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Chapter 2

The early post-war years: 1945-1955

A common theme running through accounts of British foreign policy in the post-1945 era has been the way in which successive governments have sought to balance Britain's declining economic and political influence with maintaining the country as a key strategic player in world politics. At the end of the Second World War, Britain was a nation that had remained undefeated and was the only major power that had fought for the duration of the war. Victory brought much to be proud of. Britain could claim to have an Empire and significant economic, political and military influence that would support the notion of it being a great power. In 1945 Britain had a military presence in over 40 countries in nearly every corner of the globe, from Austria to Aden,

Burma to Bermuda and Egypt to Ethiopia (Sanders, 1990: 50). But the demands and obligations that came from a desire to maintain a 'Great Power' status in turn meant that the country faced numerous problems (Cairncross, 1985). Thus as Singh has noted, while 'In 1945 Britain was a great power with world-wide interests, military bases and forces … she lacked the wherewithal to retain that status in the long term' (Sing, 1993: 1). The economy was in poor shape, with financial resources exhausted by the war effort (Toye, 2004). The leading economist of the day, Lord Keynes, noted in a Cabinet memorandum of 13 August 1945 that the country faced a 'financial Dunkirk' **[Document 2]**.

Although industry suffered from poor competitiveness when compared to newly industrialising countries that utilised the latest methods of production, Britain was still able by virtue of its position to be a significant base of production. Yet the signs of decline were already there. Industry suffered from poor management who showed a disdain for the latest methods of management practices and a workforce that was overly protected by trade unions that often failed to grasp the need to adopt differing working practices. In time this would be referred to as the 'British disease', denoting the inefficient working practices that brought British industry to its knees in the late 1960s and 1970s and which would be reflected in the GDP per capita of Britain declining from a position of seventh in the world in 1950 to eighteenth by 1970 (Pollard, 1984: 6). But despite the dramatic nature of this decline, in

the post-war years many were oblivious that Britain's place in the world was not assured and that it had a number of key challenges. As a result, 'for the early years of the immediate post-war boom British industry was able to coast along, but once continental factories had re-equipped, an already antiquated British industry, reluctant to invest, would face trouble' (Denman, 1996: 183).

Apart from economic difficulties, Britain faced pressures for independence in the colonies and the mandated territories that had been acquired after 1920. In some instances, this took the form of local nationalist groups undertaking guerrilla warfare tactics. Changes to the economy and Empire were inevitable; Britain's position as the first industrial nation and imperial dominance could not be continued indefinitely. Consequently the issue was not whether change was likely, but rather the nature and timing of that change. Yet the implications of any withdrawal from Empire were massive. This included implications on trade and adjustments to the practicalities of government. But while in retrospect we can impart some clarity to these issues, at the time many people in government were of the thinking that there was scope for the Empire to be maintained in one form or another as a basis for upholding British influence. Others, by contrast, were more sanguine about the reality that Britain would retreat to a regional power, with 1947 proving to be a particularly difficult year for Britain: Britain declared that it would grant independence to India, announced that it would withdraw from Greece

and took the decision to refer the problem of Palestine to the United Nations (UN). In short, it appeared a formal statement of the country's fall from great power status.

The post-war settlement

As the carnage of the Second World War drew to an end, there began the process of establishing the post-war settlement. Discussions about the nature of the overall international system took place at the Bretton Woods negotiations of 1944-46 that were attended by some forty-four countries and which resulted in the formation of the UN, General Agreement on Tariffs and Trade (GATT), the International Bank for Reconstruction and Development (IBRD) and the International Monetary Fund (IMF). Upon reflection it is evident that the creation of these institutions and frameworks of governance produced the sort of stability that was lacking after the First World War, which in the eyes of the former British Foreign Secretary, Douglas Hurd, 'achieved the best reconciliation yet between rules and power' because 'these institutions were built realistically on the power structure of the day' (Hurd, 2011: 365-6).

Britain was one of the key players in these negotiations and its position would result in it being confirmed as one of the five permanent members (P5) of the UN Security Council, a position to which the then Foreign Secretary Anthony Eden was influential in ensuring that France was also part of. Whatever the rights and wrongs of the nature

of a P5 membership which comprised the US, Russia, China, Britain and France, and the resulting debates on the need for its reform, such a position from the outset reinforced Britain's own sense of being a major world power as well as ensuring that the country's interests were protected from the threat posed by a menacing Russia through the membership of France and America.

Organisations such as the UN were established to assist with such principles as national self-determination, sovereignty, and universal human rights that went hand-in-hand with moves towards decolonisation. They also served a broader purpose for policy-makers in Washington, in that they took over some of the responsibility for the post-war settlement from a United States that had emerged from the war as the dominant global power. The Second World War had stimulated significant growth in the US economy and by 1945 it was estimated that some 45 per cent of all global manufactures took place in the US, while in the decade from 1940-1950 the US was the source of 82 per cent of all major inventions, discoveries and innovations (Lundestad, 2003: 28). This would in turn result in the US being the main source of credit and influence in the world economy in the post-war era.

The economic strength of the US at war's end contrasted visibly with that of Western Europe where the devastation of a war-torn landscape resulted in problems of transport and infrastructure that accentuated

the difficulties of dealing with refugees and displaced persons. At the same time shortages of food and clothing were compounded by the tendency of people to hoard products because of mistrust over currency exchanges (Northedge, 1974: 20). Such economic difficulties raised in some people's eyes the prospect of British leadership of Western Europe. Yet while Britain may have emerged from the war undefeated, it was also exhausted. As Paul Kennedy has commented, 'even the briefest survey of the country's position in 1945 would show how disastrous the conflict had been. There were fewer manpower losses than in the First World War, since neither Churchill nor his generals desired to re-enact the horrors of the Western Front; but in all other major respects the costs were higher' (Kennedy, 1981: 317). The physical and economic costs were immense, with some £7,300 million having been spent fighting the war, equating to a quarter of the nation's wealth. Of this, physical destruction of land amounted to £1,500 million, loss of shipping and cargoes totalled £700 million, lack of investment on plant and machinery was some £900 million, while the need to pay for foreign imports meant that some £4,200 million of foreign assets had been sold (Northedge, 1974: 38). It is therefore hard to disagree with the views of John Young that 'National survival was an enormous achievement which left the country with great prestige, yet it also, in the view of many, spelt the ruin of Britain's Great Power status' (Young, 1997: 141).

Although Britain had entered the war as a significant global power, reflected in both its economic position and its military might, this was a less sure-footed position than the country had found itself in 1914. The fragility of the British economic position was apparent before the war commenced as the twin impact of the costs of rearmament and financial pressures on the Pound meant that the country entered the war with perilously little in the form of financial reserves. The impact of having in the region of only £700 million in reserves at the start of the Second World War meant that whereas Britain acted as the banker in previous conflicts, at the onset of war in 1939 there was a recognition that this would not be the same this time round. The war had a particularly damaging impact on Britain's export markets as the country was forced to concentrate on meeting domestic demand which in turn provided the space for new suppliers to meet demands of colonial consumers (Holland, 1985: 48).

For a country that prided itself on its position as a global financial centre and trading power, the stark reality of its economic fortunes were a shot across the bows and confirmed a decline in power. This was emphasised in 1941 when Britain's very ability to maintain the war effort had been dependent on the financial support offered by America under the 'Lend-Lease' programme, which continued until the announcement by President Truman on 21 August 1945 that the aid would stop with immediate effect. And although over the course of the programme the US had supplied Britain with some $27 billion worth of

goods, when the terms of Lend-Lease were agreed at the end of 1945 Britain only had to pay $650 million (Burke, 2007: 565; Reynolds, 2000: 243). Such generosity inevitably came with conditions. During the war America insisted that all of Britain's available resources should be focussed on the war effort and as a result there was little in the way of room for exports to bolster its reserves. And after the war it insisted that Britain get rid of the system of imperial preference and controls over sterling. Britain was naturally reluctant to abolish the system of preferential trading access to the Empire, while the issue of a new international monetary system produced much heated discussion. In the end, agreement was reached at the Bretton Woods conference of July 1944 on a post-war system of exchange rates. Whatever the merits of Britain's own views on these issues, the reality of the matter was that America had become the world's most important economy and this in turn meant that Britain's economic fortunes would be tied to Washington given that it emerged from the war as the world's largest debtor nation, with the country having a national debt that totalled in the region of £3.5 billion.

