

# Commentary

THE BUFFIN FOUNDATION

SOCIAL AND ECONOMIC DEVELOPMENT ISSUES

## Britain's Post WW2 Economic Recovery Profiles in Leadership: Ernest Bevin

Ernest Bevin was Britain's Secretary of State for Foreign Affairs in the post WW2 period 1945-51. Bevin recognized that Britain needed strong allies and international relationships in order to recover from the disastrous economic and geopolitical effects of the war. To reach this goal, Bevin forged a special diplomatic relationship with the United States. He believed that the US, as a strong economic power, could help Britain and Western Europe by assuming some of their post-war financial burdens and by building defenses against perceived future threats from the Soviet Union. Bevin successfully negotiated with US diplomats in Washington, winning their support for his objectives. In 1945, he played a key role for Britain in securing a \$3.75 billion loan from the United States at a 2% interest rate, essentially saving Britain from virtual bankruptcy. Bevin's success at securing this loan, and his subsequent leadership role in working with US and European counterparts on the \$17 billion Marshall Plan of American foreign aid and assistance, contributed to the post-war European economic recovery. The 1948 Marshall Plan (named for General George C. Marshall) was crucial to the economic recovery and reconstruction of not only Britain, but also most of Europe; as a result, European nations were able to rebuild and develop their economies and improve cooperation and international trade conditions.

As Minister of Labour during Britain's wartime coalition government, Bevin was responsible for directing the nation's manpower policy. Adhering to the Labour Party's objectives and principles, Bevin specifically targeted unemployment, and implemented a policy of full employment during the war. He secured improvements in wages and working conditions for the nation's coal miners and workers in other industries. During WW2, he focused on

the production of military materials and supplies, turning Britain into a full-scale wartime economy. After the war, Bevin ensured that improvements to organized labor were at the core of the Labour Party's 1945 general election campaign. Bevin became the British Foreign Secretary in 1945, chosen for his exceptional diplomatic, negotiating, and administrative skills.

One of the challenges to the post-war recoveries of the great powers after WW2 was engagement in foreign affairs. Britain needed to develop strategic relationships with other nations in addition to the United States and needed to be represented by a strong diplomat who could forge international bonds and re-establish Britain's stature and influence in the world of geopolitics; Bevin was a perfect choice for this role. Bevin's strong desire to foster military and economic security across Europe resulted in the creation of the Western Union in the 1948 Treaty of Brussels that brought Britain, France, Belgium, the Netherlands, and Luxembourg into this alliance for military, economic, social and cultural cooperation. This so-called Brussels Pact also paved the way for the formation of the North Atlantic Treaty Organization (NATO) in which Bevin played a leading role in negotiating the terms for NATO's establishment. NATO strengthened the bonds between the newly-allied European countries and the United States which Bevin fostered as a counterweight to the Soviet Union. Bevin strongly opposed the spread of communism; he felt the future security of Britain and Western Europe was threatened by the reach of the Soviet Union, and actively sought to limit Soviet expansion through Britain's foreign policies. He worked with Prime Minister Attlee and other members of the Cabinet to produce a British nuclear deterrent policy in response to the expanding influence of the Soviet Union and the impending

Cold War. During his time at the British Foreign Office, he used the leadership skills he had developed as a former trade union leader. A dominant force in foreign policy, Bevin led Britain through its recovery with his vision of a strong global economic base for Britain and a peaceful community of nations in Western Europe.

Another key item of Britain's postwar foreign policy was its commitment to "retreat from empire" that involved preparing for the independence of its colonies, as well as addressing particularly difficult situations in India and Palestine. Bevin supported the movement to end British imperialism. He was a leading member of the Cabinet that approved the British withdrawal from and partition of India in 1947. He influenced the Attlee government to declare an end to the British Mandate over Palestine. Bevin recommended that the best policy option for the future of Palestine would be for the United Nations to attempt to resolve the Israel/Palestine conflict.

Bevin's experience as a trade union leader provided the basis for his skill and success as Foreign Secretary in the Attlee government. He was a powerful force in the Cold War efforts and a leading figure in establishing alliances with Western Europe and the United States. His influence in creating such alliances and in securing loans for Britain's recovery allowed Britain to restructure itself both financially and politically in the aftermath of the war.

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