidated the work of the Coalition by establishing a peacetime managed economy, and the expanded welfare state envisaged by Beveridge’. Labour’s achievements after 1945 were, therefore, derived from the wartime consensus which formed around the Beveridge Report and the commitment to full employment embodied in Keynes’s celebrated White Paper of 1944. This legacy broadened Labour’s class appeal in July 1945 but reined in the aspirations of the Labour left who wanted ‘socialism now’.

Addison was careful to acknowledge the limits beyond which wartime cooperation broke down. ‘The records of the War Cabinet’, he observes, ‘show that Labour and Conservative ministers gradually exhausted the subjects on which they could agree, and were left with those on which they differed’. For party protagonists outside ministerial circles the prospect of peace concentrated the mind wonderfully. Though Attlee himself and some senior Labour ministers had reservations about breaking with Churchill, these were swept aside during 1944–5 by party activists anxious to take advantage of a leftist tide. Stephen Brooke’s Labour’s War explains why this movement was so powerful. Detailed analysis of Labour Party

4. Ibid., 252.
politics during the Coalition years after 1940 reveals a persistent undercurrent of frustration. Attlee and the party leadership in general were playing a long game. Churchill's invitation in May 1940 was too good an opportunity to pass up after the wilderness years which followed the debacle of 1931. It was, as Ernest Bevin saw clearly, 'a turn up in a million', but it did involve a series of compromises which fed Labour dissent. Constituency activists, asked to remain passive at by-elections, resented the idea that Tory candidates should be given a free run. Left-wing critics, notably Nye Bevan and Harold Laski, argued that Attlee was paying too high a price for the perceived advantages of government. Failure to honour pre-coalition commitments, suggests Brooke, 'convinced many on the Labour left that the corridors of power were but a shadowy maze in which the party had lost its way'.

The persistent barrage of left opposition was an irritant to Labour ministers faced with the inevitable give-and-take of coalition. Attlee showed typical restraint in waiting until June 1945 before famously suggesting to Laski that 'a period of silence on your part would be welcome'. Brooke argues, however, that the nagging pressure which Laski, Bevan and others were determined to exert was important in that it 'made coalition and consensus untenable as a long-term prospect for Labour'. This, in turn, created a situation in which the Labour leadership was forced to consider a future without Churchill and an independent appeal to the electorate. In these circumstances it became imperative to develop post-war reconstruction policies which enabled Labour to draw away from the area of agreement which sustained the wartime Coalition. Brooke indicates that the Central Committee on Problems of Post-war Reconstruction, set up in 1941, was the instrument through which this outcome was achieved. Its charter, 'The Old World and the New Society', drafted by Laski, who had been assigned the role of secretary to keep him out of mischief, articulated a distinctively socialist blueprint for reform and was, it seems, 'a far cry from consensus'.

Having identified this 'triumph of sorts for low politics', Brooke explores Labour's policies for education, health, social insurance, public ownership and finance as they developed over the period to 1945. He finds little evidence to support the case for consensus as the mainspring of Labour's post-war achievements. When thoughts turned to reconstruction after 1943 there was some agreement on general objectives, such as full employment and social security, but there were clear differences as to what they meant and how they were to be achieved. In this sense Brooke underpins the arguments of Kenneth Morgan's Labour in Power 1945–1951 which suggested that 'the consensual or bipartisan nature of the Labour government's programmes can be exaggerated'. It was often the case, he notes, that 'the most radical available option was taken up'. Attlee's commitment to nationalisation in 1945 may have fallen short of left-wing aspirations, but he made it perfectly clear that it was Labour's intention to plan the economy, making full use of

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5 Hennessy, Never Again, 67–8. 6 Brooke, Labour's War, 57. 7 Ibid., 102.
8 Ibid., 109. 9 Ibid., 323.
11 Ibid., 495–6.
of controls and public ownership in the interests of efficiency. It should be remembered that, at this juncture, before the publication of Butler's 'Industrial Charter' in 1947, the Conservatives had yet to shrug off their reputation as 'the party of laissez-faire and "devil take the hindmost"'.