The fragility of Britain's economic position necessitated the government to obtain finance in order to support post-war reconstruction as well as the importation of food and raw materials. For this Britain turned to America and duly dispatched to Washington the greatest economist of the time, Lord Keynes, to represent Britain's interests**.** The negotiations, which took place from June to December

1945, resulted in a deal whereby Britain received a £3.75 billion loan from the US in December 1945. Yet rather than the interest-free loan which British negotiators had hoped for, the US offered a loan that was to be repaid in fifty annual instalments at a rate of 2 per cent interest, beginning on 31 December 1951 (Northedge, 1974: 41; Denman, 1996: 181). Such was the economic predicament that Britain found itself in during the years after 1945 that on a number of occasions it was unable to make the annual repayment. In the end, the final repayment of $100 million was made in December 2006, which was some 60 years after the loan had initially been agreed (Burke, 2007: 567-8).

What should be evident from this initial discussion is that while Britain paraded itself as one of the 'Big Three' countries at the end of the Second World, it was in every sense a lesser power when compared to the other two. Britain was the lesser power in the key summit meetings that sought to reach agreement on the post-war world that took place with the US and the Soviet Union at Teheran in November 1943, at Yalta in the Crimea in February 1945, and at Potsdam in July-August 1945 **[Document 1]**. This was something that that Churchill was quickly aware of after the first meeting: 'When I was at Teheran I realised for the first time what a very *small* country this is. On one hand the big Russian bear with its paws outstretched – on the other the great American Elephant – and between them the poor little English donkey – who is the only one that knows the right way home'. And

while Britain had played a major role in fighting the war effort, notably in the period before America's involvement, the defeat of the Nazis in Europe had been largely dependent on the contribution of Soviet and American forces, while the defeat of Japan was wholly the result of American pressure. What we can therefore conclude is that Britain's economic and political recovery were far from bright in the early years of the post-war period as the imperial wealth and influence that had propelled its economic and political position had been severely affected by the war effort, its position as a leading power would increasingly be challenged and overtaken by other countries in the decades that followed (Kennedy, 1981: 341). But despite this state of affairs, the Labour government that had been elected to office at the time of the Potsdam negotiations in August 1945 nevertheless sought to maintain Britain's influence. For the new Labour Foreign Secretary Ernest Bevin this meant that when he arrived to take over from Eden at the Potsdam conference he informed the Chief of Staff General Ismay that 'I'm not going to have Britain barged about' (Hurd, 2011: 315).

Pressures for reform

Sat alongside this reorientation of the country's position in the global league table, Britain faced the twin challenges of the pressures for reform in the Empire and at home. The new Labour government led by Clement Attlee was certainly not oblivious to the decline in Britain's influence, but their view was that this decline could be reversed (Kent, 1993: 214). In 1945 the position of the Foreign Office was that 'This

country possesses all the skill and resources required to recover a dominating place in the economic world' (Young, 1998: 35). To this end, the government considered that the demands of greater independence from many of the countries of the Empire could be satisfied within a policy of British control. Such a viewpoint was largely influenced by thinking in London that Britain's economic recovery was dependent on the ties of Empire. But in this post-war period Empires and colonies were hardly the fashion of the day at a time when the UN spoke of national self-determination. This, when combined with the poor economic health and fragile political structures of the post-war Imperial powers, accelerated the clamour for independence in the colonies. In many instances, the withdrawal by European governments from colonies proved to be a mismanaged affair, as was the case with Belgium in the Congo and the Netherlands in Indonesia. Elsewhere, both France and Portugal waged costly wars to keep their empires intact. Sat against this record, Britain's retreat from Empire appeared at the time to be more successful. Subsequent evidence has, however, highlighted atrocities being carried out by British officers during the Mao Mao uprisings in Kenya (Elkins, 2005), while British policy towards Rhodesia and South Africa would receive criticism. Elsewhere, Britain engaged in a twelve year war in Malaysia between 1948 and 1960, where in a conflict that became known as the 'Malayan emergency', Britain undertook brutal measures such as large-scale bombing to counter dissent from disaffected Chinese workers that were employed in key industries such as tin and rubber that were

crucial for Britain's export earnings. Although in the eyes of policy-makers in London intervention such as that in Malaya was justified, it also demonstrated the extent of the lengths that the country was prepared to go to keep the Empire intact. Britain's willingness (and need) to retain the Empire meant that it took a good many years for the country to fully recognise the necessity of withdrawal and as a result the intervening period would produce numerous debates about the direction of British policy. Indeed, by early the early 1950s the Treasury was of the view that the economic benefits of Empire were overstated **[Document 7]**. A Treasury official noted in a letter to the Colonial Office on 30 June 1952 that it 'seems to me that the whole conception of Commonwealth development as the solution to our difficulties is becoming something of a castle in the air. We know all the difficulties of raising funds from the UK or from private American sources. We have a shrewd suspicion that US Government aid won't go anywhere near to filling the gap. We haven't very much faith in the capacity of the new Dominions to pull themselves up by their bootstrings. And now we have evidence that, even if the money were forthcoming, there are very few winners in the Colonial Empire' (White, 1999: 111).

Difficulties at home added to the complexity of problems abroad. Britain faced the economic costs of rebuilding a war-torn landscape where housing and industrial factories had been decimated. Some 210,000 of the nation's 4.5 million houses had been destroyed during the war while an additional 250,000 were considered to be

uninhabitable as a result of bombing which inflicted a total of £1450 million worth of damage to residential and industrial buildings at 1945 prices (Self, 2010: 28). At the same time there were additional pulls on the national finances through the demands of creating a welfare state, as outlined in the 1942 Beveridge Report. This would necessitate a restructuring of the traditional economic approach taken by successive governments to one of interventionism that was marked by an effort to create a more egalitarian society (Marr, 2008: 62-4). But while this became part of the post-war consensus advanced by all major British political parties, the financial costs of such an approach were compounded by the need to provide financial payments to countries, such as India, who had contributed approximately half of the 5 million troops that the Empire provided to fight in the war.

The government faced the problem of having little room to manoeuvre as there was little scope to further increase taxation which had already been subject to a fourfold increase over the duration of the war. Writing in 1951, the then Foreign Secretary Anthony Eden noted that 'The British economy is already fully stretched with a higher level of taxation than any other country in the world … men and women are unwilling to do this [to pay additional taxes] even in conditions of crisis short of actual war' (Eden, 1951: 340 cited in Abadi, 1982, 23).

The continuing of rationing until 1954 indicated the complexity of Britain's economic position. Basic products, such as milk, eggs and

meat were in limited supply, and some such as clothing were in more limited supply after the war than they had been during the war. For many the economic conditions of peacetime were every bit as bad as those endured during the war. The maintenance of rationing at home was influenced by the fact that Britain was continuing to play a leading role abroad where in the postwar period the country still had troops stationed in Europe, Asia and the Middle East (Ovendale, 1984: 3). Germany and Palestine were particularly costly commitments, with Abadi noting that the cost of keeping troops in Palestine was £100 million per year, while the annual commitment of maintaining British troops in Germany was £80 million (Abadi, 1982: 7).

In Europe the most obvious example of this dual role was its involvement in the post-war rehabilitation of Germany where Britain was one of the four powers that governed Germany in the early post-war years. However, the economic and political chaos that beset Germany at this time meant that much rested on the governing powers to provide not just the injection of political capital to restabilise Germany, but also the basic items of food that were required to feed a starving population. Thus, an impoverished Britain found itself having to restrict the supply of food at home to meet the needs of others abroad. This was, however, a situation that proved increasingly hard for the government to defend when ‘British citizens were more concerned about their livelihood than about the maintenance of the empire’ (Abadi, 1982: 25).

