By the time that Labour's huge parliamentary majority had been all
but eliminated in the 1950 election, its programme for transforming
British society had been completed. The State had taken a leading
role in restructuring capitalism through the policies of nationalisa­
tion, fiscal and direct planning and welfare, while the decline of
Britain as a world power was partially disguised by the tough foreign
policy of Ernest Bevin.

However, Labour had exhausted itself, in ideas as much as energy.
It had succeeded only too well in implementing its policies, and was in
real danger of becoming a rudderless, conservative party. Its ageing
leadership drifted, harmed by the retirement of Cripps, the death of
Bevin, and the resignations of Bevan and Wilson, until Labour's
defeat in the 1951 election. This defeat began a period of thirteen
uninterrupted years of Conservative rule, who won three successive
elections in the decade, each one with a larger majority than the last.
The Labour defeats of 1951 and 1955 could be blamed on bad party
organisation or on the ferocious divisions between the Left, led by
Bevan, and the Right, led by Morrison and Gaitskell. However, the
unity of the party under Hugh Gaitskell's leadership after 1955 did
not prevent an even greater defeat in 1959, leading to speculation on
the possibility of Labour's survival.

It was the long economic boom which helped the Conservatives.
After an initial set-back, the British economy entered the most sus­
tained period of prosperity in its history, enjoying a boom which
raised production figures, incomes and standards of living to heights
thought impossible before the war. Unemployment virtually dis­
appeared, as economic growth and political stability began to be
considered the norm throughout Europe. Interruptions in economic
prosperity, as in 1952 and 1957, were brief and easily overcome by
government policy, apparently destroying the Marxist belief of the
Depression years that capitalism could not survive and grow. It was
fondly imagined that a theory and a practical policy had been found
which would ensure the boundless expansion of the mixed economy,
while the limits of that expansion were concealed by optimism and
the very length of the boom.

There were danger signals even in the halcyon days. The economic
boom was accompanied by a creeping inflation, but at an average of

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3 per cent a year in 1952–65 this was explained as a necessary and minor consequence of full employment. The decline of Britain's share of world markets from 1954 in the face of increasing competition from Japan and West Germany was a genuine cause for concern, but this too was more than offset by the general rise in world trade, which grew at the phenomenal rate of 6 per cent per year in the 1950s and 7.5 per cent in the early 1960s. The continuing decline of the manufacturing capacity of British capitalism was concealed by general prosperity in the capitalist world. It was, however, a prosperity which witnessed the further concentration of capital in oligopolies and monopolies – 180 firms employing one-third of the British labour force accounted for half the net capital expenditure of Britain in 1963; 74 of these firms, with ten thousand or more workers each, amounted to two-fifths.¹

The boom led to major changes in working-class expectations with worrying consequences for the Labour Party. Until the late 1950s, few workers had cars and even fewer had telephones, but the prospect of a continually rising prosperity was always in view. With the sudden access to a range of commodities previously regarded as luxury goods, from washing machines to television sets and cars in the late 1950s, the image the working class held of itself began to change. The change was often exaggerated by observers at the time,² but there was a real trend for working-class families to cease identifying with the labour movement as closely as once had been the case. However, the real position of the working class as tied to alienating work and long hours did not change. It expressed itself in a new shop stewards' movement and a series of unofficial strikes which were short lived and usually successful. Their increased bargaining power at a time of full employment gave the unions a renewed sense of industrial power, although this made them intensely unpopular with the middle classes.

NEW FABIAN ESSAYS

The economic prosperity also led to a rising revolt against Corporate Socialism within the Labour Party by the 'revisionists'. These leading figures in the party took their name from the German Social Democrat Eduard Bernstein, who attempted to 'revise' Marxism at the turn of the century by expunging its revolutionary conclusions. Just as Bernstein wanted the Social Democrats to bring their revolutionary theory into line with their reformist practice, so the British