

A LONGMAN PAPERBACK



*CJ Bartlett*

*A History of  
Postwar Britain.  
1945-74*



---

# **A history of postwar Britain 1945-1974**

---

**C. J. Bartlett**



**Longman**

---

004253  
K561.5  
B 0 9

**Longman Group Limited London**

*Associated companies, branches and representatives  
throughout the world*

*Published in the United States of America  
by Longman Inc., New York*

© C. J. Bartlett 1977

All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording, or otherwise, without the prior permission of the copyright owner.

*First published 1977*

---

**Library of Congress Cataloging in Publication Data**

Bartlett, Christopher John.

A history of postwar Britain, 1945-1974.

Bibliography; p. 339

Includes index.

1. Great Britain - History - 20th century I. Title.

DA588.B28 941.085 77-3000

ISBN 0-582-48319-0

ISBN 0-582-48320-4 pbk.

ISBN 0 582 48319 0 cased

0 582 48320 4 paper

---

Set in 10 on 11 point Times  
and printed in Great Britain by  
Richard Clay (Chaucer Press) Ltd, Bungay, Suffolk

**A history of postwar Britain, 1945-1974**

*And the things that strike us as so very serious and important, they'll all be forgotten one day or won't seem to matter. The curious thing is, we can't possibly know now just what will be thought significant and important, or what will seem pathetic and absurd.*

Lieutenant-Colonel Vershinin, in *Three Sisters* by Chekhov.

For Roger and Nigel

## Preface

Given the treatment of the period, as a whole or in part, by other authors such as W. N. Medlicott, L. A. Monk and Mary Proudfoot, or in collected works edited by D. McKie, Vernon Bogdanor and others, I have not attempted to cover all aspects of the period in the proportions that might be considered ideal – especially if space were no object. I have tried to elaborate upon those elements in the story which I consider the most important, so that particular emphasis is given to foreign policy, the retreat from empire, the nation's economic and chief social problems, and the main causes of the ups and downs experienced by the Labour and Conservative parties. The role of scientists and engineers in postwar Britain has also seemed in need of particular analysis. By selection I hope that there have been gains in explanation without too many losses in other respects.

I am indebted to so many people for assistance of all kinds in the preparation of this book that it is impossible to make individual acknowledgements. Many indeed made their contributions long before Professor W. N. Medlicott suggested that I should attempt such a work. Colleagues in the University of Dundee, especially but not only in the department of history, have been a constant source of help and advice. I am greatly indebted to the services provided by the university library. For the typing of the manuscript I have to thank Mrs Young and Mrs Greatorex of the history department. My wife, as usual, has undertaken many chores and in particular has braved my reluctance to listen to any criticism. Equally without her encouragement I am sure this book would never have been completed.

*C.J.B.*

December 1976  
Broughty Ferry

# Abbreviations

<b>AEU</b>	Amalgamated Engineering Union
<b>AUEFW</b>	Amalgamated Union of Engineering and Foundry Workers
<b>BBC</b>	British Broadcasting Corporation
<b>BMA</b>	British Medical Association
<b>BMH</b>	British Motor Holdings
<b>BOAC</b>	British Overseas Airways Corporation
<b>CBI</b>	Confederation of British Industry
<b>CENTO</b>	Central Treaty Organization
<b>CND</b>	Campaign for Nuclear Disarmament
<b>DEA</b>	Department of Economic Affairs
<b>ECSC</b>	European Coal and Steel Community
<b>EDC</b>	European Defence Community
<b>EEC</b>	European Economic Community
<b>EFTA</b>	European Free Trade Area
<b>FBI</b>	Federation of British Industries
<b>ICI</b>	Imperial Chemical Industries
<b>IMF</b>	International Monetary Fund
<b>IRA</b>	Irish Republican Army
<b>IRC</b>	Industrial Reorganization Corporation
<b>NATO</b>	North Atlantic Treaty Organization
<b>NBPI</b>	National Board for Prices and Incomes
<b>NEC</b>	National Executive Committee (of the Labour party)
<b>NEDC</b>	National Economic Development Council
<b>NEDO</b>	National Economic Development Office
<b>NFU</b>	National Farmers Union
<b>NHS</b>	National Health Service
<b>NIC</b>	National Incomes Commission
<b>NIER</b>	National Institute Economic Review
<b>NIESR</b>	National Institute of Economic and Social Research
<b>NIRC</b>	National Industrial Relations Court
<b>NUGMW</b>	National Union of General and Municipal Workers
<b>NUM</b>	National Union of Mineworkers
<b>OECD</b>	Organization for Economic Cooperation and Development
<b>OEEC</b>	Organization for European Economic Cooperation
<b>PEP</b>	Political and Economic Planning
<b>SDLP</b>	Social Democratic and Labour Party (Northern Ireland)
<b>SEATO</b>	South East Asian Treaty Organization
<b>SHAPE</b>	Supreme Headquarters Allied Powers Europe
<b>SNP</b>	Scottish National Party
<b>SSRC</b>	Social Science Research Council
<b>TGWU</b>	Transport and General Workers Union
<b>TUC</b>	Trades Union Congress
<b>UDI</b>	Unilateral Declaration of Independence (Rhodesia)
<b>WEU</b>	Western European Union