The high politics and high-mindedness which feature so prominently in Addison's construction of 'Attlee's consensus' are largely absent from Brooke's account which focuses in a single-minded fashion on politics inside the Labour Party. They are resurrected in style by Peter Hennessy's *Never Again*, which restates the case for consensus. Despite the financial constraints under which they laboured, Attlee's ministers set about the task of reconstruction with confidence. 'War socialism', argues Hennessy, 'had shown them the mechanics; the "People's William" had shown them the figures; the Coalition Government had bequeathed them a fistful of White Papers; the electorate had given them the mandate to begin'. Adding to the narrative is the story of how Attlee's governments reconstructed the nation. "Never Again" is strong on narrative, meandering in an illuminating fashion across the 1940s scene, rather in the manner of a benign uncle who is determined to tell the younger generation just how it was. It is a little frustrating sometimes to be carried backwards and forwards as Hennessy supplies the full context. His section on education, for example, winds its way back to the first government grants in 1833, then proceeds in a leisurely fashion through the reforms of the late nineteenth and early twentieth centuries before settling to a discussion of the Butler Act of 1944 and Ellen Wilkinson's heroic stand to ensure that Labour honoured its commitment to raise the school leaving age to fifteen on 1 January 1947. Similarly, Jim Griffiths' National Insurance Act of 1946 and National Assistance Act of 1948 are set firmly in a frame of historical reference which takes in the Elizabethan Poor Law of 1601. The danger of this approach is that an unconscious Whiggery may creep in, as if all roads, in the best of all possible worlds, were destined to lead to 1945. To be fair, Hennessy counteracts this tendency by emphasising the unique and decisive qualities of the shift in social policy that occurred under Attlee's governments. But this account is largely uninfluenced by the more astringent observations to be found, for example, in David Vincent's *Poor Citizens* (1991), which is more sensitive to problems of alienation arising from 'the creation of a huge new bureaucracy answerable to its clients only through the cumbersome mechanism of ministerial responsibility'.

Hennessy has an eye for the telling vignette, be it farce or tragedy. The climax of the sterling devaluation crisis of September 1949, when a decision was reached to fix the exchange rate at $2.80, finds Bevin, no lover of the austerity loaf, ('it made him belch'), solemnly debating the merits of white and brown bread. His argument that the working man would accept an increase in the price of bread if the government

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13 Hennessy, *Never Again*, 118.
14 Ibid., 123-31, for social security; 144-62, for education.
could produce a white loaf cut no ice with Stafford Cripps, 'that prototypical eco-freak'. Ernie, it is clear, retained an instinctive feel for working people and what they wanted; Stafford, on the other hand, thought he knew what was good for them.  

Hennessy's reflections on the topography of Walthamstow, a corner of north-east London for which his affection is entirely justified, allows him to lead his readers to the indiscriminate suffering inflicted by a V1 rocket. Historians, inclined to rationalise, are not always strong on empathy. Hennessy successfully engaged my feelings here.

Never Again, the first in a projected sequence of contemporary histories, will be widely read. It is important, therefore, that Hennessy's analysis is strong on fundamentals. He has no illusions about Labour's commitment to Britain's world role after 1945. It was sensible to be pragmatic about India, where the nationalist movements had gathered a powerful momentum prior to Labour's taking office. This, however, did not discourage Labour ministers from regarding the African colonies as a vast, undeveloped estate. Labour was not lacking in what has been called 'the will to Empire'. 'The general assumption', recalled one Colonial Office hand of the mid-1940s, 'was that we were still a great power and were going to be one again'. Such attitudes underpinned Labour's commitment to an independent nuclear deterrent following the breakdown of Anglo-American collaboration at the end of 1945. 'We've got to have this thing over here, whatever it costs', argued Bevin, adding that 'we've got to have a bloody Union Jack flying on top of it'. He had just been humiliated by the American Secretary of State and was determined that Britain should be seen to count in world affairs.

