Depression, war and recovery in Wales and England, 1930-1951

Political, social and economic developments in post-war Wales and England

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What was the condition of Wales and England in 1945?

In September 1945 World War Two came to an end. After six years of conflict the wartime allies – Britain, the United States of America and the Union of Soviet Socialist Republics – emerged victorious. However, the British were to pay a heavy price for victory: the world war had brought economic ruin and the loss of her empire.

Britain had spent close to £7 billion, or a quarter of the national wealth, on the war effort. Factories that had once built cars, fridges, cookers and vacuum cleaners were turned to the mass production of tanks, guns, bullets and bombs. By the end of the war Britain was £3,355 million in debt. The only country to emerge from the war intact, and in profit, was the USA. The country's massive industrial strength largely won the war for the allies. As soon as the war was over American factories were able to turn quickly from producing war materials to consumer goods. Unfortunately, war-damaged Britain was no longer able to compete. Her industries were unable to match the Americans' industries in terms of the speed of change or the volume of their consumer goods production.

Much of war-damaged Europe was in no state to buy British goods. Her traditional overseas markets, which had been in decline even before the war, were effectively killed off by the disruption caused by the conflict. It took American aid, under the Marshall Plan, to rebuild the shattered economies of Europe, so it was to America that these new countries turned for support. On the other hand, America's wartime aid to Britain was stopped in August 1945; the country was forced to fend for itself. Britain was no longer in a position to offer either financial or political support to anyone.

It was clear that Britain was no longer a world power. She had been overtaken by the USA and the USSR who became world superpowers. Britain was militarily and economically weak. Because she was unable and unwilling to pay for a large army or navy, she was not in a position to stop the British Empire from breaking up. In 1947, India, Britain's prize possession, was given independence. Soon other countries followed suit so that the idea and the reality of the British Empire gradually died. In its place the British government encouraged the concept, first used in 1931, of a Commonwealth of Nations made up of former colonies.

Yet, despite the economic problems it was not all doom and gloom in post-war Britain. The country had won a war, there was full employment, the shipyards and coal mines were working to full capacity again and there was an air of expectation of a better future. Attitudes were changing. The majority of the British people did not want a return to pre-war depression and unemployment and they no longer cared as much as they once did about the empire. In the election of 1945 they were given the opportunity to vote for change. It was clear to all that post-war Britain was no longer 'Great': the United Kingdom was no longer a great military or imperial power neither was it a great economic power. Great Britain had begun its post-war decline.

The Beveridge Report

One of the most significant impacts of the war was on government attitudes and ideas. The socialists, mainly Labour, and other more progressive members of the government, realised that the war would give them an opportunity to change and reshape British society. While Churchill concentrated on winning the war, his deputy in the coalition government, Clement Attlee, was focused on planning for peace. As the leader of the Labour Party, Attlee was keen to put his socialist principles into practice. In 1942 William Beveridge published a report entitled *Social Insurance and Allied Services: Report* (commonly known as the Beveridge Report). In it, he set out the kind of social reforms that he thought the government should carry out after the war. His report pointed out that there were five 'Giant Evils' in society that had to be tackled by the government before it could properly care for its people. These 'Giant Evils' were 'Want, Disease, Ignorance, Squalor and Idleness'. The Beveridge Report called for a series of radical reforms to deal with each of these.

The content of the report was far too radical for Churchill, but he reluctantly agreed to accept parts of it. His main aim was to win the war. On the other hand, his deputy in the war cabinet, Clement Attlee, praised the report and he adopted it as part of the Labour Party's policies. His main aim was to win the peace. The majority of the British people welcomed the report but there were some who opposed it. Many Conservatives thought the reforms would be too expensive or that they would destroy 'self-help and self-reliance in the ordinary man and woman'. The pro-Tory *Daily Telegraph* printed the headline 'Half-way along the road to Moscow'. It thought Beveridge's report was a blueprint for Russian-style communism. The pro-Labour *Daily Mirror* hit back with the headline, 'Hands off the Beveridge Report.' It claimed the report was a blueprint for caring socialism.

