

Letter from England

Five years ago, judging by the headlines and the TV commentaries, the future seemed bleak for Great Britain. Seemingly intransigent trade union leaders paralyzed both politics and industrial growth. Inflation was climbing. Racial tensions ran high as immigrants from the kingdom's former African and Asian colonies arrived by the thousands to seek jobs and new lives. To many, the "scepter'd isle" suddenly seemed ungovernable. The obituaries have proved premature, however. Recently, North Sea oil and London's no-nonsense economic policies have encouraged a certain optimism, despite last winter's spate of strikes. No renaissance has occurred, writes British scholar Marcus Cunliffe, but the worst to come may not be so bad.

by Marcus Cunliffe

Twenty years ago on a sunny hilltop near Salzburg, I came across a clump of people in musical-comedy costume, together with a camera crew and a director in a big camel-hair coat. "We are making a romance," he told me, "about the court of Franz Joseph. In Austria every film is about Vienna and the Emperor. We do not love anything since 1914."

At the time, as an Englishman, I was condescendingly amused. We, with the Americans, had been the victors in 1918 and 1945. Indeed, unlike the Americans, we had been in both world wars from first to last.

Our patriotism was a medley of gallant images and slogans: *bulldog breed, Battle of Britain, Sink the Bismarck, Britain Can Take It*. And up to some point in the late 1960s, we remained fairly proud of our past record and cautiously optimistic about the future.

Such pride and optimism were not without reason. There seemed to have been solid gains in Britain's recent performance. The kingdom's first postwar Labour government, under Prime Minister Clement R. Attlee (1945-51), had nationalized the Bank of England, civil aviation,

and the coal industry (all in 1946), electricity (1947), railways, canals, and gas (1948), and iron and steel (1949). Public ownership of the "commanding heights" of the economy, Labour leaders believed, would make planning more rational, less beholden to considerations of private gain. To be sure, in some cases state financing was the only alternative to industrial collapse.

Meanwhile, William Beveridge's famous "white papers," which actually appeared before war's end, outlined Labour's comprehensive new schemes for national health care and social security, embodied in the National Insurance Act of 1946. Conservative governments, on the whole, later accepted these as irreversible.

In general, there was also bipartisan agreement on an overseas policy characterized by goodwill, magnanimity, and a hardheaded realization that the economic and political costs of the empire were no longer bearable. Starting with India and Pakistan, and, admittedly, not without some fuss, we dismantled the colonial system. Conscription was ended in 1955; fleet, air force, and army were cut and cut again.

(Today, the kingdom's overseas "presence," apart from the 55,000-man British Army of the Rhine, consists merely of token garrisons in Gibraltar, Hong Kong, Brunei, Belize, Cyprus, and Malta. Total armed forces: 340,000.)

The scale was being reduced. But



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then, it was said, we were simply being sensible, living within our means, trying to make Britain a truly modern, democratic society. We were going to maintain full employment, expand our educational system, and achieve prosperity through technology. Entry into the European Common Market (it did not come until 1973) would guarantee us a share in the boom economies of Germany, Scandinavia, and France.

A Goodish Society?

After the mid-1960s, these modestly bright hopes began to fade. The main reason was that we could not generate enough money to pay for a British version of Lyndon Johnson's Great Society, or even for a Goodish Society. Public spending—on health, social services, all levels of education—increased, together with subsidies to keep various industries alive.

Taxes increased too. But the tax base was inadequate. Output grew too slowly. Technological miracles failed to materialize fast enough. Exports dwindled in relation to the gains registered by rival nations. The trade balance worsened as imports continued to grow.

The pound was kept artificially high, in part because of misplaced national pride. Devaluation, reluctantly accepted in 1967, helped ex-

ports by making them cheaper for foreign customers but raised the bill for imports. Alternating Labour and Tory governments strove to manage the economy—brake, accelerator, brake, accelerator—to the discomfort of the lurching passengers.

