

THE LABOUR PARTY SINCE 1945



KEVIN JEFFERYS

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For Peter and Joy

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INTRODUCTION

The Labour party dominated British politics in 1945. As the Second World War drew to a close in Europe, the coalition government of Conservative and Labour forces which had governed Britain since 1940 broke apart. Winston Churchill, the nation's inspirational wartime Prime Minister, called upon the electorate to return him as the head of a new Conservative administration, arguing that he alone could tackle the legacy of six years of war against Nazi Germany. Among politicians and commentators, it was widely anticipated that Churchill would sweep back to power in the general election of July 1945, just as Lloyd George had triumphed in 1918 as the 'man who won the war'. But this prediction proved to be wildly inaccurate. As the election results filtered through, it became apparent that Labour had won a landslide victory. At the last pre-war election, held in 1935, Labour trailed the Tory-dominated National government by 200 parliamentary seats. In 1945, however, Labour secured nearly half the popular vote, winning 393 seats, compared with 210 for the Conservatives. Hence it was not Churchill but the relatively unknown Labour leader, Clement Attlee, who went to Buckingham Palace to accept the royal invitation to form Britain's post-war government. 'We', one Labour MP was reputed to have shouted at his opponents across the floor of the newly-assembled House of Commons, 'are the masters now'.¹ And yet Labour was not to remain 'the master' for long. By 1951 Churchill was back in Downing Street, marking the onset of what many regard as the Labour party's steady decline as an electoral force. As Table 1 illustrates, after being in office for much of the 1960s and 1970s, Labour support slumped disastrously: 1979 was the first of four successive election defeats, with the party barely able to average 35

per cent of the total votes cast. The tide that had swept Labour to power in 1945 had not just receded; it had disappeared out of sight.

TABLE 1 *British general election results, 1945–92**

	<i>Conservative</i>	<i>Labour</i>	<i>Liberal</i>	<i>Alliance</i>	
1945	210	393	12		Lab majority 147
1950	298	315	9		Lab majority 6
1951	321	295	6		Con majority 17
1955	345	277	6		Con majority 59
1959	365	258	6		Con majority 100
1964	304	317	9		Lab majority 4
1966	253	364	12		Lab majority 96
1970	330	288	6		Con majority 30
1974 [Feb.]	297	301	14		Minority Lab govt.
1974 [Oct.]	277	319	13		Lab majority 3
1979	339	269	11		Con majority 44
1983	397	209		23	Con majority 144
1987	376	229		22	Con majority 102
1992	336	271	20 [Lib Dems]		Con majority 21

* ‘Minor’ parties not included

Why then did the party that governed for half of the period between 1945 and 1979 falter so badly in the 1980s? This question has preoccupied the many commentators and observers of post-war Labour politics. In future years, as a broader range of evidence becomes available for the study of British politics since the 1960s, the debate about ‘Labour decline’ may well come to echo that inspired by George Dangerfield’s book on *The Strange Death of Liberal England*. Controversy among historians of electoral change in early twentieth-century Britain has tended to revolve around whether the demise of Asquith’s Liberal party should be seen as the inevitable product of a developing class-based society or the accidental result of policy failures, personality clashes and unforeseen external events such as war. The same tests might be applied to Labour since the Second World War. How far, to employ Peter Clarke’s terminology, should the party’s difficulties be attributed to ‘structural’ factors that operated outside

individual control? Was Labour primarily the victim, for example, of improvements in living standards that transformed the pre-1945 class structure? Or should greater weight be given to 'contingent' or unpredictable explanations of Labour's decline? These might include the impact of personal and ideological divisions within party ranks or the failings of leadership associated particularly with Harold Wilson and Jim Callaghan.² As yet, there have been few attempts to synthesise the various contributions to the debate made by contemporary historians, political scientists and journalists.³ The initial aim of this book is to provide, for the first time, an overview of the whole period between 1945 and 1992 in order to assess when and how 'the strange death of Labour Britain' came about.

But to focus exclusively on the issue of electoral decline would provide an incomplete picture of Labour since 1945. It would also be an injustice to those who have shed light on numerous important aspects of the party's recent history: on Labour's domestic and international policy in office; on links with the trade union movement; on party organisation or ideology; and on the party's role in local as well as national politics.⁴ Although some of these themes can only be touched upon briefly in a study of this length, the controversies generated do have a central place in the chapters that follow. What were the main achievements, for instance, of Attlee's 1945–51 government? Was the Prime Minister right to describe his record at home and abroad as constituting a 'revolution without tears', or was this a lost opportunity for a more fundamental transformation of British society? How far did Labour really become a party of 'revisionism' in opposition between 1951 and 1964, and what was the legacy of internal division during these years? Why was Harold Wilson unable to deliver on his promise of a 'technological revolution' after 1964, and how far were his economic failings balanced by success in social policy? To what extent did Labour's close relationship with the unions lie at the heart of the chronic economic malaise of the 1970s? And to what extent did the long period of opposition after 1979 produce a genuinely reformed party, both in terms of programme and procedures? The second aim of this book is therefore to give some sense of the development of the Labour movement in the

round since the war. The conclusion, finally, will provide a means of drawing together discussion of the various influences that have dictated Labour's fortunes. In order to achieve these aims, it is first necessary to look – if only fleetingly – at pre-war British politics, for it was during its infancy that much of the character of party that came to power in 1945 was determined.