The following is an extract from a letter written by Vita Sackville-West to her husband, a wealthy Conservative MP in 1942:

> I hope that the Beveridge Report gets whittled away. I am all for educating the people into being less awful, less limited, less silly, and for spending lots of money on extended education, better paid teachers, but not for giving them everything for nothing, which they don't appreciate anyhow.
>
> Health, yes. Education yes. Old age pensions, yes I suppose so, but not this form of charity which will make people fold their arms and feel that they need have no enterprise since everything will be provided for them. It is surely [an] error!

Beveridge faced a formidable task in putting together a coherent plan for post-war social reconstruction. What he came up with extended hugely the framework of national insurance first put in place before the First World War by David Lloyd George. Every British citizen would be covered, regardless of income or lack of it. Those who lacked jobs and homes would be helped. Those who were sick, would be cured. The process of planning for the new, radical post-war welfare state had begun.

Dealing with war damage

Source A: The aftermath of German bombing. These houses had to be rebuilt or repaired after the war.

However, alongside the planning of a welfare state, the government also had to deal with the other, more visible, effects of the war. At the end of the war, Britain was a severely war-damaged nation. Britain's cities and large towns had been bombed during the war and although the damage varied, the centres of some towns and cities like Swansea and Coventry were almost completely destroyed. Thousands of shops, factories, 20 per cent of schools and above all, houses had been damaged or destroyed; these would need rebuilding. But it all cost money, so the government decided to concentrate on building houses for the thousands of homeless people. In the meantime 563 army camps were opened to the public and used as temporary homes. In Kent, the local council had nearly 1,300 homeless families but only 120 empty houses. It decided to hold a lottery: 1,300 people drew lots for the 120 houses. In its first year of government Labour built 22,000 houses and erected 41,000 temporary or prefabricated homes known as prefabs. These were only meant to last for five years by which time it was thought there would be enough permanent homes available.

The demand for affordable homes rose significantly in the period between 1945 and 1947 because of returning servicemen and women. In 1945 the British army, navy and air force had over five million men and women in their ranks. The vast majority had been conscripted to serve only for as long as the war lasted and they now wanted to return home. Demobilisation was begun within six weeks of the end of the war. Ernest Bevin, the Minister of Labour and National Service, was put in charge of the demobilisation plan. The majority of service

personnel were to be released from the armed forces according to their 'age-and-service number', which was calculated from their age and the months they had served in uniform. To assist with Britain's post-war reconstruction, Bevin drew up a list of so-called 'key men' whose vital occupational skills enabled them to be released ahead of their turn. Given the country's weak economic position, it was felt that reducing the size of the armed forces would save the government money. Given the scale of the war damage, the government was confident that the millions of ex-servicemen and women would find work and thereby ease themselves back into civilian life.

Austerity Britain

However, finding work proved more difficult than had been anticipated. Britain's weak economic position meant that jobs were harder to find, and between 1947 and 1951 unemployment rose from 400,000 to 1.75 million. Families that had been separated for a number of years now had to learn to readjust. One indicator of the social problems that this caused was the post-war divorce rate which rose significantly between 1945 and 1948. In one year alone (1947) nearly 70,000 applications were processed in the courts. Another unexpected effect of the war was the continuation of shortages and rationing. With the war at an end, many people thought that rationing would also come to an end; they were to be disappointed. Although the supply of most foods, raw materials and machinery improved, shortages of some foods like bread and potatoes, along with petrol, coal and clothes continued. In fact rationing for some items did not end until 1955.

'Dreariness is everywhere,' wrote one schoolteacher in 1948. 'Streets are deserted, lighting is dim, people's clothes are shabby and their tables bare.'[1] This opinion best describes what austerity Britain meant to the people that lived through it. In the period from 1945 to 1951 Britain was undernourished, dirty and class-ridden. After nearly six years of war, people were exhausted. Queues formed outside bakers' shops early each morning and over a third of the 12 million dwellings had no bath or hot water. In 1948 the Chancellor of the Exchequer, Sir Stafford Cripps, introduced an austerity budget including a wage freeze. He told the Trades Union Congress, 'There is only a certain sized cake. If a lot of people want a larger slice they can only get it by taking it from others.'[2] This was the reality of post-war 'poverty' Britain.