A similar picture of the complexity of Britain's post-war position was evident on the international stage where despite its domestic economic woes, the Labour government of Clement Attlee wanted Britain to be part of the nuclear club given that the country had already made a significant intellectual contribution to the development of the US atomic bomb. This desire to gain atomic power status rose to the fore in the wake of the 1946 McMahon Act which cut off the exchange of atomic information between the US and any other country, including Britain and Canada that had contributed to the wartime Manhattan Project (Gowing, 1989; Hennessy, 2002: 47). Although the British government rightly felt aggrieved by the US position, policy-makers in London were concerned that an atomic bomb was necessary not just for the country's defence against threats from enemies, but also as a means of ensuring that it would be able to influence decision-makers in Washington. As the minutes of the Cabinet meeting of 25 October 1946 recorded, 'it was argued that we could not afford to be left behind in a field which was of such revolutionary importance from an industrial, not less a military point of view. Our prestige in the world, as well as our chances of securing American co-operation would suffer if we did not exploit to the full a discovery which we had played a leading part at the outset' (Hennessy, 2002: 48). In other words, 'of overwhelming importance was the conviction of the Cabinet that if Britain did not possess the bomb, the US would pay no attention to British wishes in foreign policy' (Burke, 2007: 604). This dual concern

of wanting an independent deterrent and the desire to exercise some influence on the US was further influenced by the fact that the successful Soviet atomic test of August 1949 signified a further heightening of Cold War tensions between Moscow and Washington. The Soviet Union's attainment of atomic power status came as a surprise to policy-makers in London where the expectation had been that Moscow would reach this position by 1954 (Reynolds, 2000: 170).

A direct response to the Soviet atomic test was that by 1950 Britain had become a critical base for US nuclear bombers. Yet as Winston Churchill commented, the implication of this state of affairs was the Britain 'had probably become "the bull's eye of a Soviet attack"' (Reynolds, 2000: 170-1). According to Alan Bullock, the biographer of the ultra nationalistic Foreign Secretary, Ernest Bevin, this meant that Bevin wanted an atomic bomb 'with a Union Jack on it' (Bullock, 1983: 352). When this eventually happened at Monte Bello on 3 October 1952, Britain became the third nuclear power. Yet rather than acting as a leveller, when the US and the Soviet Union undertook H-bomb tests in 1952 and 1953 in many ways a more significant gulf had opened up between Britain and the US and Soviet Union as they now had a far more deadly weapon.

More than half a century later, Britain continues to be one of only five recognised and legitimate nuclear powers (the others are China, France, Russia and the US). And even though the requirements of the

need for a nuclear deterrence have changed over time, the maintenance of Britain's position as a founder member of the nuclear club has inevitably come at an economic cost, with many commentators pointing to the fact that money could have been better spent on the like of schools, roads, and hospitals. Yet, each of the British governments that have faced this quandary have come to the conclusion that the maintenance of the country's nuclear deterrent has been a price worth paying. Indeed, one of the first tasks that a British Prime Minister undertakes when entering office is to write identical letters of instruction for the captains of Britain's nuclear submarines which set out the actions that are to be taken in the event that an enemy nuclear strike has destroyed the British government.

World War to Cold War

Even before the Second World War ended, both the United States and Britain expressed concerns about Soviet motives for the post-war settlement. The Soviet Union had after all signed the secret Molitov-Ribbentrop non-aggression pact with Germany in August 1939 that divided up Poland and which a month later would result in Soviet annexation of Eastern Poland. Stalin's desire for Soviet territorial gains would lead him to invading Finland in November 1939 and the Baltic States in June 1940. Matters changed with Germany's attack on the Soviet Union in June 1941, with this creating the wartime alliance between Britain, the Soviet Union and the US. The alliance of the 'Big Three' was one of necessity and policy-makers in Washington and

London were well aware that such a marriage would not last into peacetime. Having suffered the greatest loss of lives during the war, the Soviet Union was keen to establish a buffer zone around its borders to make sure it could never be invaded again. In total, some 9 million military and more than 27 million Soviet citizens perished during the war, which equated to approximately 19 per cent of the pre-war Soviet population (McCauley, 1995: 32)

Tension between the 'Big Three' had been evident at the summit meetings that took place in Yalta and Potsdam, of which key items of discussion included the future map of Europe. At Yalta the leaders met at the Livadia Palace, which had been built for Tsar Nicholas II in 1911, and reached agreement on the UN, the division of Germany, and that the Soviet Union would participate in the war against Japan within three months of the end of the war against Germany **[Document 1]**. Of these issues, the most sensitive was the division of Germany into four occupation zones that would be governed by America, Britain, France and Russia, albeit with view as set out in Article 14 of the Potsdam agreement that Germany would be treated as a single economic unit. Although French participation in the Allied Control Council that was to be created to govern Germany was a concession that Churchill had managed to achieve from Stalin, the outcome nonetheless basically divided Europe into two spheres of influence. This was a factor that was compounded by America and Britain agreeing that the Soviet Union should have 'friendly' neighbours in Eastern Europe. This in

itself reflected the inability of Churchill and Roosevelt to do anything about the reality of the dominance of the Red Army in Eastern Europe. As Plokhy has commented on Stalin's objective at Yalta, 'The fate of Western Europe was a secondary matter for Stalin: what mattered to him was control of Eastern Europe, which bordered directly on the USSR' (Plokhy, 2010: 262).

America and Britain were powerless with regard to the fate of Poland, including their desire for free elections despite Stalin having given this promise at Yalta **[Document 1]**. This of course reflected the fact that the 'Soviets were clearly in a strong position (in Poland) with their troops occupying half the country and their clients already forming a provisional government' (Reynolds, 2008: 124). Indeed, it would not be until the collapse of Communism in 1990 that free elections would take place in Poland. Russia's desire to extract as much as possible for its own interests out of the post-war settlement was shaped by the fact that it had been greatly weakened by the burden of war and that it wanted to give itself as much protection as possible as it regained its strength (Northedge, 1974: 27). The Potsdam agreement would authorise the removal of some 20 per cent of Germany's pre-war territory to Poland and clarified the basis for the four-power control over Germany. While the latter would entail each of the zones being given a high degree of autonomy and at the same time need for a high degree of coordination for central quadripartite Allied Control Council to

operate in Germany, it was also evident that there was a considerable lack of trust between the four powers.

American suspicion of Soviet motives had increased by the time of the Potsdam summit, with the US being represented by Harry Truman who had succeeded Roosevelt after his death on 12 April 1945. Britain, which was represented first by Churchill and then by Clement Attlee after the general election, shared the US views with Churchill considering the Soviet threat the most dangerous hazard facing Europe (Plokhy, 2010: 30). America and Britain were both unwilling to take a sympathetic view towards Stalin's demands for reparations. With Germany's defeat and America's knowledge that its possession of the atomic bomb provided it with the capacity to end the war in the Far East, policy-makers in London and Washington deducted that the rationale for the alliance with the Soviet Union had come to an end. Truman was particularly keen to emphasise to the Soviets the significance of America's powerful new weapon at the Potsdam meeting as a means of trying to get Moscow to be more amenable towards Central and Eastern Europe. Yet as Martin McCauley has noted, 'the Americans were to learn that it is no use having a wonder weapon if the other side does not believe that it will be used against it' (McCauley, 1995: 65). This was a position that would continue after the US brought the war in the Far East to an end with dropping of atomic bombs on Hiroshima and Nagasaki on 6 and 9 August. Japan surrendered on 14 August 1945.

While the use of the atomic bomb expedited the end of the war, it also acted as a public demonstration to the Soviet Union of America's own strength which in turn influenced Moscow's August 1945 decision to commit to build an atomic bomb. A great deal of scholarly attention has been devoted to this decision and to the various factors that influenced the origins of the Cold war. For some scholars, the expansionist policies pursued by the Soviet Union necessitated a US response that focused on developing alliances to contain Soviet pressure. 'Revisionist' writers who argue that the Soviet Union was perfectly justified in seeking alliances given the fact that it had incurred vast human and physical losses during the war and faced a post-war world dominated by the US economy have challenged this 'traditional' or 'orthodox' interpretation. Whatever the merits of the revisionist view, the fact of the matter was that the Soviet Union was hell-bent on establishing a network of client states in Eastern Europe. In 1945 the Communist world was largely confined to the Soviet Union and the territorial gains that Moscow had obtained during the war, such as the Baltic states. But in a short space of time Moscow established so-called 'peoples democracies' in Eastern Europe. Soviet control was achieved by a combination of the presence of the Soviet army in the countries that it had liberated in Central and Eastern Europe and the use of propaganda and force to discredit, intimidate and in some cases imprison and kill the leaders of political parties that were not sympathetic to Moscow. By 1948 Czechoslovakia, Hungary and

Romania had been forced into Soviet control. Other countries would similarly fall under a Soviet system of satellite control, which would continue until the fall of the Berlin wall in 1989.

