

PART 1: BUILDING A NEW BRITAIN, 1951–1979

1 The Affluent Society, 1951–1964



In this section we will study the developing affluence of British society between 1951 and 1964. We will look into:

- Conservative governments and reasons for their political dominance: Churchill, Eden, Macmillan and Douglas-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.

Conservative governments and reasons for political dominance

Churchill, Eden, Macmillan and Douglas-Home as political leaders

ACTIVITY 1.1

As you work through this chapter, create a set of parallel timelines to chart who was Prime Minister, Chancellor of the Exchequer and Foreign Secretary at any given time. You may like to add a fourth line/column for notes of other key personalities.

Electoral Politics

At first sight the general election of October 1951 offered a slender foundation for 13 years of Conservative rule. The party and its allies secured a narrow margin (17 seats) over all other parties combined. Yet the victory was very much a function of Britain's **first-past-the-post electoral system** and a demonstration of the distortions of the popular will it can create. The Labour Party had received 13.95 million votes, nearly a quarter of a million more than the Conservatives. Indeed, seen in historical perspective, 1951 was something of a Labour triumph, even though they lost office. The party's 48.8% of the vote was a higher proportion than ever before – or since. The improved Conservative performance, since the last election in February 1950, essentially resulted from a reduction in the number of Liberal candidates and the Conservatives' success in capturing the support of former Liberal voters. The contemporary belief in the 'natural swing' of the electoral pendulum – a movement in one party's favour would normally be corrected at the next election – suggested that the Conservatives would be a one-term government, with Labour returning to power within four or five years. Having joined Churchill's wartime coalition back in 1940, several Labour figures had been in office continuously for more than a decade and welcomed a period of comparative rest. Hugh Dalton, a former Labour Chancellor, described the election's outcome as 'wonderful'.¹

The Conservatives, however, defied the 'natural swing' theory and went on to strengthen their parliamentary position. In May 1955 they increased their majority to 60 and then, in October 1959, increased it again to 100. This electoral performance was unique in 20th century history. Indeed, so baffled were many observers by the developing political landscape, that they devised a new theory to explain it. Experts wrote of the 'embourgeoisement' of the electorate, which meant that more people in an increasingly prosperous society aspired to, and reached, the status of 'middle class'. They then took on the habits and characteristics of their new class, including a tendency to vote Conservative.

The embourgeoisement thesis, if valid, was, of course, very bad news for Labour. Assuming that the country would generally continue to grow richer, the size of Labour's **core vote** from the manual working class was likely to diminish, and Labour might never again be able to form a government. But the thesis is crude and lost much of its credibility after Labour returned to power in 1964. Furthermore, class-based voting has become less conspicuous in recent decades. Nonetheless, statistics do reveal a long-term decline in the Labour vote and the evidence suggests that the party is most likely to succeed at the polls when, as under Tony Blair, it pitches its appeal beyond its 'natural' supporters.

During the 13 years of Conservative government, the party had four different Prime Ministers. All came from the upper reaches of British society and were in the long-standing tradition of Tory paternalism.



Key terms

first-past-the-post electoral system: voting system whereby the individual who tops the poll in each constituency is elected and no account is taken of the percentage of the poll secured by each party in the region or country as a whole.

core vote: that section of the electorate upon which a party can reliably count for support, often associated with a particular class or social group.



Speak like a historian

D. Butler and D. Stokes

From their book *Political Change in Britain*.

Particularly in the wake of the Conservatives' third successive victory in 1959 it was thought that middle-class consumption levels might be eroding the industrial worker's identification with the working class and, with it, his commitment to the Labour Party ... The collapse of Conservative strength in the early 1960s dealt a rude blow to the embourgeoisement hypothesis.²

Discussion points

1. Does this analysis match your own understanding of the electoral politics of this period?
2. Is the final sentence in the extract wholly convincing, or should it be qualified?

The political leaders

Winston Churchill (1874–1965) was born in Blenheim Palace, and was a grandson of the 7th Duke of Marlborough. He was 76 years of age when he came to office, and not in good health. Some have suggested that he was unfit to resume the reins of government. However, Anthony Seldon, in his pioneering study *Churchill's Indian Summer* (1981), based largely on the oral testimony of surviving contemporaries, produced a nuanced and convincing picture. Churchill, Seldon suggests, proved a relatively successful Prime Minister, at least until a severe stroke in June 1953. The key to his success was his willingness to delegate, while reserving his energies for the fields of foreign and defence policy where he felt most engaged. In his early career Churchill had been a reforming Liberal. Since then his views had undoubtedly moved significantly to the right, partly because of his innate anti-socialism. However, his choice of ministers in 1951 suggested a readiness to accept a form of Conservatism that placed his party firmly in the political centre ground.