Labour had only emerged as a distinct political force around the turn of the century, and for many years made little impression on the two dominant groups in Edwardian politics, the Conservatives and the Liberal party. Before the First World War the Labour party, as it officially became known in 1906, was primarily a working-class pressure group. In an effort to protect workers' interests by securing greater parliamentary representation, leading trade unionists decided to ally themselves with socialist societies such as the Independent Labour Party – the original home of many senior ministers in the 1945 government, including Attlee. It was this marriage of forces that prompted Ernest Bevin's pertinent, though unfortunate, comment that the party was born 'out of the bowels' of the trade unions. Historians have long been divided over the extent to which the rise of Labour can be traced back before 1914, though it is generally agreed that the new Labour alliance – of socialists and trade unionists – faced many teething problems. In competing for votes under the restricted pre-war franchise, any limited parliamentary successes were the product of an electoral arrangement with the Liberals, and the small band of Labour MPs at Westminster were distinguishable from progressive Liberals more in terms of humble social background than political philosophy. On the other hand, the seeds of future Labour success could be seen in rapidly growing union support, bringing greatly increased financial resources and a growing identification of Labour as the natural party of the working classes.⁵

The Great War led to a critical breakthrough. Asquith's Liberal government came under increasing pressure in meeting the demands of total war, and gradually after 1916 Liberal forces became polarised between followers of Asquith and his replacement as Prime Minister, Lloyd George. The carnage on the Western front placed immense strain on all the political parties, but building from a lower base Labour was suddenly presented with

fresh opportunities. In 1918 a new constitution and organisational structure was adopted – with lasting consequences for the party's future development. Henceforth Labour was pledged in theory to 'Clause Four Socialism', with its commitment to securing the 'common ownership of the means of production, distribution and exchange'. In practice, the trade unions retained a prominent place within the party's federal structure, and helped to ensure that Labour's dominant strand of thinking was a reformist or 'labourist' ideology that sought gradual social and economic change rather than the overthrow of capitalism. Above all, the 1918 constitution was a symbolic reflection of Labour's new-found confidence. With the Liberals in disarray, the party was well placed to benefit from a massive extension of the franchise after the war, and finally severed any lingering ties with local Liberal forces. Labour's strength, as it had been before the war, was still confined to the industrial heartlands of Britain – in northern England, Scotland and south Wales – but by the early 1920s Liberalism had lost its claim to be the established party of the left in British politics. In 1924 the arrival of a new force on the national stage was confirmed when Ramsay MacDonald went to Downing Street to form the first Labour government.⁶

The experience of 1924 was not, however, a happy one. As head of a minority administration, dependent upon Liberal support in the House of Commons, MacDonald had few ambitions beyond demonstrating that Labour was 'fit to govern'. In terms of electoral strategy and party organisation, MacDonald proved an effective leader, but the first Labour government had little to show in the way of legislative success before a further election returned the Conservatives to power. Nor did MacDonald fare any better in domestic policy when Labour increased its share of the vote sufficiently to form a second minority government in 1929. The paucity of serious thinking on economic issues was now exposed as a severe recession took hold, deepened by the effects of the Wall Street Crash in the United States. Labour's cautious and economically orthodox Chancellor, Philip Snowden, was powerless to prevent a steep rise in unemployment, and in 1931 the cabinet split openly over proposed cuts in unemployment benefit. MacDonald defected to form a new 'National' administration,

including Conservatives and many Liberals, leaving his former colleagues to stand condemned for their inept handling of the economic crisis. In the subsequent general election, the party was reduced to a rump of only 46 MPs. The crisis of 1931 subsequently entered Labour mythology as the year of MacDonald's 'betrayal'; at the same time, it had cruelly highlighted the limitations of the formative Labour movement, both in terms of a lack of imaginative leadership and a failure to devise coherent and sustainable policies.