The onset of a world trade recession and the oil crisis of 1973 did further damage, not only to the economy but also to morale. The public's mood seemed to veer between irritable cynicism and amiable torpor.

Today? The most prominent British export may be the handsome BBC and ITV serials filmed for television—several involving royalty, most of them, like *The Forsyte Saga* and *Upstairs, Downstairs*, set in the era before 1914. There, life is opulent and secure, the weather sunny. Is this all that Britain can achieve?

Doomsday Gossip

It sometimes seems that way. Coverage in the American press tends to alternate between stories of imminent economic doom and brief gossip items about lascivious M.P.s or the royal family—as if the only hard news from Britain is bad news and the rest of no great consequence.

Curiously, the British tend to focus on the same things. After all, in the news business, good news is no news. Thus, the papers in Britain are full of stories on “industrial action.” Indus-

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trial action (or *inaction*) covers everything from official strikes, of the kind that closed down British Ford and sidelined 57,000 workers for several weeks late last year, to unofficial wildcat strikes, work stoppages, overtime bans, and slow-downs. More than 10 million man-days were lost due to labor disputes in 1977, triple the figure from the preceding year.

Sick Man of Europe

Even those who prefer the sports section to the financial pages cannot help but be aware of the problem: Newspaper press runs have periodically been curtailed owing to union disruptions. The reader who does receive his paper may find blank spaces where the photos and cartoons would have been. In a sort of management strike, intended as an ultimatum to the unions, the London *Times*, *Sunday Times*, and ancillary supplements suspended publication at the end of November. *The Times* has never before failed to appear in a history stretching back to 1785.

The symbolic shock of this is considerable, akin to the discovery, a few years back, that Rolls-Royce was threatened with bankruptcy. One reader expressed his dismay by recalling a bygone clue from the famous *Times* crossword puzzle. The clue was: "Land of hope and . . ." (seven letters). The missing word was "glory," and the answer was thus ICHABOD, the reference being to the Book of Samuel, 4:21: "And she named the child Ichabod, saying, 'The glory is departed from Israel.'"

There are, of course, more substantive signs of departed glory.

In 1945, British industrial capacity was intact. That of Japan and Germany, and most of the liberated nations of Europe, was shattered.

Today it is common to regard Britain as the "sick man of Europe," well below the rest of northern Europe in the tables that assess economic health. In output per man-hour (a meager 2 percent annual increase), average hourly wage (about \$4), and per capita Gross National Product (less than \$6,000), Britain lags behind Germany, the United States, Japan, and France. Nearly 1.5 million Britons are unemployed.

But even the most pessimistic observer must concede that not all of Britain's vital signs are weak. Certainly comparisons with the rest of Northern Europe are sometimes invidious; at other times, however, they are not unfavorable. For example, the United Kingdom has more telephones and television sets than West Germany, and almost as many passenger cars per 1,000 inhabitants. British exports, at last, are on the rise. And thanks to the tight wage guidelines of Labourite Prime Minister James Callaghan and Chancellor of the Exchequer Denis Healey, Britain's inflation rate was brought down from its 1975 peak of 25 percent to under 10 percent in 1978.

North Sea Oil

Yet the good news can sometimes be bad. The unexpected fillip from North Sea oil and gas, which should make Britain a net exporter of these products by the end of the decade, has poured vast sums into the treasury; Britain now boasts a \$7 billion balance of payments *surplus*, in stark contrast to the disastrous deficits of recent years (more than \$8 billion in 1974). However, it is now predicted that North Sea reserves will last for only a few more years, and the revenues, we are told, are being squandered on imports of consumer goods to placate the British public.

Even at its projected peak in the mid-1980s, oil production will generate only some \$8 billion annually—an amount, one observer wryly notes, that could easily be “gobbled up” in the bailing out of such troubled nationalized corporations as British Steel and British Rail.