---

# Contents

Preface	vii
List of abbreviations	viii
<hr/>	
Introduction to the postwar era	1
Labour and world affairs, 1945–8	23
The domestic policies of the Labour government	44
The cold war and the decline of Labour	70
The return of the Conservatives, 1951–5	94
Crises and recovery, 1955–9	123
The Macmillan era	154
Britain and world affairs, 1957–63	182
The transition from Conservative to Labour, 1962–6	206
Withdrawal on all fronts	227
Industrial reorganization and industrial relations	246
The United Kingdom at the end of the sixties	269
The Heath government	295
<hr/>	
Notes and references	329
Further reading	337
Bibliography	339
Index	348



## Introduction to the postwar era

### The impact of war

The year 1945 has only a limited claim to represent a turning-point in British history. It is true that the war ended both in Europe and the Far East, the first nuclear weapons were tested and used, and a Labour government was elected to power in Britain for the first time with an overall majority. But in many respects the years of peace were a continuation of the years of war in different circumstances. Furthermore, if it is idle to speculate as to how British history might have developed had there been no war, it is important to see the continuity from the 1930s into the 1940s. The contemporary desire to condemn that earlier decade, both with respect to foreign and domestic policies, was so strong in the 1940s that the gap between the two periods tended to be exaggerated. Nevertheless, from about 1940 one can detect an acceleration, an intensification and consolidation of certain trends, as well as some real changes of emphasis. Without the war it is hard to imagine so great a determination to prevent a return to the heavy interwar levels of unemployment, so much interest in the creation of universal social services, or so ready an acceptance of so much government interference in the life of the nation. British recognition of the nation's changed place in world affairs was less complete; the new dependence on the United States brought about by the war – both in the working of the British and the world economy, and in the maintenance of Britain's global interests – was grudgingly acknowledged at best. Finally, there was little realization of the stimulus given by the war to the political consciousness of non-white peoples, and certainly no awareness that Britain's imperial role would be at an end in less than twenty years.

An American, George Ball, argued in 1968 that the defeat of Germany and Japan had strengthened the illusion that Britain was still a great power. Yet whatever the gap in strength that separated Britain from the United States and the Soviet Union – and despite Britain's war-damaged economy – there could be no question in the 1940s of Britain's place as number three in world affairs. No other nation was in the same league, nor seemed likely to be for many years to come. Germany, Italy and Japan were defeated, France was in need of a long period of convalescence, and China was internally divided and

## 2 *Introduction to the postwar era*

impoverished. Great as was the sense of physical loss occasioned by the war in Britain, there was also a special feeling of pride in Britain's role in the defeat of the Axis, and in the management of the nation's war effort. The early failures had given way to remarkable scientific, industrial and military success. It was possible to believe that the war achievements made the prewar failings less excusable and the future itself more manageable. But this new-found confidence meant the British entered the postwar years in a less radical and self-critical mood than some countries whose political, economic and social systems had been shattered by the conflict. Certainly no revolutionary reappraisal of Britain's world view seemed called for, and even at home the concern by 1945 was with reform and adjustment rather than with any fundamental challenge to the nation's ideas and institutions. Indeed, the outlines for the most important of those changes deemed necessary had already been drawn during the war itself. Although in practice the postwar years were to demonstrate that some problems had been gravely underestimated, Britain's political leaders, though sometimes sorely pressed, did not need to question seriously their basic assumptions for many years.

There has been much debate as to the degree to which British society was transformed by the Second World War. It has been questioned whether 'a people's war' led to 'a people's peace'. But Professor Marwick has cut through semantic and doctrinaire arguments with his sensible conclusion: 'The change, then, is not in basic structures, but in ideas and in social attitudes and relationships, in how people and classes saw each other, and, most important, in how they saw themselves.'<sup>1</sup> By such tests, attitudes were significantly different by 1945 compared with 1939.