Neither does Hennessy leave his readers with any illusions about the parlous state of public finance following the abrupt termination of Lend-Lease in August 1945. At a stroke this lifeline, which had enabled Britain to fund its external deficit since 1941, was cut. Attlee's Government, a few weeks into the job, were faced with a financial Dunkirk, the state of siege lifting, and then only temporarily, when Keynes negotiated the American loan in November. The terms which he secured were far from easy. Most seriously, as Hennessy suggests, the condition that sterling should be fully convertible on the exchanges from July 1947, raising the prospect of a debilitating scuttle into dollars, 'set a time-bomb ticking beneath the exhausted, depleted and overstretched British economy'. In the circumstances, if they were to meet any of the aspirations of their supporters, Labour had no alternative but to live with this hard bargain. This view was endorsed from the left by Willie Gallacher, the Communist MP, who argued that the loan would buy four years in which to lay the foundations of a socialist society, and from the right by the Financial Times which observed that 'the consequences of present refusal of American aid would be more grievous than the possibility of subsequent failure to live up to its conditions'.

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16 Hennessy, Never Again, 375–6.
17 Ibid., 54–5.
18 John Bennett, cited in ibid., 224.
19 Ibid., 268.
20 Ibid., 68.
Arriving in office in 1945, with victory in Europe secured and Japanese surrender in prospect, Attlee and his ministers could not have avoided the expensive luxury of Britain’s illusory great-power status, even if it had been their inclination. Neither were they willing or able to postpone the first instalment on their heavily mortgaged New Jerusalem. Hennessy concludes that their ability to sustain these twin burdens in a dire financial climate over six years of post-war reconstruction merits, on balance, commendation rather than faint praise.

The essays assembled by Jim Fyrth in Labour’s High Noon take a less sympathetic line focusing more on what Labour wasn’t than what it was, on what Labour didn’t do rather than what it did. Thus two unifying themes quickly emerge: the first, that Labour was in no sense a radical party; the second, that Attlee’s governments failed to effect a socialist transformation of the economy. ‘If’ is the dominant motif. ‘If the nationalised industries had been allowed to diversify they would have been in a better situation to meet the more difficult market situation of the 1960s and thereafter’. ‘If the Attlee administration had established the public industries on a different basis, then perhaps the notable disillusionment with nationalisation would not have developed as it did, and the economic discussion of the 1980s might have revolved around more, not less, public ownership’.22 There is also some attention to what ‘could have’ been done, notably in Alexander’s account of regional policy in Scotland, though he is careful to avoid the judgements that come with hindsight. Perhaps Labour could have done more in this direction but not, he concedes, much more; ‘the knowledge base was not available, even if the foresight had been’.23

Labour’s High Noon exemplifies what has been called the ‘we wuz robbed!’ tendency within British Labour historiography. The emphasis is on opportunities lost or spurned. This view is most powerfully expressed by John Saville who argues that Attlee’s governments failed to honour the mandate for change handed to them by a radicalised electorate in 1945. Six years of Labour left the economic and social foundations of British capitalism undisturbed. ‘The Attlee administrations engineered a change-over from war to peace with notably little social disturbance; and in the particular ways in which the transition was effected the Labour government disillusioned its own militants, encouraged a far-reaching cynicism among the more non-political workers, brought the ideas and ideals of socialism into question and, by the particular ways in which the streamlining of the economy was carried through, provided a springboard for the rich to take off into the profiteers’ paradise of the 1950s’.24 The assumption lurking behind this devastating catalogue of unintended consequences is that it could have been different if only Labour had possessed the will or known the way.