Anthony Eden (1895–1977) came from the minor aristocracy of northern England. After a career dominated by overseas policy (he had served three times as Foreign Secretary), his views on domestic politics were not easily discerned. He had given some support to Butler's repositioning of Conservative policy in the late 1940s and was widely associated with, though he had not coined, the progressive-sounding phrase 'a property-owning democracy'. Ironically, his premiership hit the rocks over an issue of foreign policy (the Suez Crisis) where he was supposed to have unrivalled expertise. Even so, his period as Prime Minister offers little evidence of any desire to challenge the moderate Conservatism of his senior colleagues.

Harold Macmillan (1894–1986) was of humbler birth, a member of the celebrated publishing family, who improved his social status by marrying a daughter of the Duke of Devonshire, delighting in his newly acquired aristocratic credentials. He had cut his political teeth in the 1920s and 1930s as MP for the working-class constituency of Stockton-on-Tees. Few Conservatives of his generation and class had such a good rapport with the less well-off in society. A politician to his fingertips, Macmillan succeeded in taking his party further to the left than any Conservative leader in history. A believer in the power of government to do good for its citizens, he respected the cross-party consensus to keep unemployment low and had no desire to reverse most of the reforms enacted by the Labour governments of 1945–51.

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Alec Douglas-Home (1903–95) was genuinely aristocratic: he began his premiership as the 14th Earl of Home, one of the greatest Scottish landowners. He only disclaimed his title under newly enacted legislation in order to resume his Commons career. Douglas-Home's instincts were less interventionist and more sceptical about ever-higher levels of government expenditure than those of his predecessors. However, out of the Commons for more than a decade and with little recent experience of domestic politics, he was never likely to move his party away from the prevailing centrist approach that had held sway since the late 1940s. This was, not least, because he took office as Prime Minister knowing that a general election could not be delayed beyond the autumn of 1964. That said, his government was responsible for one important measure that anticipated the more free market approach of later Conservative leaders. Under Douglas-Home, Resale Price Maintenance, the system whereby manufacturers could fix the price at which their goods were sold to the public, was abolished.

Eden, Macmillan and Home were all products of Eton; Churchill attended Harrow (somewhat unsuccessfully). More significantly, all four sought to locate their party in the centre ground of British politics. Churchill may have nurtured some reactionary views, particularly on social and racial questions; Home may have been more right-wing in general outlook than the other three. However, none showed much evidence of the more overtly ideological right-wing stance of some later Conservative leaders. This was important in helping their party appeal to the sort of centre ground 'swing voter' who usually determines the outcome of British elections.

Domestic policies

Continuity and consensus

The most striking feature of the new government's domestic policies was the absence of abrupt change from those pursued by the outgoing Labour administration. Labour had built their election campaign around the proposition that a Conservative victory would involve the large-scale dismantling of Labour's economic and social achievements. This proved not to be the case. Churchill was never going to be the same sort of dynamic chief executive as during the Second World War. His selection of cabinet ministers was, therefore, of particular importance. Three figures will be considered here: Butler, Macmillan and Monckton.

As Chancellor, Churchill appointed R.A. Butler ('Rab Butler'), a man who held high office (though never the premiership) throughout the Conservatives' 13 years in power. Butler was Conservative MP for Saffron Walden from 1929 to 1965. He enjoyed one of the longest ministerial careers of the 20th century. An unapologetic appeaser, he survived the fall of Neville Chamberlain in 1940 and, as President of the Board of Education 1941–45, was responsible for the Education Act of 1944, which formed the basis of post-war schools policy, including selection at the age of 11. He led the way in modernising Conservative policy in the years 1945–51 and was rewarded with the Exchequer when the Tories returned to government. Twice passed over for the premiership in 1957 and 1963, he held high office as Home Secretary and Foreign Secretary until his party lost office. A strong representative of a compassionate and progressive brand of Conservatism, he probably damaged his chances of the premiership with his notorious indiscretions and a tendency to sit on the fence.