Britain's own relations with the Soviet Union had been tense for many years and can be traced back to fears over Russian expansionism in India and Asia in the nineteenth century. Matters had not improved with the 1917 Bolshevik Revolution, which influenced industrial unrest in Britain. By contrast, Britain and America had many common bonds, including culture, language and family. All were relevant to making this closest of relationships. For example, both Churchill and Macmillan had an American mother. And even though this was a relationship that had been subject to significant tensions over the years, it was one that was nonetheless based on shared interests. This had been evident during the First World War, when America's economic strength came to the fore and policy-makers in London woke up to the reality that from thenceforward Britain's own interests necessitated a strong bond with America, a factor re-emphasised by the Second World War.

Tension and conflict

In 1945 a key question was how an impoverished Britain could stand up to a Soviet Union that was intent on creating puppet governments in Eastern Europe through a process of Stalinization. The seriousness of the Soviet threat was encapsulated in Winston Churchill's famous speech at Fulton, Missouri, in March 1946 when he noted that 'an iron

curtain has descended across the Continent' **[Document 3]**. Despite the fact that he was no longer Prime Minister and that there was still a degree of warmth towards Moscow given the Soviet Union's position as a wartime ally, Churchill's speech nonetheless reflected the view that was taking hold in Washington and Whitehall at this time. And as relations with the Soviet Union began to deteriorate it quickly became a focal point in acting as a galvanizing force against the Soviet threat. As Churchill said at the time, 'the crux of what I have travelled here to say. Neither the sure prevention of war, nor the continuous rise of world organization will be gained without what I have called the fraternal association of the English-speaking peoples. This means a special relationship between the British Commonwealth and Empire and the United States'. In Moscow, Stalin reputedly referred to Churchill's speech as a 'declaration of war'.

The position of the US was key given that policy-makers in Washington had struggled to map out a coherent foreign policy in the months after the end of the Second World War. Matters would begin to change in February 1946 with George Kennan's now famous 'Long Telegram', in which the US diplomat stressed – in a number of dispatches so as not to put off his readership in Washington – that America needed to establish a policy of containment in response to the Soviet threat. By this stage there was growing evidence of a stronger Anglo-American cooperation in dealing with the post-war world, with this being further illustrated when both countries agreed in mid-1946 to merge their

occupation zones that governed Germany. Such developments were not based on an equal partnership. Instead, the reality of the situation was that bit-by-bit America was taking on a leadership role for the Western World as a whole and when combined with subsequent support for European integration, the US was in some commentators eyes creating an ‘empire by integration’ (Lundestad, 2003).

Matters came to a head on 21 February 1947 when the British Ambassador to Washington informed the US government that Britain would be withdrawing its troops from Greece because it could no longer afford the financial cost of supporting the Greek government which faced the threat of being undermined by Communist guerrillas (Acheson, 1969: 217). Britain had been actively involved in Greece since late 1944 when despite its weakened economic position it had helped to suppress a Communist uprising and to challenge Soviet authority in Europe and in 1945-46 alone British military aid to Greece amounted to some £132 million (Burke, 2007: 579). This was an expense that was an additional burden to Britain’s finances which were already in a parlous state. A need to reassess the country’s commitments led to Prime Minister Attlee writing to Foreign Secretary Bevin to inform him that ‘I think we have got to consider our commitments very carefully lest we try to do more than we can’ and noting that ‘In particular, I am rather worried about Greece’ (Hurd, 2011: 327). But while Bevin initially sought to repel Attlee’s point of view by arguing that Britain would be able to regain its financial

strength, matters were brought to a head in January 1947 by the onset of one of the most severe periods of cold weather that the country had faced since the seventeenth century. This would see snow falling in Britain on every day from 22 January to 17 March 1947, while the Kew observatory did not record any sunshine between 2 and 22 February, with this being the longest period of absence of sunshine recorded in Britain. The adverse weather conditions placed a significant strain on the post-war Labour government which struggled to deal with the resulting challenges that ranged from the impact on the farming community through to a fuel crisis as the demand for coal dramatically increased. At a time when the country was having to chart a path through the impact of the cancellation of lend-lease and becoming increasingly dependent on dollar loans to support its balance of payments, the combination of adverse weather and a worsening economic situation led to unemployment rising dramatically from 350,000 to 2,300,000 as industrial production came to a standstill (Abadi, 1982: 21). The upshot of this was that the unusually bad weather of the winter of 1947 proved to be a key factor in determining Britain's post-war position and acted as a significant marker in its decline in power as 'The case for continuing aid to Greece and Turkey collapsed along with the economy' (Hurd, 2011: 327). As one commentator has noted, 'After 150 years and two world wars, Britain was exhausted and the end of *Pax Britannica* was in sight' (Ryan, 1997: 58).

At a time of growing superpower conflict, the fear in 1947 was that if Greece fell to Communist control that this would set off a chain reaction that could spread to Iran and Turkey as well as Italy and France. And while the latter two had strong Communist political parties that played an important role in Hitler's downfall, in peacetime Communism was seen as a threat to many countries given the Cold War tension between the Soviet Union and the US. Faced with this situation, the US was the only country that had the financial and military capacity to intervene. The government in Washington responded swiftly to this challenge and on 12 March 1947, President Harry Truman in a speech before a joint session of Congress said that 'I believe it must be the policy of the United States to support free peoples who are resisting subjugation by armed minorities or by outside pressures'. The speech would rapidly be known as the Truman Doctrine and it set about a more coordinated US foreign policy against the Soviet Union, which would be followed up in June 1947 by the Marshall Plan that offered financial support for the post-war reconstruction of Europe through the European Recovery Programme (ERP). Of the $13 billion Marshall Aid that was provided to Europe between 1948 and 1951, Britain received $3.2 billion which was the largest amount (Dickie, 1994: 55).

The reality of the Soviet threat became all too apparent when on 20 March 1948 their representative left the Allied Control Council and Moscow commenced a policy of restricting Western access to Berlin

which had been divided into a four power control at the end of the war, thereby mirroring the division of Germany. When the Western allies of France, Britain and the US merged their zones in June 1948 to create West Germany (including West Berlin), the formal division between East and West took place. The Soviet Union did not look kindly on this development, given that in the ideological battle between capitalism and communism, West Germany was recovering faster than East Germany, of which many people in the East sought to move to the West. A day after the formal creation of West Germany, the Soviet Union created a total blockade of West Berlin and in so doing threw up an immediate challenge to the West. Berlin was strategically and ideologically important because it lay at the front of the Cold War struggle, of which this was the first major test. The West's resolve to Soviet pressure was clearly under scrutiny and this would necessitate a major airlift to supply the people of West Berlin with the materials and foodstuffs that were necessary for survival. As David Dilks has noted, 'Britain's contribution to the air-lift was in relation to her resources extremely large, about a third of flights and a quarter of the supplies' (Dilks, 1981: 26). In this first test of the Cold War, the airlift would continue until 12 May 1949 when the Soviet Union lifted the blockade, having come to appreciate its futility in the face of the Western response.

A combination of the airlift and the successful test of a Soviet atomic bomb in August 1949 brought to the fore the importance of some form

of collective European defence. On 4 March 1947 Britain and France signed a Treaty of Alliance and Mutual Assistance against the potential of a future German attack. Otherwise known as the Dunkirk Treaty, it would be quickly superseded by the Brussels Treaty of 17 March 1948 that was signed by Belgium, France, Luxembourg, the Netherlands and the UK with a view to providing economic, social and cultural co-operation among the member states. The main basis of the Treaty was a guarantee to collective defence, with Article IV noting that should any of the parties be the object of an 'armed aggression in Europe', the other signatories to the Treaty would grant the attacked party 'all the military aid and assistance in their power'. In September 1948 the signatories of the Brussels Treaty established the 'Western Union' or 'Brussels Treaty Organisation' with the immediate purpose of providing security through its headquarters in Fontainebleau, France, of which Field Marshal Montgomery was appointed Chairman of the Commanders-in-Chief Committee. Although the absence of a US commitment put a question mark over the ultimate ability of these agreements to deter Soviet aggression, their real significance was that they acted as a public demonstration of Europe's willingness to join together for their collective defence. As such, the Brussels Treaty was in this sense designed to allay the potential for American criticism that Europeans were unable and unwilling to help themselves. In reality, however, the Treaty was a means of luring America to Europe's defence and as such 'was to the "sprat" to catch the American "mackerel"' (Reynolds, 2000: 165).