This analysis, it could be suggested, tends to underestimate the impact of external constraints on the Attlee governments. It also overstates the extent to which British politics had been radicalised by the war. Saville is aware of the difficulties arising from the end of Lend-Lease but anchors his argument to Keynes’s observation that

22 R. Saville, in Fyrth (ed.), Labour’s High Noon, 58.
23 Alexander, in ibid., 208–9.
24 J. Saville, in ibid., xxxvi–xxxvii.
the American loan was ‘primarily required’ to meet the cost of maintaining Britain’s overseas role. ‘If it were not for that, we could scrape through without excessive interruption of our domestic programme’.25 But, as Saville concedes, Keynes’s view did not carry much weight in Whitehall or, indeed, it might be added, elsewhere. It was no part of Labour’s mandate to organise a full-scale retreat from great-power diplomacy. British politics had been radicalised only to the extent that Labour voters outnumbered Conservatives in a ratio of 5:4 in July 1945. And, even then, the ‘home-made socialism’ of the war years allowed only limited room for manoeuvre. George Orwell, writing a ‘London Letter’ for the Partisan Review in May 1946, cited public opinion polls which ‘showed that Bevin’s popularity went sensationally up after his battle with Vishinsky, and went up most of all among Labour Party supporters’. ‘I doubt even’, he added, ‘whether there is widespread feeling against Bevin’s policies in Greece and Indonesia, in so far as these are still live issues’.26 Labour, after 1945, in relation to both its foreign and domestic policies, was operating in a less radical climate than has sometimes been assumed. One constraint on the local party’s modest plans for reconstruction in Coventry, as Nick Tiratsoo has explained, ‘was the fact that postwar Coventry remained very much more conservative – indeed, Conservative – than had seemed likely in 1945’.27 Thus there were limits to what could be achieved without inciting the active hostility of Labour’s class enemies.

Brooke has cast Correlli Barnett’s The Audit of War28 in the role of ‘thuggish younger brother to The Road to 1945’.29 Addison’s version of consensus, with Beveridge and Keynes as its benevolent patron saints, is given a darker aspect. Britain, Barnett argues, went soft in the mid-1940s, sacrificing the opportunity to modernise its economy on the altar of social peace. By VE Day, the writing was on the wall: ‘the British in their dreams and illusions and their flinching from reality had already written the broad scenario for Britain’s postwar descent’.30 In this scenario Labour’s social patriots, as parties to the wartime coalition, advocates of the trade union interest and protagonists of the welfare state, are implicated in Britain’s subsequent failure to reap the rewards of the post-war economic miracle which embraced its industrial rivals. The contributors to Labour’s High Noon charge Attlee’s party with having abandoned its class. Barnett indicts it for betraying the country’s future.

It seems safe to dismiss the first charge. ‘Few people now’, observe the editors of Labour Governments and Private Industry, ‘have any belief in the revolutionary intent

25 Ibid., xxiv–xxvi. Saville’s suggestion that non-intervention in post-war Spain ensured that the victory over fascism was incomplete sits uneasily with his arguments on the economic consequences of foreign policy.
29 Brooke, Labour’s War 5.
30 Barnett, Audit, 304.
or impact of the 1945–51 Labour governments’. In the absence of proven intent there is no case for the prosecution. On the second count recent scholarship has supplied materials for a robust defence. Tiratsoo and Tomlinson are to the fore here. In *Industrial Efficiency and State Intervention* they confront Barnett’s thesis directly, arguing that Labour emerged from the war and immediate post-war period as a party committed to industrial modernisation. They build here on the foundations of earlier work in which Tomlinson identified the 1945 Attlee government as ‘the first in peacetime to put a high and continuing priority on raising the level of productivity in British industry’.

The impact of the contributions to *Labour Governments and Private Industry*, a previously neglected interface, is to suggest that Labour had more to offer in this direction than a commitment to planning, eroded after 1947, and the threat of nationalisation. Rollings, for example, modifies the view that the industrial policy of Attlee’s government ran out of steam in the late 1940s, focusing on the ill-fated Economic Powers Bill of 1950 which envisaged a system of permanent controls exercised in the pursuit of full employment, low inflation and enhanced efficiency. More significant, however, in challenging the conventional view of the Labour Government’s well-intentioned, over-bureaucratised meddling is Edgerton’s work on the Ministry of Supply, characterised here as ‘the scientific, technological and industrial powerhouse of the British state’, pursuing interventionist policies in a discriminatory fashion along the cutting edge of economic modernisation. Its policies, he notes, were those ‘which many critics have said that British governments have not, but should have, pursued’. In this area, at least, where civil–military interests overlapped, Labour created a ‘developmental state’ with the Ministry proving adept at ‘picking winners’, identifying new sectors with high growth potential and funding research and development.