The 1945 General Election

Within two weeks of the end of the war in Europe – in May 1945 – the coalition government led by Winston Churchill broke up. Although Churchill did not want to end the coalition, he was given no choice by his deputy Clement Attlee, the leader of the Labour Party, who refused to support him any longer. Attlee argued that Churchill and the coalition government was a wartime arrangement which had done its job. The war had been won and it was now time to win the peace. Churchill resigned and called a general election for 5 July 1945.

[1] Cited in David Kynaston, *Austerity Britain, 1945-1951* (London, 2007), p. 298.
[2] Full quotation to be found in *The Monthly Labor Review* 65(5) (November 1948), p. 511.

The election was fought mainly between the Conservatives, led by Churchill, and Labour, led by Attlee. The Liberal Party, led by Sir Archibald Sinclair, had shrunk in size and it was no longer the power it once was. The Conservatives believed that they would win because of Churchill's fame and popularity as the man who had won the war. Attlee was not so confident of victory, but he believed that his party's promises of radical social and economic reform would turn many people away from supporting the Tories. He was right. In order to allow the five million servicemen and servicewomen abroad to vote, the election results were not announced until 26 July. The Labour Party won a massive victory and it was returned to power with the largest majority in its history. Even though the people still admired Churchill and cheered him, they had decided to vote against him.

Derek Brown, a journalist writing for *The Guardian* newspaper in 2001, summed up the significance of the 1945 election: 'The outcome of the 1945 general election was more than a sensation. It was a political earthquake.'[3] There are a number of reasons why the election was so significant:

- The defeat of Winston Churchill, the man who had won the war, was a shock. Many people thought that like David Lloyd George in the Great War, he was certain to be re-elected because he had led the country to victory.
- It was the first election for ten years and the first to be held after a bitterly fought world war.
- This was a great example of people power – the people did not want to return to the depression-hit 1930s, they wanted change.
- The victorious 1945 Labour government had the opportunity to shape the political, economic and social landscape of Britain for decades to come. Not since the reforming Liberal governments of pre-Great War Britain had a political party been in a position to potentially transform the country.

Why did Labour win the election so convincingly?

The size of Labour's victory surprised many people including some of the party's own supporters. Although Winston Churchill was hugely popular, his party was not. Few could forget the depression, economic slump, unemployment and appeasement of pre-war Conservative Britain. Fewer still were willing to forgive the Conservative government for many of the failures of the 1930s. The *Manchester Guardian* newspaper's verdict on the Conservative defeat was typical of the time, ' . . . the country has preferred to do without Churchill rather than to have him at the price of having the Tories too.'

[3] Derek Brown, '1945-51: Labour and the creation of the welfare state', *The Guardian*, online edn. 14 March 2001. http://goo.gl/xeWL8F

The Tory election campaign was a disaster. The party concentrated on Churchill's personality and war record. One Conservative campaign slogan said, 'Help him finish the job.' However, the British people were keen to put the war behind them – they wanted to look forward. Worse still was the disaster of Churchill's election broadcast of 4 June when he said:

> There can be no doubt that socialism is inseparably interwoven with totalitarianism and the abject worship of the state. Socialism is in its essence an attack not only upon British enterprise, but upon the right of the ordinary man or woman to breathe freely without having a harsh, clumsy tyrannical hand clasped across their mouth and nostrils. [Labour] would have to fall back on some form of Gestapo, no doubt very humanely directed in the first instance.[4]

The pro-Tory *Daily Express* newspaper printed the headline 'Gestapo in Britain if Socialists win'. The British people were disgusted by this attempt to compare Labour to Hitler's secret police.

Source B: A Labour party campaign poster.

Churchill misjudged the mood of the people but Attlee did not. This was the first election for ten years and Attlee knew that attitudes had changed. He was also aware that the people were hoping for a better and fairer Britain after the war. His party concentrated on a positive election campaign with the slogan 'Let us face the future together'. Labour promised jobs, fair wages, good houses, pensions for the old, free education and free medicine and health care. They also promised to rebuild the nation's economy and to return the country to prosperity. The British people were ready for this 'different Britain'.

[4] Cited in '1945 General Election', *HistoryLearningSite.co.uk,* online edn. 2011. http://goo.gl/JH3l8x

How did the Labour government put its ideals into practice?