Such developments in Europe created a response in the US through the Vandenberg Resolution, which recommended that the US should be associated with regional and other collective security arrangements. The US Senate adopted the Resolution on 11 June 1948. Thereafter talks took place between the US and the Western powers which ended on 9 September 1948 with a favourable view towards the creation of a defensive organisation in the North Atlantic area. The text of the North Atlantic Treaty was published on 15 March 1949 and on 4 April the North Atlantic Treaty was signed in Washington by Belgium, Canada, Denmark, France, Iceland, Italy, Luxembourg, the Netherlands, Norway, Portugal, the UK and the US. With the creation of North Atlantic Treaty Organisation (NATO) the military structure of the Brussels Treaty was absorbed into it and the drive towards a separate European defence identity was more or less extinguished. And while NATO's Article 5 mirrored the collective defence nature of the Brussels Treaty, whereby if one member were attacked then all the other members would be obliged to respond, the true innovation was that US involvement meant that a stronger security blanket was provided for Europe.

While the immediate attention of the post-war years had been on the reconstruction of Europe and the threat posed by the Soviet Union, in 1949 the Cold War turned global when Chinese communists under the leadership of Mao Zedong proclaimed the founding of the People's

Republic of China on 1 October. A pivoting of US concern towards Asia was exacerbated with the outbreak of war in Korea in June 1950. The Korean War would mark a new stage in the Cold War, with the US viewing the attack by North Korean troops being part of a broader communist offensive strategy as the Soviet Union supported the North Korean Stalinist regime of Kim Il Sung. This would in turn influence the so-called domino theory, of which the argument was that 'if Stalin were not stopped in Korea he would advance and states would fall in succession to communism until it dominated Europe and Asia or started a Third World War' (McCauley, 1998: 18). To counter this threat, the US led a UN force that sought to repel the North Korean attack. A combination of Britain's desire to combat Communism, support the US and be seen as a significant global power, would result in British troops fighting a war in Korea. As David Sanders has reflected, 'In these apparently threatening circumstances, and with the need to provide the Americans with a public show of support, it was perhaps not surprising that the Attlee government should find itself embroiled in a war in a far-off country with which Britain had no historical ties' (Sanders, 1990: 69). But apart from this public show of support, Attlee was also wanted to act as a limiter on US action in Korea, where he was conscious of the need to ensure that Washington's support for the defence of South Korea should not in any way spillover into tension with China.

Although Britain was a secondary power in a Korean war that would last for three years and claim in excess of 3 million lives until agreement was reached to divide the countries along the 38th parallel – which was exactly the position which marked the border between North and South Korea before the war began – the war was a further drain on the nation's finances as the government undertook a massive rearmament 'which almost certainly overstrained the convalescent British economy' (Cradock, 2002: 94). For example, during the Korean War Britain's military expenditure and force contribution in relation to economy and population was greater than that of America. As John Dickie reminds us, 'In the first year of the Korean War America's defence expenditure was 6.9 per cent of national income compared to Britain's 7.7 per cent. At that time 6.6 per cent of British men aged between 18 and 44 were in the armed forces compared to 4.8 per cent in the United States' (Dickie, 1994: 65). Defence expenditure would eventually peak at 9.8 per cent of GNP in 1952 (Hennessy, 2002: 13). But for the Attlee government, and in particular its Foreign Secretary Ernest Bevin, this was a price worth paying. As Gill Bennett has noted, 'For Bevin, ensuring a continued US commitment, not just to Europe, but to what he called the Free World, was worth far more than a brigade in Korea. He was also quite sure of Britain's importance to the American's and to the West as a whole. Britain, albeit weakened and impoverished by the war, remained a global power in a key position, central to what he regarded as the prime objective of creating an Atlantic community that transcended Europe' (Bennett, 2013: 18).

Nonetheless, an impact of spiralling rearmament costs, which increased from £3,600 million over 3 years in June 1950 to £4,700 million in January 1951, was a further deterioration in the nation's finances. Moreover, with the diversion of resources from the industrial economy meant that Britain shifted from having a balance of payments surplus of £307 million in 1950 to a deficit of £369 million in 1951 (Ruane and Ellison, 2005: 148). Thus when the Conservative Party returned to power in October 1951, the costs of rearmament were 'so extensive and bearing so heavily on the economy that by an irony Churchill, the incoming Prime Minister, had to reduce it' (Dilks, 1981: 31).

Choices and decisions

In July 1945 Sir Orme Sargent wrote a memorandum at the request of the then Foreign Secretary Anthony Eden entitled 'Stocktaking after VE Day'. Sir Orme, who would become Permanent Under Secretary at the Foreign Office, argued that Britain should become the leader of Western Europe and the Commonwealth so as to be treated as an equal to that of the US and Soviet Union. His view was that 'We must not be afraid of having a policy independent of our two great partners and not submit to a line of action dictated to us by either Russia or the United States, just because of their superior power or because it is the line of least resistance, or because we despair of being able to maintain ourselves without United States support in Europe'. This view struck a chord with the Labour Foreign Secretary, Ernest Bevin, who

outlined these views in ‘The First Aim of British Foreign Policy’ that was published on 4 January 1948 **[Document 5]**. Bevin believed that Britain should lead a so-called ‘Third Force’ in world politics that would combine the resources of Western Europe, the Dominions and the colonies in Africa and Asia. Bevin’s desire to cement’s Britain’s position as a world power would be emphasised in a meeting with the Chancellor of the Exchequer, Hugh Dalton, in October 1948, at which Dalton recorded in his diary that Bevin was of the opinion that if Britain ‘developed Africa we could have US dependent on us, and eating out of our hand, in four or five years. Two great mountains of manganese are in Sierra Leone, etc. US is very barren of essential minerals and in Africa we have them all’ (Hurd, 2011: 333).

Yet the reality of Britain’s post-war economic and political weakness meant it was extremely doubtful if the country could ever have played the role that Sargent and subsequently Bevin outlined. Indeed, by 1947, Gladwyn Jebb, then an Assistant Under-Secretary in the Foreign Office, was arguing in an updated version of Sargent’s memorandum that while there was validity in Britain pursuing an independent foreign policy, the country could not adopt a position that was independent of the US. This was a situation that was further confirmed by the growing spread of Soviet power, as evidence by the bloodless coup in Prague in February 1948 and the reality of the matter was that Britain did not have the economic, military or political muscle to independently stand up to Moscow. In the end Bevin soon lost his enthusiasm for a

‘Western Union’ and the Labour government boycotted the May 1948 Hague Congress that was attended by over 800 European leaders, which included the attendance by Wilson Churchill as president of honour. The Hague meeting advocated the creation of a European Assembly and provided the impetus that that led to the creation of the Council of Europe. In taking this stance the Labour government’s concerns had influenced the Council becoming ‘a peripheral consultative organ rather than the executive body which European federalists desired’ (Greenwood, 1992: 31). The British government’s position had been influenced by the fact that few Labour MPs supported the concept of Britain joining a European federation that would sacrifice national sovereignty. But while policy-makers in London had come to the conclusion that Bevin’s notion of a British ‘Third Force’ was an unrealistic and unsustainable position, it was nevertheless the case that under Labour’s post-war government Britain sought to play a significant international role, albeit one that critically was ‘greater than the country’s material strength warranted’ (Dilks, 1981: 31).

Domestically, the devaluation of Sterling in September 1949 indicated Britain’s economic weakness. Internationally, the 1949 Communist revolution in China and the successful testing of a Soviet atomic bomb in the same year all pointed towards the need for Britain to have a strong relationship with the US as only America could provide the military power needed to counterbalance the Soviet Union. Britain’s Ambassador to America from 1948 to 1952, Oliver Franks, would later

reflect that at the time both countries shared a 'broad identity of views on the main issues of foreign policy (Franks, 1995: 63) and consequently the British government quickly came to the conclusion that America was its most important ally and that the culturing of a special relationship with the US was crucial to defending Britain's interests. In May 1949, the Permanent Under Secretary's Committee which had been established by Sargent to coordinate British foreign policy, warned against an attempt by Britain to form a 'third force' that was independent of the United States in its report 'A third world power or Western consolidation?'. The key paragraph of the report stated 'the conclusion seems inescapable that for the present at any rate the closest association with the United States is essential, not only for the purpose of standing up to Soviet aggression but also in the interest of Commonwealth solidarity and of European unity'. The Attlee government for all intents and purposes adopted this stance in 1949, while by March 1950 the Labour Foreign Secretary Ernest Bevin noted that 'the day when we, as Great Britain, can declare a policy independently of our allies, has gone' (cited in Sing, 1993: 3).