Butler epitomised the moderate, centre ground politics, often referred to as **One Nation Conservatism**, dominant at this time. He had played a leading part in the modernisation of party policy during the years of opposition and was prepared to accept much of the programme enacted by the post-war Labour government. Butler had no intention of creating the full-blooded capitalist economy that critics had anticipated and that was eagerly awaited by figures on the Tory right. Nonetheless, such was the economic crisis that Butler inherited, that he offered his backing when, in 1952, Treasury officials came up with a scheme code-named 'Robot', which would have abandoned the pound's fixed exchange rate, allowing it to find its own level in



Key terms

One Nation Conservatism: the name, appropriated from Disraeli, was used by a small group of new Conservative MPs in 1950 to describe their support for the sort of moderate, reforming Toryism, which encouraged social cohesion and avoided divisive policies. Now used more generally to describe the left wing of the Conservative Party.

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the markets. ‘Robot’ would certainly have led to a significant rise in unemployment and, in the face of strong opposition from other cabinet ministers, it was dropped. This decision was a key moment in setting the tone of 1950s Conservatism. Later, when unemployment did show signs of rising, the government prepared highly interventionist schemes to hold it down. Such measures had hitherto been associated with the political left. In 1955 the monthly average figure of registered unemployed dropped to just 232 000, around 1% of the workforce. Notwithstanding one or two blips, the Conservatives generally managed to contain unemployment within acceptable limits during their time in office.

Nationalisation

One of the key changes enacted by Attlee’s government had related to the state’s role in running British industry. A large number of public service organisations had come into public ownership, including: the Bank of England (1946); coal (1947); electricity, gas and the railways (1948); and steel (1951). Tory governments of the 1980s and 1990s would return such activities to the **private sector**, but the Conservatives of 1951–64 only tinkered with the dividing line between state and private ownership laid down by Labour. Steel, which had been included in Labour’s nationalisation agenda at the behest of the party conference, but against the advice of the leadership, was denationalised (or privatised as we would say today). Returning steel to private hands proved relatively uncontroversial and the Conservatives also managed to find buyers for part of the road haulage industry, but denationalisation went no further. Here lies strong evidence that the Conservative leadership now accepted the notion of the ‘mixed economy’ – the idea that, alongside a flourishing private sector, government should have responsibility for running other industries, particularly the utilities and natural monopolies which might struggle to create profits in the marketplace, but which were vital in the life of the nation.

Butskellism

It was not surprising that, in 1954, sensing an essential continuity between Butler and his Labour predecessor, Hugh Gaitskell, the *Economist* invented the composite figure Mr Butskell, combining the names of the two chancellors. The concept of ‘Butskellism’ has been at the heart of a historiographical debate over the existence at this time of a **political consensus** between the leading parties. Butler and Gaitskell were not identical in their policies and objectives. As we have seen, Butler backed the ‘Robot’ plan. Gaitskell was readier than Butler to use the annual budget as an instrument of economic control and the two men had different long-term visions of how wealth should be distributed. Some writers have gone further and suggested that circumstances, rather than conviction, underlay the move towards consensus. The Conservative reluctance to initiate major changes was probably due to their narrow 1951 victory; to their realisation that they had made few inroads into Labour’s core working-class vote; and to a determination to dispel fears of any significant reversal of the popular achievements Labour had highlighted in their 1951 campaign. However, if ‘consensus’ is taken to imply a broad measure of agreement about the way Britain should be run, based on a mixed economy and **Keynesian** demand management, it remains a useful tool of historical analysis. Certainly, there is a marked contrast with the far more polarised stances taken up by Labour and the Conservatives in the 1970s and 1980s.

Housing

Churchill installed Harold Macmillan at the Ministry of Housing – something of a poisoned chalice. Churchill had ambitiously promised that a Tory administration would build 300 000 houses in a single year. If he fulfilled it, Macmillan’s standing in the party would be considerably strengthened; if he failed, his political career might be over. In the event the target was reached in 1953, leaving Macmillan set fair for ministerial promotion. ‘You were disappointed at the time [of appointment]’, Churchill later reminded Macmillan, ‘but it made you P.M.’³



Key terms

private sector: that part of the economy that is owned and run by private interests, rather than the state, usually along capitalist lines.

political consensus: significant overlap, or similarity, in the policies of the leading parties (or, more usually, their leaders) producing a noticeable continuity in governmental practice.