But the debacle of 1931 did, in the longer-term, open up a new phase in the party's history. Against the backcloth of the 'hungry thirties', pressure from the Labour left for more direct attacks on the capitalist system was gradually contained. Both the political and industrial wings of the movement continued to be dominated by men of less militant persuasion. Although regarded initially as a stop-gap figure, part of the reason for Attlee's emergence as party leader in 1935 was that he shared a broad concern with pragmatic reform, rather than with what was widely seen as the unworkable theorising of the left. Hence the new leadership presided over a gradual redefinition of domestic policy, inspired by a group of mostly younger economists who evolved a form of democratic socialism which combined demand management with nationalisation and physical planning. The result was *Labour's Immediate Programme* of 1937, a radical policy document which called for wide-ranging state intervention to tackle unemployment, together with proposals for social reform that went well beyond prevailing Conservative orthodoxy. This domestic rethink – foreshadowing much of Labour's policy in office after 1945 – was accompanied by a new realism in foreign affairs. After Hitler's rise to power in Germany, the Labour movement slowly moved away from its traditional quasi-pacifism. The party became increasingly hostile to the appeasement of the fascist dictators practised by the Prime Minister after 1937, Neville Chamberlain. Although personal antipathy towards Chamberlain led Labour leaders to decline his offer of coalition once war had broken out, there was no doubt that party followers throughout the country would support the fight against Nazism.⁷

By September 1939 the Labour party thus looked to have become once more a credible party of government. But there were

still few signs that the electorate had lost faith with Chamberlain, or that Labour was capable of breaking out of its traditional working-class strongholds. The experience of the Second World War changed all this, and provided the backcloth to the 1945 election victory. After Chamberlain fell from power in May 1940 – the result of frustration with early British setbacks in the war – there was a pronounced swing to the left in public opinion, though this was masked at the time by the suspension of normal political activity and by Churchill's immense popularity as war leader. Underpinning the shift in opinion as the war progressed was an egalitarian ethic which followed on from the mobilisation of the entire civilian population and from the intense physical dangers of life in the Blitz. If the Great War of 1914–18 had been fought for King and Country, then the conflict against Hitler soon came to be seen as a 'People's War'.⁸ After the 'turn of the tide' on the battlefield late in 1942, when the defeat of Nazism could for the first time be seriously contemplated, Labour also benefited from a growing interest in welfare reform. Indicators of public feeling showed a marked anti-Tory trend, exacerbated by the Prime Minister's cool response to the Beveridge Report on social security and other proposals for social change. By concentrating so exclusively on the war effort, Churchill clearly misjudged the desire of the British people to create a 'New Jerusalem' – a theme made central in Labour's election campaign at the end of the war.⁹ The popular enthusiasm for Attlee's brand of corporate socialism evident in 1945 allowed Labour to come to power in circumstances markedly different from those that attended the earlier MacDonald administrations. The noisy singing and cheering that accompanied the new Prime Minister as he returned from Buckingham Palace to begin his premiership was indicative of a remarkable transformation in British politics. For the first time in its history, Labour was fully prepared for power. Friends and enemies alike had no notion of imminent decline; in the summer of 1945 party activists were convinced that the forward march of Labour was irresistible.

1

LABOUR'S FINEST HOUR, 1945–51

I

The post-war Labour governments left a profound mark on modern Britain. After the landslide election victory of 1945, Attlee's government wasted no time in launching a series of major policy initiatives. In domestic politics, attention centred on two themes. By 1947 the nation's pre-war market economy had become a mixture of private and publicly-owned industries, following the government's extensive programme of nationalisation. Alongside this mixed economy, legislation was soon passed confirming the establishment of a welfare state. Labour, as it never tired of reminding voters at subsequent elections, was the party that had introduced both the national health service and a new system of social security, designed to enshrine the Beveridge principle of protection for all 'from the cradle to the grave'. By the time Attlee's second, short-lived government of 1950–51 left office, Labour could claim much of the credit for the creation of a new order: a 'post-war settlement' that was to remain in place for a generation to come. In overseas policy, the legacy of these years was equally far-reaching. In retrospect, British withdrawal from India was to mark the first step in a transition from Empire to Commonwealth. And during the early stages of the Cold War between the superpowers,

the United States and the Soviet Union, Labour's Foreign Secretary, Ernest Bevin, played a pivotal role in re-ordering international affairs. Most notably, as the 'iron curtain' descended across Europe, he helped to place on a more secure basis Britain's wartime alliance with the Americans; a process culminating in the formation of the North Atlantic Treaty Organisation (NATO) in 1949. Abroad, as much as at home, the years after 1945 saw the initiation of trends that were to dominate political development in the decades that followed.