European questions

The assessment that Britain's interests were intrinsically linked to those of America coloured Britain's views on developments with regard to closer European cooperation. But while the US was keen for Britain to take a leading role in the development of European integration, Britain was hesitant to undertake such a role. The reasons for Britain's

unenthusiastic opinion towards European Unity was first of all because Britain had not suffered the same political upheavals before and during the war as European states had. There was, therefore, a desire among European countries to create new institutions and new loyalties to replace those institutions that had previously been found to be wanting, which was not mirrored in Britain. Secondly, the British government believed that Britain's real interests lay with the Commonwealth and the United States than with continental Europe.

The US was particularly keen that European states should enhance their levels of cooperation (Warner, 1984: 68); Truman and Marshall were concerned about Western Europe's ability to rebuild to tackle the Communist threat. Among key European figures of the time, Robert Schuman and Jean Monnet argued that European states needed to deepen their cooperation between each other. Their view was that the likes of the Organisation for European Economic Cooperation (OEEC), which administered Marshall aid, were intrinsically weak, because they did not require the member states to enter into shared decision-making. The answer for Monnet was that 'a start would have to be made by doing something more practical and more ambitious. National sovereignty would have to be tackled more boldly and on a narrower front' (Monnet: 1978: 274). On 9 May 1950 in London Schuman proposed a supranational coal and steel body. Britain's reaction to the Schuman proposal was clouded by the fact that whereas other countries, most notably Germany and the US, were given advance

warning of the plan, Britain received no such foreknowledge. As Hugo Young had rightly reflected, 'the largest steel and coal producer in Europe, however, was not admitted to the secret before it was announced' (Young, 1998: 51). And while this state of affairs irritated Bevin who felt that Britain had been betrayed, 'what he couldn't overlook was the regrettable possibility that Britain had lost control of events' (Young, 1998: 44). In essence, the Schuman Plan represented a step change in developments in post-war Europe, and given that Britain was not central to the proposals it also marked the start of Britain being confined to the periphery of European integration.

Thus, while Monnet and Schuman's desire to deepen cooperation received support in many European countries, Britain's reaction to the Schuman Plan was inevitably lukewarm. The government refused an invitation to join the negotiations leading to the European Coal and Steel Community (ECSC) because it was not willing to accept the principle of supranationality, although it did in the end become an associate member in 1954 (A. Blair, 2010: 20-4; Denman, 1996: 185-92; Lord, 1996). Herbert Morrison, in his capacity as acting Prime Minister in Attlee's absence, stated that 'it's no good. The Durham Miners won't wear it' (Donoghue and Jones, 1973: 481). Yet the government suggested no alternative and did not make a counter proposal. It '...turned the Schuman Plan down flat on the grounds that its supranationalism would prejudice her national sovereignty' (Nutting, 1960: 31). It was a view equally held by the Conservative Party in

opposition. And although Alan Milward would go on to conclude that ‘at the heart of British policy-making there was a lack of awareness,’ (Milward, 1984: 249) we have to remind ourselves of the complexity of the situation that Britain found itself in.

It may have emerged from the war with economic difficulties and some uncertainty over its future, but Britain was still a vibrant trading nation with global interests. Half of the World's trade and financial transactions were completed in Sterling in 1945. In 1946 the total value of British foreign trade was 45.4 per cent of that of Western Europe, while in 1950 it was still 32.6 per cent (Milward, 1984: 335). British steel production after 1945 was more than two-thirds of other European nations while its output of coal was nearly equal to that of other European states (A. Blair, 1997). Britain’s very strength was the crux of the issue. For some, it meant that Britain would naturally take a leading role in the redevelopment of Western Europe where many of the countries were in a state of convalescence after the ravages of war. Jean Monnet believed that Britain was the major power that could provide a nucleus around which a European Community might be formed (Monnet, 1978). Dean Acheson stated that ‘British participation is necessary’, while Anthony Nutting was aware that we ‘could have had the leadership of Europe on any terms which she cared to name. If we had offered our hand it would have been grasped without question or condition’ (Duchene, 1994: 204; Nutting, 1960: 3).

The war had enhanced Britain's status given the general weakness of European countries. Britain's experience of the war had also been different from other European countries, having been the only major European power not to be invaded. It stood alone as the only major power against Hitler prior to the US and the Soviet Union entering the war. And when combined with the fact that Britain's sovereignty had remained intact, the overall effect was to further cement what was has come to be known as the 'Channel complex'. In other words, a view that the separation between Britain and the continent is a natural state of affairs. Britain was keen not to lose control over economic and political affairs. This was, of course, a different conclusion than the one that Monnet had hoped for. The government was of the opinion that a united Europe would have compromised its desire to retain a global role, particularly the protection of her remaining Empire and Commonwealth, as well as the desire to retain the Sterling Area and to cultivate as strong as possible a special relationship with the US. The latter was a particularly important point. As Kathleen Burke has written, 'The British government believed that it was imperative that the US consider her a partner, even if only a junior one, to be consulted and have her opinion respected' (Burke, 2007: 586).

The British government favoured the concept of a loosely integrated united Europe, as in the realm of the Dunkirk and Brussels Treaties, as well as in the nature of the Council of Europe that was established in 1949. This desire to promote institutions that were based on

intergovernmental cooperation represented an unwillingness to share sovereignty and reflected the viewpoint that in the end Britain's interests lay outside a federal Europe where political and economic power could be transferred (Lundestad, 2003: 43). To this end, the relations with Europe had to compete with what were regarded as the more important Commonwealth and Empire connections, along with the Sterling Area and the special relationship with the US. And with the signing of the North Atlantic Treaty in April 1949, the Labour government concluded that it provided the framework for all defence issues concerning the Western World rather than European organisation. This view that Britain's interests were set within an international and great power context was noted by Attlee himself when he informed Britain's Ambassador to the US, Sir Oliver Franks, that Britain was not one merely one of a number of European countries but was instead 'one of two world powers outside Russia' (Morgan, 1984: 233). But in taking this position it has been argued that Britain 'missed opportunities' to take a leading role in Europe (Charlton, 1983; Warner, 1984: 72; Greenwood, 1992: 37). Anthony Nutting would go so far as to say '...I am convinced that Great Britain's rejection of the Schuman Plan marked the most vital turning point in Anglo-European relations since the Second World War. This was the opportunity for Great Britain to get into the business of rebuilding Europe' (Nutting, 1960: 34).

This position of Britain viewing itself in an international rather than a purely European context did not change with the return of the Conservative's to office in October 1951 (Young, 1985). In opposition, Churchill had spoken at a Conservative Party meeting in Llandudno in October 1948 of Britain being at being at the heart of 'three circles' that embraced the Commonwealth, the English-speaking world and Europe **[Document 6]**. In looking at these circles, for Churchill the crucial point was that 'we are the only country which has a great part in every one of them'. Upon his return to the position of Prime Minister in 1951, Churchill centred the Conservative government's foreign policy on this theme, which in turn would become a defining feature of the British foreign policy narrative from then until the present day. In Churchill's mind Britain was the only country that played a great part in the three interlinked circles of the Commonwealth, the special relationship with the United States, and through close ties with the countries of Europe. The argument here was that Britain played a special role at the global level and that its influence, in each of those circles, was reinforced by its role in the other. Yet while the reality was that Britain played (and continues to play) an important role in each of these circles, the desire to maintain such an international position has also severely impacted on the overall adaptation of British foreign policy to a role that is more reflective of its position. In this context, Churchill's vision acted as a significant restriction on British foreign policy and in many ways favoured indecision rather than decisiveness in setting out a course of action (Young, 1998: 32).