The nation's long-term economic slide is obvious enough to tourist and resident alike. As late as the 1960s, the aircraft industry could still make a showing. The ill-conceived, supersonic Anglo-French Concorde may have been its last loud squawk by way of swansong. (Development costs will never be recovered.) Today the runways at Heathrow and Gatwick are dominated by planes of American manufacture. Try to buy a typewriter, a radio, a TV set, an electric kettle, a ballpoint pen: Where British versions exist at all, they are usually reckoned to be inferior in workmanship and design.

Endangered Jaguars

On the roads, one is aware of the high proportion of cars from Japan, Germany, France, Italy, and Sweden. Over half the automobiles sold in November 1978 were foreign imports. (Ten years before, 95 percent of all cars sold in Britain were British made.) As for the supposedly native product, two of the three big British car companies are American-owned (Ford and Chrysler), and many of the “British” Fords are partly manufactured across the Channel, in continental Europe. British Leyland, the other big auto corporation and the maker of Minis, Rovers, Triumphs, and Jaguars, is ailing despite—perhaps because of—being taken under the government's wing.

Productivity is appalling across

the board, owing to a combination of low wages, poor management, and chronic “over-manning”—what in the United States would be called “featherbedding.” Workers in British Ford plants produce a mere 40 percent of what German workers produce in similar plants. Japanese steelworkers produce 5½ times more steel per hour than their British counterparts.

Wooing the Fringe

Some commentators conclude that Britain cannot hold its own in 20th-century industrial production. They forecast an abandonment of all but small-scale, specialized industrial activity, and perhaps mere assembly under foreign management of parts manufactured elsewhere. That would leave Britain with older technologies (Scotch whisky, pottery, cloth) that are modest in scale, or those native industries (shipbuilding, steel) that are in any case inefficient and vulnerable to world trade recession. No one seems to take seriously the would-be jovial official claims that British industry is poised for even a modest leap forward.

Indeed, the political mood is depressing. If the media and opinion polls are to be believed, as they probably should be, the public has lost faith in the capacity of government to provide leadership or even to mediate successfully between the unions and other pressure groups.

The Labour and Conservative parties, divided internally and stuck in childish, adversarial squabbles over whose mistakes did more to wreck the economy, arouse little enthusiasm. The public appears bored and irritated by such parliamentary knockabout, and by the palpable failure of either party to resolve any of the key issues of the past dec-

ade—prices and incomes, industrial growth, Northern Ireland.

Since neither major party holds a commanding position, in any sense, recent governments have clung to office by wooing the small parliamentary groups on the geographical as well as the ideological fringe of British life. These groups—Scottish and Welsh Nationalists, Liberals, Northern Ireland Unionists and Social Democrats—have exacted a high price for their support.

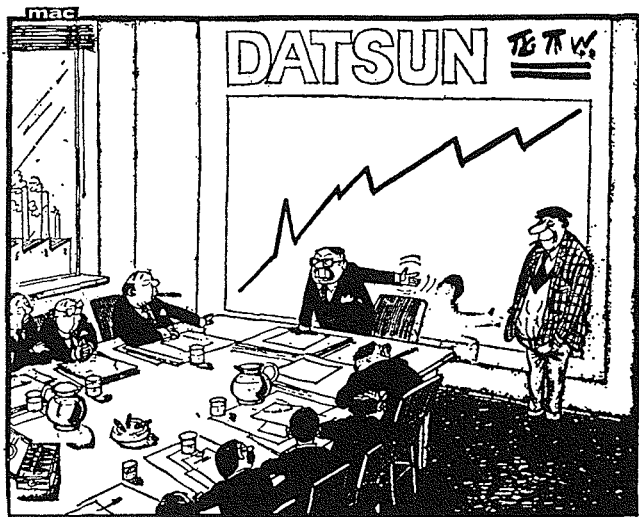
When Scottish and Welsh Nationalists began to win seats a few years ago, their successes threw the two major parties, especially the Labourites, who had once been able to count on “safe” parliamentary seats in the industrial belts of Wales and Scotland, into panic. Afraid of losing these essential bases, and needing the Nationalist votes in Parliament, Labour hastened to promise a large

measure of self-government for Scotland and Wales. The Tories, who had also lost some “pocket Boroughs” to the Nationalists, followed suit.