In the first place, the war brought about a considerable convergence in the thinking of Britain's two main political parties, even if it required the Conservative defeat of 1945 and Labour's grim experience of government from 1945 to confirm it. At the same time the circumstances of war not only brought to an end the soul-destroying unemployment of the 1930s; they also made its return seem unacceptable and unnecessary. The claims of the underprivileged to more security, comfort and dignity in their lives were greatly strengthened. Harold Macmillan commented in October 1942 that the war was providing full employment upon whose continuance people would insist: the present system of government would fall unless popular demands were met. The critical years of 1940-1, when Britain was near to defeat, both created and demanded an exceptional measure of national unity. There was the 'Dunkirk spirit', but a price had to be paid to maintain it. Many of the promises made in the First World War had not been fulfilled. More was needed this time. Amid talk of the evils of the Nazis and the fight for freedom, *The Times* commented appositely as early as 1 July 1940:

*If we speak of democracy, we do not mean a democracy which maintains the right to vote but forgets the right to work and the right to live. If we speak of freedom, we do not mean a rugged individualism which excludes social organization and economic planning. If we speak of equality, we do not mean a political equality nullified by social and economic privilege. If we speak of economic reconstruction, we think less of maximum production . . . than of equitable distribution.*

*The News Chronicle* added on 18 August 1941: 'No man is truly free who is not free from social want.' Anglican, Catholic and Non-conformist church leaders joined in a letter to *The Times* in December 1941 in a plea for more social equality. Slum children evacuated to rural areas and to that emerging 'third England', identified by J. B. Priestley in *English Journey* (1933), had opened people's eyes to the basic facts of poverty in a way that the most detailed of surveys and analyses could not.

With the passage of time since 1945, and the discovery of the weaknesses in postwar social and economic policies, verdicts on the domestic performance of the coalition governments of the 1930s have tended to soften. Britain has been credited with the world's most advanced social services in 1939: the welfare state was standing, if incomplete, and in scaffolding;<sup>2</sup> state influence over the economy was increasing (if full-scale nationalization was shunned) so that the state interventionists of the 1940s were able to build highways where many footpaths already existed. Collectivism was not a total novelty in the 1940s. In the prewar midlands and south of England there were many anticipations of the 1950s, with new housing estates, the spread of car ownership, the progress of chain stores all helping to blur the old lines between the lower middle classes and better-off manual workers. Economic historians have demonstrated how the 1930s, for many, were years of modestly increasing prosperity. This 'third England' that was emerging in the south and midlands might have lacked style, but it enjoyed many solid comforts.

At the same time, whole regions of the north of England, Scotland, Wales and Northern Ireland remained blighted by unemployment and inadequate social services. Under one-third of the houses built between the wars were for rent from local authorities. About one-third of the population lived in or dangerously near a state of poverty; perhaps 10 per cent of the population – the ratio was worse among children – were badly undernourished. It is significant that whereas Britain had much the same infant mortality rate as the Netherlands in 1920, by 1937 the Dutch had made significantly more progress. There were wide variations in Britain according to class and region. So deeply rooted did many social and economic problems appear, and so much part of the existing order that there were those who then queried whether they could be overcome by parliamentary means alone. In 1933 Professor Harold Laski asked: 'If Labour attains an electoral majority and thus

#### 4 *Introduction to the postwar era*

dominates the House of Commons, will capitalism meekly abdicate before its onset?' The Labour Party, however, reaffirmed its faith in 'political democracy', and in 1937 its leader, Clement Attlee, made much of the need to win over new supporters, especially among the less hidebound of the professional classes who were discontented with the failings of the current system. That such a parliamentary strategy was feasible and desirable received much encouragement during the war, when Labour itself in 1940 joined the Churchill coalition and, through increased familiarization with the corridors of power both in government and business, gained confidence in its ability to lead without fear of serious resistance from the citadels of privilege. The war too, encouraged the use of new methods, ideas and personnel. Massive government involvement at all levels and ranges of the nation's life became customary, and in some degree more tolerable. Not least there was some practical implementation of the thinking of or associated with the greatest economist, John Maynard Keynes.