Having won the general election, the new Labour government was faced with the task of fulfilling the promises it had made to the British people. In turn, the British people expected a great deal from Labour. There was a general feeling that the country must not be allowed to 'fail' again, as it had done after 1918. The task facing Labour was a massive one. The country was suffering from the effects of war damage and this would have to be put right before they could begin to put their plans for social and economic reforms into action.

Key politicians

Few complained about the shortages because they had been used to them for so many years during the war. The people knew that the improvements promised by the government would take some time to have an effect. They were willing to wait because they trusted the members of Clement Attlee's government to do the job. Men like Aneurin 'Nye' Bevan, the Minister for Health and Housing, Emanuel 'Manny' Shinwell, the Minister for Power and Coal, Ernest Bevin, the Foreign Secretary, Stafford Cripps, the Minister for Trade, Hugh Dalton, the Chancellor of Exchequer and John Strachey, the Minister for Food were regarded as honest and hard-working. Even during the worst of the hard winter weather of 1947, people were able to joke, 'We starve with Strachey and shiver with Shinwell.' Although the prime minister, Clement Attlee, was a quiet, shy man he was a powerful and well-respected leader who managed to keep his promises to the people.

From the cradle to the grave

Once in power, the Labour government set about dealing with Beveridge's 'Giant Evils'. They concentrated on providing income security, better health, education, housing and full employment. One of the government's chief ministers, Aneurin Bevan, was keen to emphasise the Labour government's commitment to establishing a system of family allowances and to setting up a free national health service. His vision was a nation that took care of its people 'from the cradle to the grave'. In achieving this goal, the government concentrated on income security. In 1946 a proud Attlee introduced the first of Labour's social reforms. Addressing a packed Parliament he announced, 'This Bill is founded on the Beveridge Report.' It was the National Insurance Act. The act provided benefits for pregnant women and the unemployed, pensions for the retired and allowances for the sick, widowed and mothers with children. Later that same year the Industrial Injuries Act provided compensation for injured workers.

The minister responsible for this important act was James Griffiths, MP for Llanelli, a talented Welshman and former miner from Betws near Ammanford. Griffiths followed this up in 1948 with the National Assistance Act which provided the 'safety net' 'to assist persons . . . without resources or whose resources must be supplemented'. The Poor Law and the workhouses were abolished and the Unemployment Assistance Boards (UAB) of the 1930s were scrapped. By 1949 just over a million people, mainly the old, were receiving assistance under this act.

Getting jobs

The Ministry of Labour was determined that the nation should never again experience the humiliation of mass unemployment. In 1948 the Employment and Training Act attempted to establish a skilled workforce. It gave funds for training school leavers and for retraining others for different forms of employment. People who lived in the once distressed areas such as Wales were given the opportunity to become competitive in the world of work. By 1947 unemployment in Wales was registered at only 5.2 per cent or 44,000 people.