Ironically, the signs are that Celtic Nationalism—never as strong in Wales as in Scotland—has been on the wane in both regions since the early 1970s. Nevertheless, Westminster is already committed to a willingness to establish national parliaments for each “country.” Only the minority Nationalist militants have expressed a relish for “devolution” on such a scale, or for the inevitable introduction of new tiers of bureaucracy that devolution would entail.

An Ungovernable Isle?

In the past, the British congratulated themselves on the mysteriously smooth workings of their historic polity, which lacks, as every



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“Gentlemen,” says a Japanese executive, “let me introduce Mr. Perks, from British Leyland, who has come to teach us how to reduce our output.” British labor productivity ranks among the worst in Europe.

TROUBLED BRITAIN: ANOTHER VIEW

The United Kingdom has changed too much, too fast, Marcus Cunliffe contends. His University of Sussex colleague, Geoffrey Best, thinks otherwise: hidebound tradition and persistent class differences—that's the rub. Professor Best, a Wilson Center Fellow, offers his views below:

The British delight in emphasizing the relative stability that has been their country's for so long despite the world's first (and most traumatic) industrial revolution, the acquisition and sudden loss of a great empire, and a front-line place in two devastating world wars. Considering the beating Britain has taken over the past 100 years, one ought to be surprised, not that Britain has so many difficulties, but that they are not worse.

Fine. But there's a catch to all this. If ancient traditions have helped us weather the storm, they have also been a part of it. The "Mother of Parliaments" in Westminster, for example, is grotesquely inadequate, poorly organized, and clearly not up to the job of running the kingdom. Ideas for reform abound. Yet its mumbo-jumbo rituals and antiquated methods are as dear to many as the Tower of London.

Or take the "class" question. Almost impossible to see from the outside, reluctantly acknowledged on the inside, conflict between the working classes and the upper-crust "establishment" crisscrosses and complicates all other problems.

It is extraordinary that the first nation to witness an industrial revolution and the emergence of a Marxian "proletariat" has never had the social revolution Marx expected. Even now, when the political logjam encourages extremists on all sides, revolutionaries of the really violent sort are scarce. Chalk one up for our peacable traditions.

schoolboy knows, a written constitution. Recently, however, the foundations have been felt to shift.

What *is* the United Kingdom? Where does sovereignty lie? If Scotland and Wales acquire separate parliaments, should there not also be one for England? If so, what would become of the present Parliament at Westminster? What of Northern Ireland, whose separate Stormont legislature was abolished in 1972? These are riddles that some say lack an answer. Indeed, it has become fashionable to argue that certain places are

"ungovernable," and that Great Britain is one of them.

The gloomiest prophets predict that economic decline and governmental paralysis will lead to social collapse. They point to such early symptoms as racial tension (almost 2 million Asians, Africans, and West Indians live in Britain), the unabashedly racist activities of the neofascist National Front, the vandalism and violence of football crowds, and the rising crime rate in general. Tax evasion is up; church attendance is down.

Yet we do have a class war—a cold class war, so to speak, grinding away today as it has for centuries. It has never been completely submerged, even during such acute national emergencies as the two world wars. Oddly, this cold class war is rarely mentioned in the multi-volume histories of the English race. One hears not a word of it at the expensive private schools that, by a masterpiece of ruling-class camouflage, are called “public schools.” Here the British establishment continues to sequester its children, blind to the consequences.

Separate school systems for richer and poorer, or (not necessarily the same) for “them” and “us,” are not unknown elsewhere. But in Britain, the gulf symbolized by such institutions is profound. It is the factor beneath the surface in industrial disputes, political pettiness, and our all-too-common failures of *national* collective sense.