Keynesian economics: economic theory based on the writings of the Cambridge economist, J.M. Keynes, which dominated thinking from the Second World War until the 1970s. In essence, it involves a belief that government should use economic policy to iron out the fluctuations of the market, in order to control the level of employment and maximise productive efficiency. Regulating demand can encourage growth when necessary, or hold it back when there is danger of the economy overheating.

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Voices from the past

Richard Crossman

Richard Crossman was Labour MP for Coventry East.

[Boothby] and Junor both described Lyttelton's anger at being fobbed off with the Colonies, and Boothby said, 'Rab Butler Chancellor! Why, that's Gaitskell all over again, but from Cambridge.' ... the real free enterprisers and deflationists seem to have been kept out and there is a good deal in the view that the general make-up of the Churchill Cabinet means that it will be only very slightly to the right of the most recent Attlee Cabinet. Just as Attlee was running what was virtually a coalition policy on a Party basis, so Churchill may well do the same.⁴

Diary, 31 October 1951.

Discussion points

1. What does this extract add to the debate about a political consensus in 1950s Britain?
2. How important is the political stance of the diary writer?
3. How does this extract relate to the concept of 'Butskellism'?

Again, Conservative and Labour policies were not identical. The former stressed the private sector's role in building the required homes; the latter favoured public provision and wanted to protect tenants from exploitation in the private rented sector. The Tories' Rent Act (1957) showed a clear division of purpose in lifting controls over the rents of 400 000 houses, provoking angry Labour opposition. In general, however, Conservative housing policy was part of a humane concern for the needs of the people that characterised their economic and social policies at this time. Important progress was made in the field of slum clearance, though much remained to be done by the time the Conservatives lost office.



Figure 1.1: Some of the 'improvements' planned, and some that were achieved, paid too much attention to the ideas of architects and planners, in terms of high-rise accommodation and the destruction of existing communities, at the expense of the wishes of the citizens directly affected.

Industrial relations

Churchill's third key appointment in 1951 was of Walter Monckton to the Ministry of Labour (a government department more recently known as Employment and, currently, Work and Pensions). In opposition the Conservative spokesman, David Maxwell-Fyfe, had hinted that his party would introduce legislation limiting trade union power. Such a confrontational stance was, however, not part of Monckton's brief. Instead, he consistently tried to bring the two sides of industry together and to avoid strike action. The price of such harmony was often paid by granting inflationary pay awards. Later Conservatives would be highly critical of Monckton's non-confrontational way of kicking a major problem into the political long grass. Nevertheless, Monckton's ability to maintain industrial peace won him the nickname of the 'oilcan', lubricating away potential strife. Those who feared that his spilt oil would create a slippery slope towards economic decline were, as yet, a minority.

Health and education

Labour's creation of the National Health Service (NHS) in 1948 had probably been its single most important domestic achievement. It remains the country's most popular institution and its founding principle, that healthcare should be available to all, free at the point of use, is deeply entrenched in the national psyche. Again, Labour argued that a Conservative government would lead to the erosion, if not the dismantling,

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of Labour's creation. True, in his first budget, Butler was obliged to introduce some health service charges, but the 'free at the point of use' principle had already been breached by Labour in 1951 in relation to false teeth and spectacles. Reporting in 1956, the Guillebaud Committee concluded that the NHS provided good value for money and urged additional funding. The government accepted these findings. As the economy strengthened, the Conservatives actually increased spending on the social services, including the NHS. Total NHS spending roughly doubled between 1951 and 1962. Successive Tory Ministers of Health successfully buried the notion that they wished to destroy what Labour had built. Then, in the early 1960s, Health Minister Enoch Powell embarked on an ambitious programme of hospital building. Meanwhile, education seemed likely to be a further illustration of broad consensus between the parties, as the Tories continued to implement the provisions of the wartime Butler Education Act (1944). Gradually, however, the divisive effects of segregation at the age of 11 and the poor performance of many secondary modern schools persuaded many in the Labour Party that a comprehensive system was the way forward.