Among that mixed bag of individuals of the 1930s, who did so much to lay the foundations of the thinking of the moderate left and right of the 1940s and 1950s, John Maynard Keynes was seen as the most influential. Whatever his debts to others, whatever the failings of *The General Theory* (1936), however much he was misunderstood or his thinking oversimplified, he above all helped to erect a bridge of economic theory across which the moderate pragmatists of both left and right could communicate. Keynes argued that capitalism was not necessarily self-regulating, nor yet outmoded. As he saw it, the state should be 'the guiding influence' over consumption; 'a somewhat comprehensive socialization of investment will prove the only means of securing an approximation to full employment'. Ownership of the instruments of production was not important:

*... apart from the necessity of central controls to bring about an adjustment between the propensity to consume and the inducement to invest, there is no more reason to socialize economic life than there was before. ... It is in determining the volume, not the direction, of actual employment that the existing system has broken down.<sup>3</sup>*

John Strachey was one of the left who was impressed by this reasoning. Keynes, he argued, showed democratic socialists how the state could control capitalism through financial and economic instruments. 'In so doing he helped to show the peoples of the West a way forward which did not lead across the bourne of total class war: a bourne from which the wage earners of the West recoil, now that they can see its raging waters.'<sup>4</sup> Advocates of more radical change, such as Professor G. D. H. Cole, lamented the success of Keynes among Labour supporters.

On the Conservative side, Harold Macmillan was among the first to be attracted to Keynesian thinking, but others soon followed, interested in the challenge to the concern with balanced budgets and hopeful that more effective measures against unemployment would now become

feasible. The possibility that government could drastically influence the level of demand was especially appealing. The work of other groups and individuals before the war should not be forgotten, with Lloyd George and the Liberals pressing for an ambitious public works programme as far back as 1929. Bodies such as Political and Economic Planning (PEP) and 'The Next Five Years Group' also made their contributions. Nevertheless it is worthy of note that experiments in deficit finance in the United States and Sweden in the 1930s had not been markedly successful, and it was important that the war not only necessitated new approaches to the management of the economy in Britain but also launched the world on the great mid-century boom. Keynes himself doubted in 1940 whether it was politically possible for a democracy to test his theories save in the circumstances of war. One year later there appeared Kingsley Wood's 'stabilization' budget, the first attempt at a fairly direct application of Keynesian remedies to meet the danger of inflation generated by the war.<sup>5</sup> This was a move pregnant with many possibilities, the budget being drawn up to try to establish the 'output potential' of the economy, and what cuts were necessary in private consumption to meet the needs of a nation at war without serious inflation. One moved from the budget as a 'book-keeping statement' of government income and expenditure to its use as a cardinal instrument of state policy.<sup>6</sup> Revolutionary, too, was the fourfold increase in taxation, an increase unthinkable in peacetime, yet which would provide the basis for postwar state social and economic activity.

The war also made a great impact upon social thinking and policy. Most obviously, from the outset, fears of heavy civilian casualties as a result of enemy bombing prompted inquiry into the medical services. These gave added force to the concern already expressed by the British Medical Association (BMA) over the lack of coordination. In 1936 the Cathcart Commission had urged the adoption of a comprehensive approach to the medical services in Scotland. But the expected needs of war brought a greater sense of urgency. There were more than 1,000 voluntary and over 2,000 municipal hospitals in Britain, many of them poorly staffed, equipped and administered. Often the local authority institutions were 'still flavoured with the stigma of the poor law', some institutions having developed from former poorhouses, and used as depositories for the old and chronically sick.<sup>7</sup> A national hospital service was necessary for war victims, nationally directed and financed. War proved a great leveller in standards of treatment, both up and down, and as early as 1941-2 there was government recognition of the need for a postwar coordinated hospital service for all. No fundamental changes in ownership or finance were as yet envisaged, but an invaluable fund of information was being collected for use by postwar reformers.

The same spreading and levelling effects operated in other medical and social services. Given the growing shortages, it was only common sense to make special – and universal – provision for the especially

vulnerable, such as expectant and nursing mothers, babies, and young children. Free or subsidized milk was introduced from 1940, and by the end of the war milk consumption had nearly doubled. Such were the improvements in medical and nutritional care that in 1944 the infant mortality rate was the lowest on record, and nowhere had the drop been more impressive than in Scotland. Other health statistics were reassuring. Full employment, reasonably steady prices for key commodities and their assured provision through food rationing were also playing their part. The overall impact of the war was to increase the dependence of many even among the better-off on state services, and once this occurred the remnants of the poor law and workhouse traditions that still underlay some of these services could not long survive. Domestic servants were not easily found, even when they could be afforded. The war also diminished the self-reliance of poorer families and neighbourhoods, calling away many of those who had formerly tended the old and sick. Only the state could cater in the aftermath of a heavy bombing attack. The strains on family life were reflected in the higher rates for juvenile delinquency, divorce and illegitimate births, and in the great increase in the employment of married women. More cases of parental neglect of children were reported. Increased action by public authorities was inescapable: recourse to them was no longer an almost automatic sign of poverty. The idea that the poor must be responsible for their condition was clearly in retreat. In 1941 the personal means test replaced the hated family means test. Yet as late as 1946 the Curtis Committee had to report that some children under the care of local authorities were still living in nineteenth-century all-purpose workhouses.