Over a century ago, a man giving evidence before a Royal Commission remarked: “There may be considerable kindness between classes, but there is little cordiality.” That was marvelously shrewd. The kindness shows in the respect most of us retain for each other as human beings, the live-and-let-live liberality of our social existence, our relatively bloodless politics. But there is little contact, liking, or trust between the two classes. People who prescribe for Britain a strong dose of Harvard Business School just show their own ignorance.

What is required is a sense of ourselves as one nation, not two. Each of our two classes is strong enough to thwart the other and pull down all into common ruin (peacefully, no doubt). For me, the question is whether the side that has lost some of its privileges (though still retaining much) will be sensible enough to realize that it can’t “win” against the side that, to put it at its crudest, is too stubborn to admit that it has anything to lose. Between 1940 and 1950, when wartime cohesion and Labour’s overwhelming postwar victory at the polls spurred hopes among all classes of a finer, future Britain, this compromise seemed possible. It may *yet* be possible.

All of these signs of decay—economic, governmental, social—are undeniably present. I do not know of anyone in Britain who faces the future with genuine confidence. What comfort then for ourselves or for those who wish us well?

To begin with, many of our troubles are not peculiar to Britain. Strikes are not merely the “British disease.” If London’s newspapers are in turmoil, so have been those of New York, St. Louis, and Washington. The United States, with its shaky currency, stagnant growth rate (barely

higher than Britain’s), and loss of domestic and foreign markets to aggressive rivals, might likewise be suffering the problems of an “old” industrial system.

I do not anticipate a sensational economic recovery by Britain. We may well continue to get poorer in relation to our main competitors—we may even fare worse than they if there is a future world depression. But in some ways we stand to fare better because we have less far to fall. Moreover, medium- and small-size British industry (e.g., glass

manufacturing) is actually in excellent shape, and the great banking and insurance houses retain their old expertise. British agriculture is exceptionally efficient. In short, Britain can be poorer without being "sick."

As for government and politics, they are in a mess but not in a dire mess. Northern Ireland is a stuck record, and a historical nightmare. But one awakens from nightmares, and there is no good reason why the 6 counties of Ulster should not eventually be joined to the 26 counties of the Irish Republic. The United Kingdom would then be confined to one main island instead of one and one-fifth. Neatness is not everything, but it is something.

Blunders and Bungles

Social health is harder to measure than economic health. However, according to such indices as there are, Britain remains a comparatively stable and good-natured realm. England, Scotland, and Wales have all benefited in different ways from the 172-year-old union. The weight of economics and culture makes it unlikely that separatist nationalism will pull that union apart.

Admittedly, nonwhite immigration has been handled badly. The newcomers are having as hard a time as, say, minorities in post-1945 America. But similar routes to advancement lie open, and barriers are falling. Indeed, the first black footballer played for England in 1978; he is certain to be followed by others, to the horror but also the confounding

of the idiotic National Front.

The British profess themselves well satisfied with the quality of life in their homeland, so the polls indicate, even if they are disgruntled by its politics. Few wish to emigrate. Most of them, despite inflation, are still better off than their parents, in social benefits, vacations, and possibly even tax fiddles. Those who have not fared better, such as myself, are the people most apt to write the critical articles.

Another positive index is the eagerness of foreigners to invest, to visit, and sometimes to settle here. Even Henry Ford II, who not long ago publicly despaired of his British investments, has decided to build a new \$340 million manufacturing plant in Wales. Other American firms have taken similar steps.

Great Britain, alas in some respects, has shriveled to Little Britain. We do not win many international competitions, for sport or for industrial contracts. We are among the also-rans. But Britain is still in the running, and still likely to be in the field when others have fallen out or even fallen apart.

I now believe in a paradox. Some of our troubles arise not from an overdose of traditionalism but from the opposite: a whirl of innovation, sometimes for innovation's sake. We need to calm down, slow the pace of legislation, use our wits.

We have blundered and bungled. But, thank goodness, we have not managed to wreck what time and chance and our various ancestors have severally bequeathed.