Labour divisions

The Conservatives' policies together with growing popular affluence consolidated the party's position in the electorate's esteem. Typical floating voters saw little reason for transferring their allegiance elsewhere. The Liberals were now little more than a fringe party while for Labour, despite its strong 1951 electoral performance, the following decade was a troubled time. Beset by internal difficulties, it seldom looked convincing as a government-in-waiting. Its problems began, in the dying days of the Labour government, with the resignation of three ministers, Aneurin Bevan, Harold Wilson and John Freeman, over the introduction of NHS charges. Consequently, the early 1950s were dominated by ongoing struggles between the party's left and right wings. Labour conferences witnessed bitter disputes over the movement's soul and future direction. Douglas Jay remembered the 1952 gathering in Morecambe as 'one of the most unpleasant experiences I ever suffered in the Labour Party. The town was ugly, the hotels forbidding, the weather bad, and the Conference, at its worst, hideous.'⁵ No agreement existed over the party's way forward. Should the 'socialist' achievements of 1945–51, particularly the nationalisation programme, be savoured and consolidated, or seen merely as the first step towards a genuinely socialist state? In addition, the left was irritated by Labour's failure to articulate a foreign policy recognisably different from that of the Tories and called for a socialist alternative, although it was never entirely clear what this entailed.

Internal divisions largely determined the changes in the party's leadership during this period. Attlee remained leader until 1955, primarily to thwart the ambitions of his deputy, Herbert Morrison, and of the left-winger, Bevan. He enjoyed some success in keeping a lid on Labour's internal dissension. By the time of the 1955 general election, however, Attlee was 72 years old and unconvincing as an alternative Prime Minister, especially as the Conservatives were now led by the popular and relatively youthful Eden. When Attlee finally stepped down, after two decades at the helm, he was succeeded by Hugh Gaitskell. However, Gaitskell, a man of genuine intellectual ability and political integrity, was unequivocally associated with a faction within the party – its right wing. Many on the left hated him. His leadership was therefore characterised, notwithstanding a personal reconciliation with Bevan, by renewed conflict, particularly over nuclear disarmament and **Clause IV**. The issue of nuclear weapons is covered in more detail in the section on 'The nuclear deterrent' towards the end of this chapter.

Labour entered the 1959 general election campaign with some confidence. However, any hope of victory was lost when the party committed itself to a number of expenditure pledges, such as a rise in the basic state pension, while insisting that these would not necessitate an increase in general taxation. Not for the last time, Labour's electoral prospects were thwarted by its economic policy's lack of credibility.

ACTIVITY 1.2

Draw a Venn diagram to summarise the ways in which Conservative policies after 1951 overlapped with previous Labour policies. Using information here and from your own research, identify where the Conservative government rejected previous Labour policies, and/or initiated its own. Can you explain why they might have done this?



Key terms

Socialism: a political philosophy holding that economic activity should be communally owned and geared towards the needs of society as a whole, rather than the individual. In the British tradition the necessary transformation has generally been seen as a gradualist, rather than revolutionary, process.

Clause IV: a clause in the Labour Party constitution that committed Labour to the common ownership of the means of production, distribution and exchange – in other words, the progressive nationalisation of British industry.

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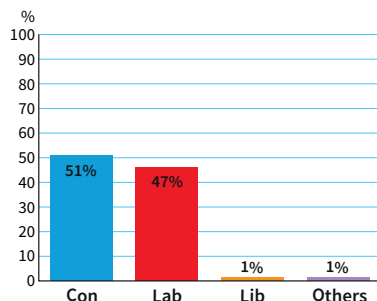


Figure 1.2: Seats in the House of Commons won in the 1951 British general election; percentages have been adjusted to the nearest whole number. Ulster Unionist figures are included in Conservative totals.

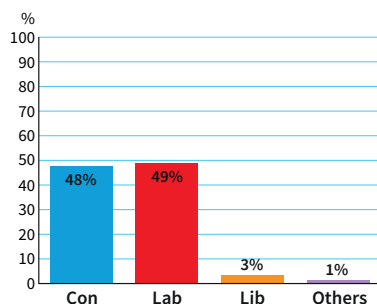


Figure 1.3: Votes won in the 1951 British general election; percentages have been adjusted to the nearest whole number. Ulster Unionist figures are included in Conservative totals.

Key terms

balance of payments: the relationship between the value of a country's exports and imports, measured in terms of goods and services. A 'favourable balance' is achieved if the value of exports exceeds that of imports.

bank rate: the rate of interest at which the Bank of England lends money, which in turn determines the rate at which the high street banks lend to the public. Increasingly used in the 1960s to cool an overheating economy.