Setting up the NHS

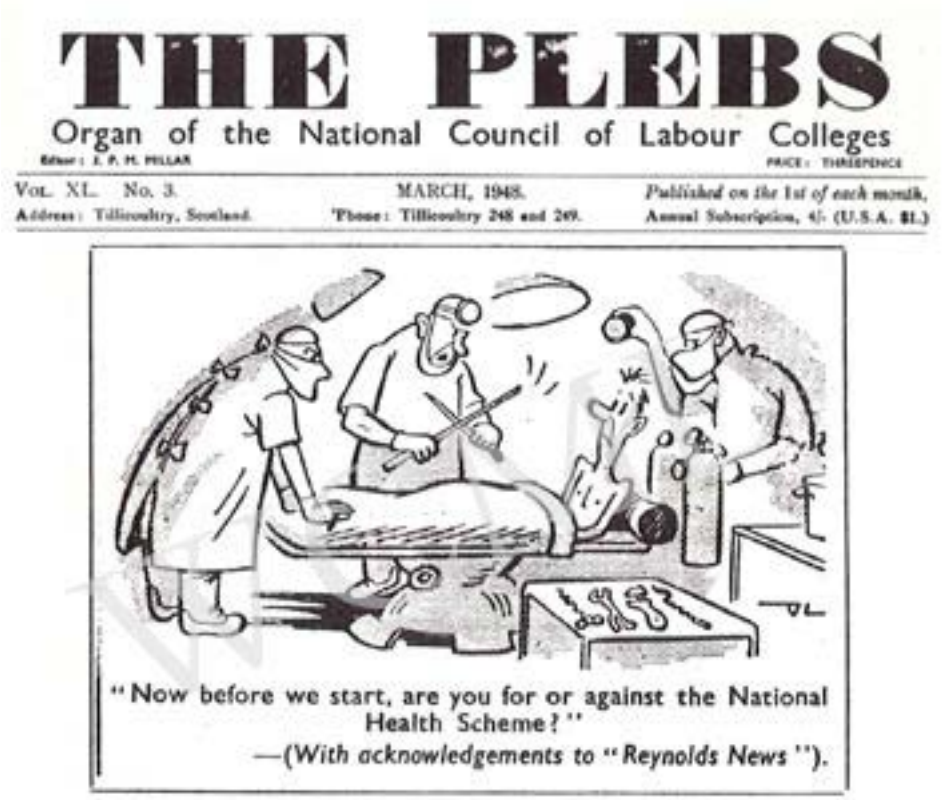
The National Health Service Act of 1946 is perhaps the best known of all Labour's social reforms. Its aim was ambitious: to establish a health service that 'shall be free of charge' and available to everyone. This was a radical change. Although Lloyd George and the Liberal governments of 1906-14 had established a free health service for insured workers, their wives and children had to pay for treatment. Visits to and from the doctor, medicine, spectacles and dental treatment all had to be paid for. For the many who could not afford to pay for medical care, their health, teeth and eyesight suffered; some even died. The bill had its supporters as well as its critics, but on 5 July 1948 it became law. By 1949 8.5 million people had received dental treatment, 5.75 million pairs of glasses had been issued and some 187 million prescriptions had been written. By 1951 only 1.5 per cent of the population remained outside the NHS but the service was expensive to run, costing around £355 million a year.

Source C: A free national health service for everyone.

The man largely responsible for the setting up of the NHS was Aneurin Bevan, the Minister of Health. In a speech in 1946, he outlined his vision:

> Medical treatment should be made available to rich and poor alike in accordance with medical need and no other criteria. Worry about money in a time of sickness is a serious hindrance to recovery, apart from its unnecessary cruelty. The records show that it is the mother in the average family who suffers most from the absence of a full health service. In trying to balance her budget she puts her own needs last. No society can call itself civilised if a sick person is denied medical aid because of lack of means. The essence of a satisfactory health service is that the rich and poor are treated alike, that poverty is not a disability and wealth is not advantaged.[5]

[5] See *National Health Service Sources*. http://goo.gl/ROIDSL



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"Now before we start, are you for or against the National Health Scheme?"

—(*With acknowledgements to "Reynolds News"*).

Source D: The patient's dilemma.

However, not everyone was in favour of a National Health Service. Some doctors resented the fact that they might be forced to work for the state. They valued their independence and their large salaries. The *British Medical Journal*, published in January 1946, outlined their concerns:

> If the Bill is passed no patient or doctor will feel safe from interference by some ministerial . . . regulation. The Minister's spies will be everywhere, and intrigue will rule.[6]

The *Daily Sketch* newspaper shared the doctors' concerns:

> The Bill threatens the independence of the general practitioner. The doctors have a justifiable dread of becoming government servants.[7]

The *Daily Mail* newspaper reported the birth of the NHS in an editorial published in 1948:

> On Monday morning you will wake in a New Britain, a state which takes over its citizens six months before they are born, providing care and free services for their birth, their schooling, sickness, workless days, widowhood and retirement. Finally, it helps pay the costs of their departure. All this, with free doctoring, dentistry and medicine – free bath chairs, too, if needed – for 4/- 11d [25p] of your weekly pay packet.[8]

[6] Cited in http://goo.gl/QnZHH6
[7] Cited in Michael Foot, *Aneurin Bevan: a biography* (2 vols, London, 1973), ii, p. 142.
[8] *Daily Mail,* 3 July 1948.