Most historians therefore agree that the post-war Labour government was amongst the most influential in twentieth-century politics. But assessments of the end result have been varied. During the 1980s, when attempts were made to break with much of the post-war settlement, the 1945 government came under fierce attack. According to those on the political right, Britain took a 'wrong-turning' in the aftermath of war; in particular, it was alleged, the powers of the state were extended too far, helping to create levels of social provision that would be unsustainable in the long-term.¹ The most detailed research on the Attlee governments, however, has been carried out by historians of the left. For some, such as Kenneth Morgan and Henry Pelling, the 1945 government represented the only really successful example as yet of democratic socialism in practice. In the words of Morgan, the achievements of these years brought the Labour movement 'to the zenith of its achievement as a political instrument for humanitarian reform'.² Others, though, have been less generous. Many left-wing critics, such as Ralph Miliband and John Saville, see the period as one of wasted opportunity. Instead of a socialist transformation, fulfilling the hopes of 1945, Labour offered only cautious change, involving little redistribution of wealth at home, and a foreign policy that tied Britain to the militantly capitalist United States (USA).³ This chapter, by reviewing first the circumstances in which Labour came to power and then the unfolding of policy after 1945, will emphasise the cohesiveness of the party and the successes rather than the failings of Attlee's ministers. When set against the standard of previous governments, and in view of the legacy left by six years of total war, the 1945 administration could boast two remarkable achievements: at home it created a fairer society, and

abroad it made Britain more secure as an international power. With the benefit of hindsight, this was to be Labour's 'finest hour'.

II

The Attlee years, with one or two exceptions, were to be characterised by strong leadership and by unprecedented unity at all levels of the Labour movement. One of the ironies of this was that, at first sight, Clement Attlee did not strike observers as a strong leader. The aloof, enigmatic Attlee, according to his detractors, was 'a modest man with much to be modest about'. As Peter Hennessy has noted, on the 'equivalent of the Richter scale for oratory, the needle scarcely flickered'.⁴ In reality, however, Attlee's inner confidence – the product of his middle-class background and public school training – grew as he showed himself to be a brisk and effective co-ordinator of government business. If he lacked charisma, then as far as rank-and-file activists were concerned, this was more than made up by integrity and loyalty to the party's principles. As those who worked closely with him acknowledged, the Prime Minister's combination of 'honesty, common sense and intelligence' made him the ideal foil for the powerful personalities around the cabinet table.⁵ Aside from a brief period in 1947, Attlee's leadership went unchallenged. In part this was due to the unswerving loyalty of the Foreign Secretary, Ernest Bevin. A further irony here was that Bevin was far from being traditional Foreign Office material. The semi-literate son of a farm labourer, he was a no-nonsense figure who had made his reputation as Britain's most powerful trade union leader between the wars. Bevin, according to some colleagues, was the toughest statesman Labour had yet produced; someone who as Minister of Labour during the war showed himself quite willing to give the Tories 'a good kick up the pants'.⁶ With his massive physical presence and bullying manner, Bevin was in many ways the strongest personality in the 1945 government, though he was never tempted by suggestions that he might displace the Prime Minister. Rather Attlee and Bevin, both loners in their own ways, developed a relationship that was the closest either had in politics; it was this

alliance that was to dominate government proceedings until 1950.

The solidity of the Attlee-Bevin axis proved a source of frustration for a third member of Labour's inner cabinet, Herbert Morrison. As the defeated candidate for the party leadership back in 1935, Morrison continued to believe that he would make a more effective, high-profile leader than Attlee. His preoccupation with internal party affairs led many to dismiss him as a machine politician, the 'chirpy cockney' more concerned with intrigue than with high policy. Morrison was nevertheless to make an invaluable contribution to the 1945 government. Appointed as Lord President of the Council and Leader of the House of Commons, his responsibilities ranged from co-ordinating domestic policy to maintaining the morale and unity of the parliamentary party. He soon became recognised, in the words of one opponent, as 'the Government's handyman'.⁷ The two remaining members of Labour's 'big five' were also to have a profound impact on the government's fortunes, though for shorter periods of time. The Chancellor of the Exchequer until the end of 1947 was to be Hugh Dalton, who like Morrison inspired both distrust and admiration amongst his colleagues. Dalton's overbearing manner proved unsettling to friends and opponents alike, and he certainly relished the gossip of everyday Westminster politics. But at the same time, his guiding principles, as one colleague noted, were 'beautifully simple and clear. He was in favour of miners, the young, white men, socialists, New Zealand, Australia and dwellers in Durham and Northumberland. He was against the Germans, reactionaries, the elderly and the rich'.⁸ These prejudices helped to ensure, in the early months, both a radical sense of purpose and a style that deliberately insulted the opposition. In personal terms, there could hardly have been a greater contrast between Dalton's style and that of his successor as Chancellor, Sir Stafford Cripps. A teetotaler and vegetarian, whose working day began with a cold bath at four in the morning, Cripps had been identified with the 'extremism' of the Labour left in the 1930s, but during the war had increasingly come to equate socialism with productive efficiency. As other senior figures began to buckle under the strain of high office, it was Cripps who increasingly came to dominate the government's whole political and economic strategy.