It remains doubtful whether Gaitskell could ever have fully united his party and this may have remained an insuperable barrier to Labour's return to power. In the event, the dilemma was removed by his sudden, unexpected and premature death in January 1963. In choosing Harold Wilson as his successor, rather than the able, but erratic and unpredictable, George Brown, the party laid the foundation of its own electoral salvation. Wilson's particular skill was to unite Labour's contending factions. His credentials as a man of the left were hard to dispute, not least because of his association with Bevan, but his policies were of the centre ground and he attracted considerable support from the right. Rather like Tony Blair in the 1990s, Wilson understood that, to win elections, Labour needed to appeal far beyond its core vote. For perhaps the first time since 1951, Labour seemed ready to return to government, especially when Wilson found himself opposed after October 1963 by the aristocratic Douglas-Home. Wilson appeared dynamic and progressive, embracing the modern world and its challenges – some even likened him to the American President, John F. Kennedy – in contrast to the Conservatives' ex-earl, whose public image remained stubbornly one of privilege and the grouse moor.

The Conservatives in decline

In a democracy there is a natural tendency, over time, for the electorate to opt for change. It would have been an astonishing achievement for the Conservatives to have secured a fourth successive victory in 1964. 'I fear the truth is that after ten years of unparalleled prosperity, the people are bored', judged Macmillan in March 1962.⁶ But, if we accept that the period of Tory rule was coming to its natural end, a number of other factors, in addition to Labour's new-found credibility, contributed to the government's defeat. In the first instance, the early 1960s witnessed problems with a number of the government's policies. Most importantly, its reputation for economic competence came into question. The government seemed unable to combine economic growth with stable prices. Repeated **balance of payments** crises afforded a clear indication that Britain was failing to pay its way in the world. Signs that the economy was overheating obliged the government to apply the brakes with deflationary measures, such as increases in the **bank rate** and restrictions on hire-purchase. This became particularly characteristic of the Chancellorship of Selwyn Lloyd (1960–62), when commentators wrote of an era of 'stop-go'. Lloyd was dismissed alongside a third of the cabinet in Macmillan's infamous 'Night of the Long Knives' in July 1962. The Prime Minister, renowned for his unflappability – the resignations of the Treasury team in 1958 had been passed off as 'little local difficulties' – had been panicked into a desperate attempt to revitalise the government's image. Increasingly, however, it was Macmillan himself, out of touch with the modern world, who appeared to have exceeded his shelf life, an impression which intensified once Harold Wilson assumed the Labour leadership. Macmillan found himself being ridiculed in a new wave of satire on the stage and television, something that would have been unthinkable only a few years before.

Macmillan suffered a very personal policy setback when General de Gaulle, the French president, vetoed Britain's first application to join the European Economic Community (EEC) in January 1963. The Prime Minister viewed British membership as essential to maintaining the country's position on the world stage and, arguably, he never recovered his personal authority thereafter. In 1960 the Blue Streak missile, designed to take Britain's independent nuclear deterrent into the next generation, was cancelled. Macmillan then had to go cap in hand to President Kennedy to secure an American-built alternative – in many ways a striking illustration of the Prime Minister's adroit diplomacy, but it cast further doubts over the country's international standing. In 1951 Britain had been unequivocally recognised as the world's third greatest power, behind only the United States and Soviet Russia. By the early 1960s this status was far less certain.

If these policy setbacks were essentially of the government's own making, in other respects it was the victim of sheer bad luck. The early 1960s saw Britain rattled by a succession of spy and sex scandals that had little to do with the government's competence, or lack of it, but which, cumulatively, helped undermine its position. The Vassall case in 1962 involved a homosexual British spy linked with a junior minister. The latter was obliged to resign. Allegations of a relationship between the two men were, in fact, unfounded. More serious was the case of John Profumo, Macmillan's Minister of War, caught up in a seamy tale of high society sex, centred on the activities of the prostitute Christine Keeler. Profumo's indiscretions were compounded by the fact that Keeler was also in a relationship with Captain Ivanov, an official at the Soviet embassy, which raised the possibility of a breach of national security, and by the minister's denial in parliament of any impropriety. Profumo's career came to an abrupt end and the Prime Minister was also damaged by his readiness to accept Profumo's word as that of a gentleman and by his, somewhat pathetic, excuse that he did not 'live among young people'.⁷