In his book, *Rebirth of a Nation: Wales 1880-1980*, published in 1981, the historian Kenneth O. Morgan described the impact of the NHS in Wales:

> The National Health Service, the creation of a distinguished son of the valleys, Aneurin Bevan, was especially popular here. It was popular, so it appeared, even amongst Welsh doctors, with perhaps a stronger involvement in the local community than some of their English counterparts. The *Lancet* [an official magazine for doctors] noted that a higher proportion of general practitioners in Wales (37 per cent) than in England agreed to operate under the Health Service in 1947 without waiting for the approval of the . . . British Medical Association.[9]

On 29 April 1951 a biographical profile of the minister of health appeared in *The Observer* newspaper:

> Aneurin Bevan was born in 1897 in the mining town of Tredegar . . .
>
> The social setting in which his adolescent character . . . matured was the South Wales coalfield before and during the First World War. It was the grimmest part of the United Kingdom, the part that felt itself . . . least connected with the war against the Kaiser [Germans]. . .
>
> While . . . Lloyd George was becoming the father of this country in its hour of need . . . the young Aneurin, . . . an industrial 'dead-end kid', was rejecting the ways of his fathers [his father's generation]. He felt he knew better what were the real needs of his generation, and that patriotism was not a useful emotion.
>
> The only part of his father's outlook [ideas] he adopted was that expressed by the Tredegar Workingmen's Medical Aid Society (a miniature National Health Service). His father was one of its founders, and Aneurin fought his first battle with a local outpost [branch] of the British Medical Association when they wished to boycott the [rival] miners' society. The only ideas he accepted from Lloyd George were those of his National Insurance Act . . .
>
> In the thirties, he did not visit the countries threatened or seized by Fascism, as Ellen Wilkinson [MP for Jarrow] did, but consolidated [strengthened] his position in Monmouthshire and spoke in the House [of Commons] on coal. He will not be remembered for his warning speeches against Hitler. . . but for his violent war-time onslaughts [attacks] on Churchill. And, since the war, . . . [he] concentrated on domestic issues – despite the evident crisis of the world . . .

[9] Kenneth O. Morgan, *Rebirth of a Nation: Wales 1880-1980* (Oxford, 1981) pp. 345-6

> Much the most solid and constructive effort of his political career is, of course, the establishment of the National Health Service. It is easy to see how his early training had equipped him to out-manoeuvre [take on] the doctors – he turned their flank and captured them by playing to the calloused appetite for power and money of some great consultant physicians [he defeated them by playing to their appetite for power and money]. And his driving motive was plain – his own experiences had given him ample reason to believe sincerely in the need for a free medical service for the poor.
>
> What is more surprising is his administrative success. He not only established the [health] service promptly, despite all obstacles, but earned the regard [respect] of his own civil servants. This may be the one episode in his career which justifies comparisons in stature between him and Lloyd George.[10]

The Observer's biographical sketch was written to mark Bevan's resignation from the government. His resignation was due to the government's introduction of prescription charges for medicines. This 'tax' on health, as he called it, was, in his opinion, a betrayal of the principle of free health care at the point of delivery. His passion for helping the poor and needy and his outspoken attacks on those he accused of betraying the British working class won him few friends. He even quarrelled with members of his own party. However, friend and foe alike respected him.

The National Health Service remains Labour's greatest achievement. It was achieved only after two years of bitter resistance by the medical establishment, with consultants threatening strike action and the British Medical Association pouring out gloomy warnings about bureaucracy and expense. As events were to show, some of those warnings proved to have more than a grain of truth, and the government was forced to retreat from its first grand vision of free, comprehensive health care for all. In the beginning, everything was provided: hospital accommodation, GP cover, medicine, dental care, and even spectacles. But with Britain showing few signs of economic growth and prosperity, the budgetary burden was enormous. In 1951 the Chancellor of the Exchequer, Hugh Gaitskell, was obliged to reintroduce charges for NHS false teeth and glasses. Aneurin Bevan and a future Labour leader and prime minister, Harold Wilson, stormed out of government. This marked the beginning of the end of the great reforming post-war Labour government.