On the whole the poorer sections of the community could feel that in this war at least the 'profits' had not been wholly reserved for the wealthy. If income redistribution was not dramatic – the top 10 per cent' share fell from 38 to 30 per cent – average weekly earnings rose by 80 per cent against a cost of living increase of only 50 per cent. The coal-mining communities in particular made badly needed gains, climbing from eighty-first to fourteenth place in a wages league of 100 industries. The growing scarcity of labour was a crucial weapon; trade union membership rose during the war by one-third to 8 million, and union strength was also reflected in the growing incidence of strikes. The TUC was able to influence decisions at a national level, and the new power of labour was reflected in the appointment to Churchill's government in 1940 as Minister of Labour of Ernest Bevin, General Secretary of the Transport and General Workers Union. Churchill himself described the unions as the 'Fourth Estate'. Popular expectations were rising, but there were also deep fears lest the wartime gains should evaporate with the return of peace. As the danger of a German invasion receded, interest in reform mounted, with Labour backbenchers such as Aneurin Bevan beginning to harass not only the coalition government as a whole but also their own leaders in the cabinet for more positive action.

Certainly some prodding was necessary, for Americans as well as his own colleagues noted how grudgingly Churchill turned his attention to matters other than the war. Nor were Labour ministers necessarily responsive to pressure from the left. Attlee and Bevin declined to act on Laski's demand that the war should be used to effect a social revolution: to attempt to do so, they argued, would divide the nation in a time of peril. Nevertheless they hoped that Labour's role in the war, including its part in the extension of public services, would guarantee the party either an influential place in any postwar coalition or victory at the polls once the Axis had been defeated. Herbert Morrison and Sir Stafford Cripps, within the government, were anxious to begin the planning of postwar social changes. Bevin also turned his mind to such matters, especially in education, regional development and industrial efficiency. To many socialists he might seem a tepid reformer, but he was an intensely practical man. As a great organizer he understood and used power better than most. He was very conscious of the enormous economic problems that would face any government after the war. Attlee's views were similar. When, at the Labour Party Conference in 1943, a few voices were raised in favour of the dissolution of the coalition, he replied that the party could do more to promote its long-term aims by remaining within the government. Indeed, a continuance of the coalition into the peace was privately not ruled out by the Labour leaders, as they recalled Lloyd George's electoral triumph in 1918 and feared a possible repetition under Churchill. Perhaps, too, the immensity of postwar problems could best be met by a coalition, and on the Conservative side Churchill, Eden and Halifax were often drawn to that solution.

The wartime coalition also caused some unease among Tory backbenchers: they saw too much covert socialism. But for a group of progressive Conservative MPs, who formed the Tory Reform Committee, there was too little positive government action. They wished to project a new party image. Lord Hinchinbrooke urged the rejection of the 'Whigs' and 'money barons' in the party, and a return to the spirit of Disraeli and the quest for 'one nation'. Quintin Hogg described the 'New Conservative' in 1944 as one who did not fear modern forms of public control. For him, schemes of social security were not destructive of enterprise. 'Social democracy' and work for all must be the aim; privilege based on wealth or birth and not on skill had served its purpose. David Eccles spoke out for 'a just distribution of ... national income'. There were several contradictory currents at work within the Conservative party. The majority of the rank and file clung to prewar attitudes and policies, but among the leaders Anthony Eden was reflecting on the possible diminution of business influence in a reconstituted party. R. A. Butler and Harold Macmillan were influential progressives, and the great electoral defeat of 1945 was to strengthen their hands. Meantime Churchill himself was reluctant to engage in much long-term planning for the future, fearing that the



nation would be unable to foot the bill for ambitious reforms for many years. He readily shared the fears of the Treasury in 1944 that too much attention was being paid to a 'Brave New World' and too little to the 'Cruel Real World'.<sup>8</sup>