There is general agreement here that Labour’s inability to build on this success, to generate and sustain the developmental state across a broad front, derives in part from an identifiable vacuum in its socialist economics. ‘Little attention’, noted Harold Wilson in 1950, ‘had been paid either by the theoretical or the practical side of the movement to the problem of the role of the private sector in a socialist economy.’ This problem appears to have haunted the Attlee governments in their attempts to promote efficiency. Contributors to *Labour Governments and Private Industry* refer to it frequently. As Mercer suggests in her study of anti-monopoly policy, Labour was ‘ill-prepared ideologically to sustain a policy on efficiency and modernisation in private industry and were divided on the benefits of the market as against planning and public ownership’. This left the Labour Government naked in the boardroom, unable to exert crucial leverage at the level of the firm where managerial deficiencies abounded. Not only, as Tiratsoo indicates, was there ‘no real precedent’ for state intervention of this kind, there was ‘no blueprint for how this might be done and, above all, no political mandate’.

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32 Tomlinson, in *ibid.*, 37.  
33 Rollings, in *ibid.*, 15–36.  
34 Edgerton, in *ibid.*, 111.  
35 Cited in *ibid.*, 6.  
36 Mercer, in *ibid.*, 69.  
37 Tiratsoo, in *ibid.*, 181.
In *Industrial Efficiency and State Intervention* Tiratsoo and Tomlinson challenge the view that Labour politics were about redistribution and not much else. Labour’s concern for industrial modernisation, they argue, has been persistently underestimated. Attlee’s ministers, notably Cripps, described by *Business* magazine as ‘a fanatic for business efficiency’, were interested in improving the performance of the British economy, and not simply as a knee-jerk response to the post-war ‘export or die’ emergency. In particular, they had come to see the quality of management as the key variable in relation to productivity. Even the Labour Left displayed an interest; Ian Mikardo’s ‘radical productionism’ finds its place here. Attention is drawn especially to Labour’s policies to promote efficiency after 1945, of which the establishment of the British Institute of Management was the centrepiece. These initiatives achieved only limited success, but Labour could not be accused of lack of effort. The interesting point is developed that they were thwarted by the absence of a post-war consensus, and there is little in this account to indicate convergence of capital and labour, Labour and Conservative. ‘Bluntly put, there was no general agreement on industrial policy during these years . . . That this was the case must surely call into question the whole concept of “consensus”’.38 Frightened by the bogeyman of nationalisation and the paper tiger of tripartite working parties, employers largely resisted pressures for reform. Defensive, cautious and culturally resistant to the Americanisation of the workplace, the unions were almost, but not quite, as short-sighted.

The ‘people’s flag’ raised by the victorious Labour Party over New Jerusalem was not of the deepest red but, as the writer J. B. Priestley often observed, there was not much wrong with pink, ‘and a pleasant, healthy colour it is too’.39 By October 1951, when Labour, despite losing the election, consolidated its working-class support, there were some substantial achievements to record, not least six years of full employment and the introduction of the welfare state. Labour’s failure to set up a developmental state to sit alongside state welfare does suggest, however, that there was an area beyond any consensus which resisted the effective intrusion of its policy-makers. By heroic efforts to maximise the use of existing, often outdated, industrial capacity, Labour pulled the British economy through the short-haul to 1951 but made a limited impact on the long-term structural problems afflicting the British economy. The work of Tiratsoo and Tomlinson, in particular, suggests that Labour had some answers to these problems but lacked the means to secure their effective implementation.