Changes in education

The Attlee government is regarded by many as one of the great reformist administrations of the twentieth century. It is perhaps ironic that the impetus for the more durable reforms came from outside the Labour Party. For example, the man responsible for the reform in education was not a member of the 1945 Labour government. He was the Conservative MP, R. A. Butler (known as RAB), who was the minister at the Board of Education in Churchill's wartime coalition government. He responded to Beveridge's Report by passing the 1944 Education

[10] 'Profile – Aneurin Bevan', *The Observer*, 29 April 1951, p. 2

Act. By this act, he hoped to destroy ignorance by establishing free primary and secondary education, and by offering every child 'diversity and equality of opportunity'. Unfortunately, he was never given the chance to fully implement the terms of the act due to the war and the lack of money. In 1947 the Labour government passed the act into law.

The act made secondary education compulsory until the age of 15 years and provided meals, milk and medical services at every school. An examination at age 11 years (called the eleven plus) placed children in different types of schools, according to their ability. Those who passed this exam went to grammar schools and were expected to continue their studies beyond the age of 15 years, possibly go to university and get professional jobs. Children who failed the exam were not expected to stay at school after 15 years and were expected to get mainly unskilled jobs.

Source E: Girls at Bourne Secondary Modern School, Ruislip, Middlesex were among the first pupils to benefit from the new education act.

The Labour government calculated that in order to deliver this equitable education, they needed to provide at least 60,000 new teachers, over half a million new school places and replace or repair over five thousand schools destroyed or damaged during the war. This act was important because it offered the country new educational policies that were innovative. The education reforms were successful because many students gained a good basic education and a large number acquired the skills necessary to secure employment.

Housing

Beveridge had identified poor or slum housing as one of his 'giants' with which future governments would have to deal. Beveridge considered poor housing to be one of the major factors behind poverty and despair in Britain. The war had made this problem worse because a substantial part of the nation's housing stock (estimated to be nearly four million dwellings) had either been destroyed or damaged during the German bombing campaign. Little could

be repaired or rebuilt during the war which is why the chronic shortage of housing became one of the major problems facing the post-war Labour government. Under Aneurin Bevan, the Labour government followed an ambitious policy called 'Homes for All'.

One of the solutions to the housing shortage was for the government to build pre-fabricated homes, which became known as 'pre-fabs'. These were mass-produced and by 1948 nearly 130,000 had been assembled and distributed to areas in most need. 'Pre-fabs' were meant to be temporary, but many were so well-built that they lasted for decades. The government also spent time and money building good-quality council homes and flats. In contrast, the building and sale of private homes was restricted by a government determined to see to the needs of the poorest members of society. The policy was largely successful, but the damage done during the war was so severe that a shortage of good-quality housing continued to be a problem until the 1960s.

Why was the policy of nationalisation introduced?

Labour's commitment to economic change was as important as its social reforms. The government wanted to introduce radical measures to ensure that British industry would become more efficient and competitive. Attlee thought that the only way to achieve this aim was by nationalising all the key industries in Britain. Nationalising meant transferring the industries from private ownership to government control. These industries included coal, gas, electricity, transport, the airlines and iron and steel. He argued that some of these industries needed massive investment in order to modernise them.

Source F: The coal industry in public hands . . . 'on behalf of the people'.

The Conservatives, together with many businessmen and many industrialists, opposed nationalisation. In 1949 the Conservatives, led by Churchill, fought hard to prevent the Act for the Nationalisation of Iron and Steel from going through Parliament. Although the act was passed in the House of Commons, the Conservative majority in the House of Lords held up the act for nearly a year.

The policy of nationalisation also made sense for other reasons. The Labour Party had long believed that it was wrong for just a few owners and shareholders to profit from these key industries; they should profit everyone. Therefore it felt that the workers would benefit from being employed in state-run industries because they would be working for the nation and for themselves. Their rights would be protected by national guidelines guaranteed by the government. In all, Labour managed to nationalise around 20 per cent of the economy.