Yet some general government statements on such matters as health, social security, employment and education were necessary for public morale. Already, as a product of prewar interest, the Barlow Commission had spoken out in January 1940 against the great congested and unhealthy conurbations, pleading for a more balanced distribution of population and for an attack on regional unemployment. It also argued against the long-held belief in regional industrial specialization, a nineteenth-century tenet that only began to weaken in the 1930s. The war appeared to demonstrate the efficacy of taking work to the workers, and of industrial diversification. The Uthwatt and Scott Reports dealt specifically with urban and rural problems. The Ministry of Town and Country Planning was set up in 1943, and a Distribution of Industry Bill was carried through Parliament in the first half of 1945. The development of New Towns was envisaged. But of most interest to the public was the 1942 Beveridge Report, with its proposals for a far-reaching and universal scheme of social insurance against 'interruption and destruction of earning power, and for special expenditure arising at birth, marriage or death'. Mass Observation reported in its November 1942 *Bulletin* that many people expected the war to be followed by a return to mass unemployment and less money. Beveridge affirmed the need for a successful battle against the five 'giants' of want, disease, ignorance, squalor and idleness. *The Manchester Guardian* of 2 December 1942 described the Report as the most important social project since Lloyd George's National Insurance Bill of 1911. A hesitant government was left in no doubt of the public's desire for action. An 85 per cent poll was recorded in its favour. Labour backbenchers, and some Conservatives led by Quintin Hogg, pressed hard for action.

The final government commitment was somewhat tentative. There were similarly rather generalized promises on a national health service, urban renewal, a housing programme, and on high and stable employment. Beveridge himself published a book in 1944 entitled *Full Employment in a Free Society*, attacking government policy as too cautious. The government was not alone in its doubts. British employers asked how exports could bear the cost of Beveridge's plans, though there had been a realistic attempt to cost their recommendations. Keynes commented on Beveridge's hope that unemployment could be maintained at an average of 3 per cent: 'No harm in aiming at 3 per cent unemployment, but I shall be surprised if we succeed.' His own expectation was around 6 per cent, while Bevin, in April 1943, thought that up to 8 per cent unemployment could be regarded as normal labour turnover, and that emergency state action would be required only beyond that point. There was more general agreement that full employment, if attained, could lead to serious inflation, and there was



much interest in the sort of controls that might be introduced. Beveridge himself talked of the need for compulsory arbitration or some unified wages policy involving the TUC. Mrs Joan Robinson in 1946 believed the state would increasingly control and direct labour the further unemployment fell below 2 per cent.<sup>9</sup> The TUC itself spoke of the need for great labour self-control in periods of full employment, but looked to the government for assurances on price controls as well as full employment. Not surprisingly traditionalists within the Treasury were worried, and the 1944 white paper on employment was an untidy compromise, with only tentative proposals as to how a postwar slump might be resisted.

These reservations by contemporaries should be borne in mind by later critics of the initiators of the broad lines of British economic policy in the 1940s when full employment later gave rise to problems of its own – especially its contribution to inflation. Those in positions of authority or influence in the mid-1940s were not unaware of the difficulties, but, as will be seen, postwar developments had a way of gaining a volition of their own. The acute postwar labour shortage, intensified by National Service, accustomed the nation to an unemployment rate of much less than 2 per cent – a figure that was neither expected nor initially sought.

Interparty suspicion and rivalry further hampered postwar planning. Vague agreements in principle could leave major differences as to detailed implementation. Party leaders were sometimes closer in their thinking than they could admit to party rank and file, each wing alert to any threat to nationalization or private enterprise. There were some interesting ambiguities in the same individual. Thus Lord Woolton found some Conservatives dangerously near to socialism in their readiness to use state power against poverty, but he himself felt that building controls, for instance, would be essential in the immediate postwar years. Indeed, despite much Conservative rhetoric against controls, there existed a widespread consensus in government as to their indispensability in the first years of peace. Sir John Anderson, as Chancellor of the Exchequer in 1945, foresaw perhaps five postwar years during which considerable control of the economy would be necessary to strike a correct balance between exports, reconstruction and consumption, and to avoid the mistakes that had helped to bring about the shortlived and damaging boom that followed the First World War. Within the Board of Trade from 1943 there was increasing interest in controls, not merely in the context of exports and inflation, but in the location and modernization of industry, and of town and country planning as a whole.

In the longer term, it is true, the Conservative party continued to hold reservations as to the extent of state intervention. It preferred to see state action as an exceptional and temporary measure, professing concern lest individual initiative and independence should be discouraged. In the context of social and health services Conservative policy at this stage was likely to be less comprehensive and ambitious