The Conservative government therefore maintained Labour's position of association short of full membership with regard to the European Defence Community (EDC) and the ECSC. The possibility of an EDC first arose when North Korea invaded South Korea on 25th June 1950. This was seen as Soviet inspired and consequently there were fears of a Soviet attack on Western Europe. In Germany, Adenauer wanted to form an armed police force of 150,000 men to counter the Soviet threat and the United States wanted limited German rearmament in order to relieve the burden of United Stated troops on the continent. This was especially the case, as the United States need troops to fight in the Korean War. France grudgingly agreed to Germany's request because 40 per cent of her forces were fighting in Indo China, even though she feared German rearmament. There was also an economic reason for Britain not joining the EDC as the Treasury in 1950 did not believe that Britain could afford to become involved in European federal schemes since it would affect her ability to uphold her responsibilities overseas as well as maintaining the strength of Sterling. Thus, at the debate of the Pleven Plan between 28-31 October 1950 with France adopting a take it or leave attitude, the British refused to join. Attlee and Bevin further clarified the British position on 30 October when the Cabinet agreed that while Britain would not take part in a European Army she would associate closely with it.

Churchill's attitude towards the Schuman Plan was that Britain 'should be with it, though they could not be of it' (Horne, 1988: 356). Although Churchill was a great supporter of European integration, having made a major contribution to the post-war reconstruction of Europe when he called for a 'United States of Europe' in a speech delivered at the University of Zurich in September 1946, he did not envisage Britain playing a key role in a process which for him centred on the need to 'build a kind of United States of Europe' around a Franco-German axis to provide a structure to promote peace and stability **[Document 4]**. Thus, while he made the argument for federalism in Europe, this was something for the continent rather than Britain. Such a position was crafted out of a belief that Britain had a broader, more global leadership role to play. Churchill sought to restore Britain's interests, setting out his view that the country lay at the cross section of three circles of power, namely the Commonwealth, US and Europe. In Churchill's mind Britain was able to stand on equal terms with the US because, as he informed the French Foreign Minister in 1949, 'Britain cannot be thought of as a single state in isolation. She is the founder and centre of a world-wide Empire and Commonwealth'.

The formation, in 1952, of the High Authority marked the first step towards the supranational community in comparison to previous intergovernmental co-operation such as the North Atlantic Treaty Organisation (NATO) and the OEEC and, in effect, pronounced the creation of the European Community. This was because the success

of the ECSC founding members in tackling the problems of coal and steel led them to consider cooperation in other policy areas and it was this very dynamic nature that policy-makers in London did not grasp. As Steven George has written, 'most [British] civil servants and politicians failed to grasp what was happening within the ECSC' (George, 1998: 22). Opposition to supranationalism extended into the security field in 1954 when the less federal Western European Union (WEU) emerged as the saviour of the EDC after it had been rejected by the French National Assembly due to fears that without the UK's participation West Germany might become the dominant power (Moon, 1985: 30). The death of the EDC resulted in a temporary stagnation in the progress of the European federalist movement until June 1955 when the Six decided at the Italian port of Messina to start negotiations that eventually produced the European Economic Community (EEC) and European Atomic Energy Community (Euratom).

Taking these issues as a whole, it is evident that there were four main reasons why Britain did not join the European Community when it began in the 1950s. First, Britain had strong trade links with other countries in the Commonwealth, which gave it access to cheap foods, and strong political links with the USA. A consequence of this was that it was felt that any European venture would weaken both ties, which were viewed with greater importance. Second, Britain's international trading tradition created a sense of being separate from mainland Europe. Third, a large percentage of the population felt that conceding

power to an outside body would result in a loss of sovereignty. Lastly, Britain was still an industrial power in the world in the early 1950s, with the country producing one-third of all steel of the six in 1950 and half of the coal. Britain was also the second most powerful country in the Western world at the time (Greenwood, 1992: 59-60). But while such factors point to a country shaped by colonial and international interests that were less focussed on European affairs, it is nonetheless the case that the country was already experiencing a shift away from former colonial ties as the twin processes of a decline in Commonwealth trade and a rise in the power of Western European economies had could already be charted in the 1950s. To this end, a criticism that could be levied at the governments of the day was that a focus outside of the European arena reflected an absence of long-term planning of foreign affairs.

The end of Empire

In analysing the factors that have shaped British foreign policy in the post-war period, one of the most important developments has been the retreat from Empire and the refocusing of policy towards European integration. This was, however, an outcome that policy-makers in the corridors of power in Whitehall did not conclude was inevitable at the end of the Second World War. One of the reasons for this was that although Britain had lost control of part of the Empire during the war, most notably Burma, Hong Kong, Malaya and Singapore, Britain was able to regain control of these territories at war's end. The upshot of

this was that Britain entered the post-war world being able to note that no British colonies had been lost during the war. This in itself went some considerable way to reinforce the view of British greatness and post-war planning put considerable emphasis on the importance of the maintenance of the Empire. Yet as many texts have pointed out, such a position contradicted the overall position that Britain found itself in: 'Great Britain was practically bankrupt at the end of the war and depended on the credit of the USA and some of its own colonies, which had turned from debtors into creditors as India had done during the war' (Rothermund, 2006: 19)

The view within government was that this very position of weakness meant that Britain's own economic and political recovery was greatly dependent on the Empire. In practical terms this would involve gaining access to the raw materials of the Empire who would in turn be a source for Britain to export finished products to. In addition, as the colonies were considerable exporters of products, such as cocoa from the Gold Coast and rubber from Malaya, they in turn generated considerable foreign exchange reserves, most notably US Dollars (Saville, 1993: 157-8; White, 1999: 7). But as the colonies were part of the Sterling Area, they were restricted in their ability to spend the dollars as Britain bought all the foreign 'hard' currency for which they received credits of sterling balances in return. Although this state of affairs clearly benefited Britain's balance of payments and meant that the colonies were expected to buy British consumer products, it was

also the case the Britain itself was more focussed on exporting to dollar markets which in turn meant that the colonies often faced an undersupply of goods (White, 1999: 7-8).

While this example conveys a picture of British control and exploitation over the colonies, this is not to say that policy-makers in London were oblivious to the fact that the war had not impacted on the foundations of Empire; the continent of Africa was largely controlled by European imperial powers in 1945 (only Egypt, Liberia and Ethiopia being independent countries) and of the 49 founding members of the UN in 1945, only 12 were from Africa and Asia. But while there was an acknowledgment that there was a need to provide more localised control to the colonies, few would have considered that by 1965 most of the colonies would be independent. A view that change would be achieved through constitutional adjustments rather than a policy of outright independence was also shared by France, which at a 1944 conference at Brazzaville agreed to expand African involvement in local politics and to end forced labour. In 1946, Britain established African majorities in legislative councils in Nigeria and the Gold Coast (Ghana).

The exception to this position was India where the Second World War temporarily interrupted the cause of nationalism. Over a number of years India had become increasingly autonomous from British control, most notably in the economic sphere where India had by the outset of

war tariffs against British goods. The economic reality of Indian self-interest would also see it being agreed in 1939 that Britain would pay the costs of the Indian army's contribution to the war effort that were in excess of those incurred during peacetime. The upshot of this was that at the end of the war Britain found itself in significant debt to India. But while Britain promised India that it would provide independence after the war was finished, it was also evident that there were clear divisions within India with the Muslim League refusing to accept the plans of the Hindu-dominated All-India Congress Party for a united India after independence (Sanders, 1990: 76-77). It fell to Lord Louis Mountbatten, whom the Attlee government had appointed the last Viceroy to India, to establish an agreement that would permit British withdrawal from India. However, the intractable nature of Muslim and Hindu divisions proved impossible to resolve during negotiations that took place between both sides in 1946 and 1947. As a result, when Britain withdrew from the sub-continent in August 1947 it left it partitioned between India and Pakistan. This policy of 'divide and quit' resulted in excess of 200,000 deaths in the Punjab and claims that Britain had betrayed India (Sked and Cook, 1988: 60). In reflecting on these events it was certainly the case that the process of partition was not particularly well thought out, with the plans having been hurriedly drawn up by Britain using maps and census materials that were out-of-date. The upshot of this was that partition resulted in the largest migration in human history, with families and communities being

abstractly divided, and which in turn would influence the significant tension and fighting that would follow between India and Pakistan.