Even the circumstances surrounding Macmillan's own resignation and replacement inflicted damage upon his party. He could not be blamed for the sudden (but, as it turned out, far from terminal) illness which struck him down in October 1963. His successor, Douglas-Home, was widely seen to lack legitimacy, not just because he had to be plucked from relative obscurity in the House of Lords, but because of the behind-the-scenes manoeuvres preceding his 'emergence' as Conservative leader. Two senior ministers, Iain Macleod and Enoch Powell, refused to serve under Home. The former penned a devastating indictment in the *Spectator* of how the ailing Macmillan had orchestrated the succession from his sickbed. Unsurprisingly, Home was the last Conservative leader chosen by the 'customary processes', in which informal soundings within the party led to the choice of a new leader, without recourse to a formal election. All his successors have gained the leadership after some form of election.

'How we can be expected in 1964 to go forward to victory under the 14th Earl of Home passes all understanding'.⁸ So judged Paul Channon, Parliamentary Private Secretary to R.A. Butler. In all the circumstances, Douglas-Home did surprisingly well in taking his party tantalisingly close to a fourth successive triumph. He was frequently wrong-footed in the Commons by the intellectually nimble Wilson, was hampered by the way he looked on television (even his make-up artist despaired of him), acknowledged his own relative incompetence when it came to economics and was inept in dealing with a hostile audience on the **hustings**. Yet Douglas-Home's defeat was by the narrowest of margins. Indeed, it has been calculated that as few as 900 extra votes, perfectly distributed through key marginal constituencies, could have produced a Conservative win. Labour's vote share scarcely improved from 1959. The party squeezed back into government on the basis of Tory votes lost to the Liberals – something of a reversal of what had happened in 1951. Whatever his defects, and they were fairly obvious, Douglas-Home came across as straightforward and honest. It must be concluded that under his leadership the Conservatives enjoyed a partial recovery from the low point reached by the end of Macmillan's premiership.

Economic developments

The post-war boom

The economic history of the Conservative governments has aroused debate and controversy. For many the 1950s were something of a golden age, to be looked back on with nostalgia and affection, the beginning of a post-war boom that lasted until the oil price shock of the 1970s. This period saw unprecedented rises in living standards and lifestyle changes that materially improved the lot of millions of ordinary people. Others, particularly of the **New Right** of the 1970s and 1980s, criticised the Conservative governments of 1951–64 for accepting Labour's post-war settlement and complacently presiding over an economy beset by underlying problems. Mounting

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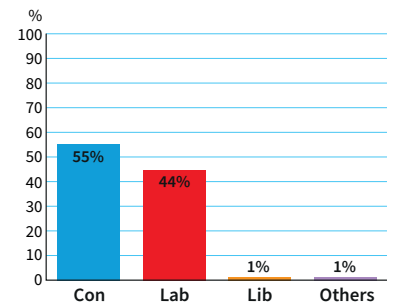


Figure 1.4: Seats in the House of Commons won in the 1955 British general election; percentages have been adjusted to the nearest whole number. Ulster Unionist figures are included in Conservative totals.

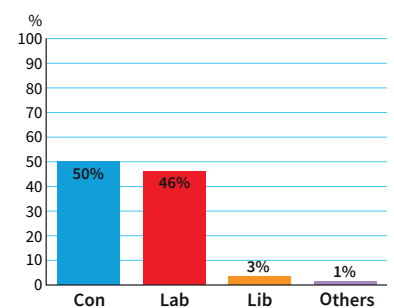


Figure 1.5: Votes won in the 1955 British general election; percentages have been adjusted to the nearest whole number. Ulster Unionist figures are included in Conservative totals.



Key terms

hustings: literally, the platform from which a candidate gives his election address. Now used more generally to describe election campaign activity.

New Right: term used to describe those Conservatives who followed Margaret Thatcher and Keith Joseph in their belief that the party should abandon much of the post-war settlement and re-establish its free market, small state credentials, giving priority to the elimination of inflation, even if this meant higher unemployment.