The following industries were nationalised between 1946 and 1950:

1946:	The Bank of England The Coal Mines	1948:	Transport
1947:	Cable and Wireless Electricity	1949:	Gas Iron and Steel

According to historian Peter Lane:

> Socialists hoped that nationalisation would lead to a 'happier' people – the workers would feel a 'new' pride in 'their' industry and consumers would feel an equal pride in the industries which they 'owned'. Profits made from state controlled industries would be used either to reduce taxation or to increase spending on welfare provision.[11]

The problems facing the government in trying to nationalise so many important industries can best be seen by looking at the coal industry. In 1947 there were 1,500 collieries in Britain owned by over 800 companies employing nearly 260,000 men. The government had to compensate these companies before taking over the collieries. The whole process was very complicated and expensive. With millions spent on compensation, millions more was spent on investment in new technology and machinery. Between 1948 and 1952 the government invested nearly £32 million in coal mines in the south Wales region alone. In spite of opposition, and the problems in forcing through nationalisation, by 1950 the government controlled about 20 per cent of British industry.

Historian Kenneth O. Morgan thought that the policy of nationalisation was not only right but benefited the hard-working Welsh miners and their families. He states:

[11] Peter Lane, *British History: 1750 to the Present Day* (London, 1982).

For the Welsh miners and their families, nationalization meant the fulfilment of a fifty-year dream, the reward for all the suffering endured from Black Friday [1926 Strike] onwards. No tears were shed for the old private coalowners. With their record in regard to managerial efficiency, production levels, pit safety, and above all relations with their workers, they had few friends. Perhaps they did not deserve any. They then proceeded to deny historians public access to their records deposited at public expense in the National Library of Wales.

. . . the taking of basic industries into public ownership – and this applied to the nationalization of iron and steel as well . . . – did coincide with, and helped promote, a more thriving and harmonious atmosphere in the Welsh industrial scene.[12]

What was the reaction to Labour's policies?

Labour's election victory in 1945 had been a huge surprise, but their electoral defeat in 1951 was a massive shock. Why? The tide had begun to turn against Labour in the 1950 election. Labour won that election, but only just. Although there was still a great deal of support for Labour's plans to maintain or even to extend the Welfare State, the public were simply not prepared to pay for it. Under Labour, the burden of taxation had increased and it remained high in 1950-1. The Conservatives knew that no matter how worthy the cause, high taxes are never popular. Unfortunately for Labour, the outbreak of the Korean War in 1950 made matters worse. The British government had to send an army to fight with the United Nations. This led to rearmament, which caused even higher taxes. The war was unpopular.

Middle-class voters were especially resentful at having to pay higher taxes. Even though the war had been over for some time, there was still rationing. Inflation was beginning to rise which caused prices to go up. There was a general feeling in the country that living standards had fallen under Labour.

The public's response to the policy of nationalisation was disappointingly mixed. It was welcomed in south Wales and popular in the north of England, but elsewhere the response was rather lukewarm. Many people believed that Labour had gone too far and that there was too much government interference in the running of the economy. Some were afraid that if Labour had another massive election victory they might move away from socialism to communism. The Conservatives played on this fear and they began to convince the middle-classes to desert Labour.

After some six years in office the Labour government was exhausted. Some of its most talented members either died, like Bevin, or retired, like Cripps. Others such as Bevan resigned because they were unhappy with some of the government's policies. In an effort to unite his party, Attlee decided to call an election. It was a huge mistake. A divided Labour Party stood little chance against a united Conservative Party full of new ideas and led by the war hero Churchill. Under the slogan 'Set the people free' (from socialism), the Conservatives swept to victory in 1951. Labour's dream appeared to be over.

[12] Kenneth O. Morgan, *Rebirth of a Nation: Wales 1880-1980* (Oxford, 1981) p. 311.

Table 1: British Election Results (1950-1)

	Conservatives	**Labour**	**Liberals**
1950	12.5 million votes (43.3% of votes) 298 seats	13.3 million votes (46.5% of votes) 315 seats	2.6 million votes (9.1% of votes) 9 seats
1951	13.7 million votes (48% of votes) 321 seats	13.9 million votes (48.8% of votes) 295 seats	0.7 million votes (2.5% of votes) 6 seats

The Labour government was one of the most radical of the twentieth century, presiding over a policy of nationalising major industries and developing and implementing the 'cradle to grave' welfare state. To this day the creation of Britain's publicly funded National Health Service, under the Health Minister Aneurin Bevan, is considered its greatest achievement.

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