With the exception of India and Pakistan, Britain hoped that moves towards more localised control would placate calls for independence in the colonies. Yet the very encouragement of development in the colonies actually contributed to economic, political and social unrest that actually influenced the shift towards decolonisation. More than anything else, the granting of independence to India in 1947 provided a key moment in identifying a reduction in Britain's ability to act as a world power as India had provided the base and resources (economic and military) that allowed Britain to project influence in the Far East. As Abadi has reflected, 'By losing India, Britain lost not only a reservoir of manpower, but also economic resources, communications and military facilities, such as military installations, ports and airfields. Britain's position in the area became much more vulnerable' (Abadi, 1982: 67).

The tension between India and Pakistan after partition proved to be a problem for Britain. 'The post-partition acrimony between India and Pakistan proved the first major diplomatic headache for the British, a Gordian knot that was to circumscribe the extent of their influence in South Asia' (Sing, 1993: 28).

A direct consequence of these events was that an already economically weakened Britain had to take on the burden of the

responsibility of Empire without having the necessary resources to undertake such a task. In retrospect, this would have appeared to be the correct time for politicians in London to have undertaken a full reappraisal of Britain's position in the world. This was not least given the fact Indian independence resulted in the emergence of the modern-day Commonwealth in 1949, which emphasised a move away from Empire to a more contemporary relationship based on shared – and different – values. But such a reassessment of British foreign policy did not happen and the view remained in Whitehall and Westminster that Britain was still a world power. It was certainly the case that the country continued to have considerable overseas commitments that in turn required in the first instance military resources to protect them. For example, the understanding at the time was that an attack on Australia or New Zealand would in effect be an attack on Britain. And instead of rowing back from these commitments, the 1950s would see Britain pursuing a policy of active involvement in its colonies which were themselves in need of economic development. The upshot of this was that in the postwar period Britain faced greater (rather than lesser) demands from the likes of Cyprus, Egypt, Greece, Malaya and Palestine (Abadi, 1982: 5).

This involvement did, however, reflect the very predicament that Britain faced. The Labour government led by Clement Attlee that took office in 1945 did so on the backdrop of a promise to undertake social reform which further burdened the government's already depleted resources.

For Clement Attlee and many of his Cabinet colleagues the solution to these issues was for Britain to seek even closer cooperation with many of the remaining colonies, in particular Australia, New Zealand and South Africa. Such a belief was conditioned by the fact that despite the weakness of the British economy, it was nevertheless the case that the 'sterling area' was still a dominant trading zone and accounted for over half of all of the world's trade in the immediate post-war years. Such economic factors were of considerable significance in influencing the decision taken in June 1948 by Britain to engage in a military campaign in Malaya to stop the rise of communist insurgents. Commonly known as the Malayan Emergency, Britain's military campaign would last for twelve years until 1960. A decision to commit troops to Malaya was greatly influenced by the fact that it produced approximately one-third of the world's supply of rubber and one-half of its tin production and as such these products were critical to support the rebirth of the British economy as they provided valuable currency earnings to support the Sterling Area. At the same time, Malaya's was also a strategically important location, both in terms of the maintenance and reinforcement of Britain's position in East Asia as well as in the context of heightened Cold War tension. It was therefore for these reasons that Labour and Conservative governments took the decision to commit troops to Malaya up unto and beyond its achievement of independence in August 1957.

‘communism could appear attractive in an area rife with poverty and social inequalities; Malaya, Indonesia and Indochina proved the point. Not surprisingly, when the economic problems of Asia were discussed by the British, it was through the prism of the cold war and as an argument for preserving British influence in Asia’ (Sing, 1993: 6).

Reviewing the balance sheet

Although in retrospect it is possible to conclude that the maintenance of British influence in the world through its links with the colonies was a fanciful conclusion, at the time Britain was one of the main global powers and still had considerable evidence to support such a claim. Indeed, many in government concluded that the colonies, including those with profitable and much in demand products such as cocoa and rubber would provide a means to boost Britain’s wealth. Such a mindset did not naturally align itself with a belief in self-determination for the colonies. However, it was wrapped together with a broader view in Whitehall that the colonies were not just a means of helping Britain’s economic recovery, but also a means of assisting with the projection of Britain’s influence in the world. This latter observation was directly linked to a view that Britain required defence bases that supported its ability to retaliate against the Soviet Union in the event of a nuclear attack.

It is therefore evident that policy-makers in London took the position that the maintenance of British influence on world affairs through its

status as the third great power required the continued ability to draw on the Empire and ensuring that strategic agreements underpinned Britain's influence (Saville, 1993: 97-9). Any attempts to unravel such an outcome were basically rebutted. Consequently, Britain's focus for many years after the end of the Second World War was on global affairs rather than more localised developments taking place in Europe. For example, Sir Oliver Franks would conclude in 1954 that 'It is part of the habit and furniture of our minds' that Britain should continue to act as a world power (Coles, 2000: 37). Indeed, many of the decision-makers in government had in fact concluded that the very weakness of the European economic and political environment justified such a position. As a result Britain was less willing to participate in developments and initiatives to bring European states together because successive governments did not see it as being of particular relevance.

The complexity of such a position has meant that there has been a significant amount of attention attached to debates concerning the extent to which Britain should (and could) have played a leading role in the construction of Europe. This is not least because of the fact that Britain never achieved the status of a grand third power that many in government had envisaged was its rightful position in world politics. Indeed, the reality for Britain was actually a steady decline in its power and influence that was caused by domestic economic difficulties and the fact that its vision of being able to draw on the resources of the

Empire did not chime with the views of the policy-makers in the countries concerned and who moreover wished to have their own self-government.

Whereas the process of India's independence had been relatively straightforward, the same could not be said for Britain's exit from the Middle East. Located between Europe, Asia and Africa, the Middle East offered Britain an important strategic foothold as well as access to the increasingly important resource of oil. Palestine proved a particularly complex issue, given the fact that the Nazi holocaust of the Second World War led to considerable Jewish immigration to Palestine. This in turn resulted in demands by Jewish settlers for an independent state, with the British government having previously said in the 1917 Balfour Declaration that Palestine should become a national home for Jewish people. In the years after Britain secured the Palestine Mandate at the 1919 Versailles peace settlement, there was a steady increase in Jewish migration, which accelerated after Hitler's ascent to power in 1933. Thus, whereas 11 per cent of the population were Jewish in 1922, by 1939 this had increased to 29 per cent (Lloyd, 2002: 247).

After the Second World War, pressure for a so-called 'Israeli' state mounted through a combination of terrorist attacks in Palestine. One of the most notable examples of this took place on 22 July 1946 when Jewish terrorists blew up the British headquarters in Palestine. An

inevitable consequence of this was a reduction in British public support for the maintenance of troops in Palestine, who were also an additional strain on the nation's scarce finances (Rothermund, 2006: 109). In addition to these pressures, Britain was also faced with a strong and vocal Zionist lobby in the US. Faced with the need to tackle what was becoming a complex problem, in February 1947 Britain referred the matter to the UN. This in turn resulted in the UN agreement of 29 November 1947 to partition Palestine into Jewish and Arab states, with Jerusalem to act as an international city. But the plan led to considerable criticism from Arabs and Jews and when the British administration left on 14 May 1948 it brought to an end 28 years of Britain's control of the territory. Britain's departure was notably abrupt, with the Under-Secretary of State for the Colonies, Rees Williams, informing the House of Commons that 'the withdrawal of the British administration took place without handing over to a responsible authority any of the assets, property or liabilities of the Mandatory Power. The manner in which the withdrawal took place is unprecedented in the history of our Empire' (Shlaim, 1989: 77). In a similar vein, Fred Northedge has reflected that 'the end of the Palestine Mandate was a sorry story, with both Jews and Arabs bitterly disillusioned with their former master' (1984: 176). The outcome was that violence erupted between both sides. The years that followed witnessed a succession of Arab-Israeli wars, with for the most part Arab views having turned against the West.

Despite the undignified nature of Britain's exit from Palestine and the resulting Arab-Israeli conflict, it was nevertheless the case that Britain continued to seek to maintain strategic influence in the Middle East. This was particularly in relation to its control of the Suez Canal, which acted as a crucial shipping artery. In 1951 the Conservative Party defeated the Labour Party in the general election and as a result was returned to power. Churchill and the Conservative party believed that Britain's status as a world power relied on the Empire, with the Suez canal being pivotal because it allowed Britain to maintain a significant position in the Middle East despite the loss of India. Yet of all the factors that have highlighted Britain's decline since the end of the Second World War, one of the most dramatic was the Suez Crisis of 1956.