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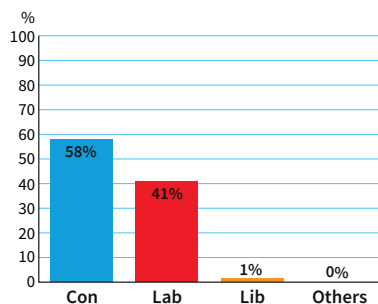


Figure 1.6: Seats in the House of Commons won in the 1959 British general election; percentages have been adjusted to the nearest whole number. Ulster Unionist figures are included in Conservative totals.

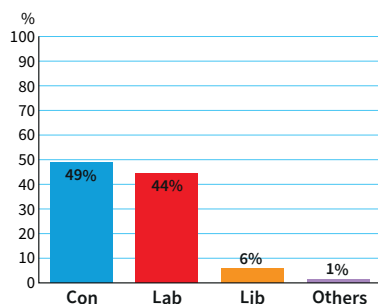


Figure 1.7: Votes won in the 1959 British general election; percentages have been adjusted to the nearest whole number. Ulster Unionist figures are included in Conservative totals.

inflation, insufficient investment, low productivity, antiquated industrial relations and an overvalued pound sterling were not tackled, but swept under the carpet, rendering more difficult the task of a later generation facing an inevitable day of reckoning. Successive governments misdirected the nation's wealth into short-term **consumerism** at the expense of the long-term reconstruction of British industry. Both interpretations are too extreme; but each contains more than an element of truth. Kevin Jefferys has written intriguingly of the 'paradoxical relationship between affluence and "economic decline"'.⁹

Given the bankrupt state of the British economy in 1945 after six years of warfare, compounded thereafter by the costs of reconstruction, the Labour governments of 1945–51 could claim almost heroic achievements. If the 'New Jerusalem'¹⁰ had yet to be fully realised, Labour had still managed to create the Welfare State, maintain full employment and uphold a significant role on the world stage. Nonetheless, it would be hard to deny that the Conservatives' inheritance was an unenviable one. Defence spending had risen alarmingly with involvement in the Korean War and the new government's first months in office were overshadowed by a balance of payments crisis, judged by the Chancellor as more serious than any since the end of the War. In such circumstances, with the currency under pressure and a formal **devaluation** a real possibility, ministers were forced to consider the Treasury's drastic 'Robot' remedies.

By the end of 1952, however, the situation was improving quite markedly. The end of the Korean War in 1953 led to a dramatic fall in world raw material prices. This, in turn, produced a favourable transformation in Britain's 'terms of trade', the relationship between the cost of imports (largely raw materials) and the value of exports (mostly manufactured goods), which enabled Britain to secure a windfall profit on its trading activities. By 1953 the country could afford to buy 13% more imports by value for the same amount of exports. It thus gained around £400m per annum in extra spending power, as a result of developments in the world economy. The government could claim little credit for this, but it was, inevitably, the electoral beneficiary of these changed circumstances, not least when it could finally end food rationing in 1954. The economic climate favoured both full employment and an expansion of the social services. Eden's personal statement to the electorate in 1955 boasted of a record of positive achievements. 'We have seen new houses and new schools and new factories built and building, and soon we shall see new hospitals too. We have seen the social services extended and improved.'¹¹ Eden confidently predicted that Britain could now double its standard of living within 25 years.

A minor world recession in 1957–58 was the trigger for a second, if less dramatic, reduction in commodity prices. Luck is an important, sometimes essential, factor in political success and the Conservatives had their share of it in the 1950s.

By this time Macmillan had delivered his famous 'never had it so good' speech.

Problems in the economy

Yet all was not well. The Conservatives seemed incapable of securing a reasonably stable economic climate. The calling of the 1955 general election just days into Eden's premiership partly resulted from his knowing there were harder times just around the corner. After a giveaway budget in the spring, Butler was obliged, by a rapidly deteriorating balance of payments situation, to introduce emergency measures in October to reduce local authority building programmes and increase indirect taxation. Too often, especially during Macmillan's premiership, economic policy appeared to be compromised by blatantly political considerations. The government's 1959 election victory was again partly engineered by a generous spring budget, cutting taxes and increasing capital spending. The mounting cynicism of the electorate towards politics in recent decades has some of its origins in this earlier period.



Key terms

Consumerism: an economic situation founded on the continuing sale and purchase of consumer goods.

devaluation: a formal move taken by government in a period of fixed exchange rates to reduce the value of its currency in relation to those of other countries. It has the practical effect of making exports more competitive. The pound was devalued in this way in 1949 and 1967.