

CHAPTER 37

Western Democracies Since 1945**TIME LINE**

- 1945 Laborite Clement Attlee becomes British prime minister
- 1946 The French Fourth Republic is established Italy becomes a republic
- 1947 Christian Democrat Alcide de Gasperi becomes Italy's premier
- 1949 Christian Democrat Konrad Adenauer becomes West Germany's chancellor
- 1951 Conservative Winston Churchill becomes British prime minister
The European Coal and Steel Community is established
- 1952 Britain's King George VI dies and is succeeded by Queen Elizabeth II
- 1955 Conservative Anthony Eden becomes British prime minister
- 1957 Conservative Harold Macmillan becomes British prime minister
The Treaty of Rome creates the European Economic Community
- 1958 Charles de Gaulle becomes the first president of the Fifth French Republic
- 1963 Christian Democrat Ludwig Erhard becomes West Germany's chancellor
- 1966 The West German Christian Democrats and Social Democrats form a coalition government
- 1969 Social Democrat Willy Brandt becomes West Germany's chancellor
- 1974 Social Democrat Helmut Schmidt becomes West Germany's chancellor
- 1975 Francisco Franco, Spain's dictator, dies
- 1979 Conservative Margaret Thatcher becomes British prime minister
- 1981 Socialist François Mitterrand wins the French presidency
- 1982 Christian Democrat Helmut Kohl becomes West Germany's chancellor

When World War II ended in 1945, the prospects for Western Europe appeared dim. Millions of people had been killed, and property damage had been immense. Beneath the ruins, however, there lay the potential for a spectacular economic recovery that was well under way by the 1950s. This economic recovery was accompanied by a remarkable political resurgence and a largely successful movement for Western European integration.

Great Britain

World War II reduced Great Britain to the position of a second-rank power and left the country with serious economic and financial problems. The British depended on imports to feed themselves and to provide the raw

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materials consumed by the country's industries. The British were not able to sell enough manufactured goods in the world market to pay for these imports, and balance-of-payments problems continued to plague Britain's postwar governments.

The Attlee Labor Government

In July 1945, the Labor Party won a majority of seats in the House of Commons for the first time in history. Clement Attlee (1883-1967), the Labor Party's leader, became prime minister. The Labor government nationalized about 20 percent of the British economy, including the Bank of England, the coal industry, electricity and gas, civil aviation, and the railroads. Attlee's government also established the National Health Service to provide free medical care and extended government-sponsored social insurance programs to provide "cradle to the grave" protection.

The Return of Conservative Government

In 1951, the Conservatives returned to power, beginning a period of thirteen years of Conservative control of the House of Commons. Winston Churchill (1874-1965) once again became prime minister. Following Churchill's retirement in 1955, Anthony Eden (1897-1977) took office. While the Conservatives repealed Labor's nationalization of steel and long-distance trucking, they did not attempt to undo the other reforms of Attlee's government, and the welfare state remained intact.

In 1952, King George VI (r. 1936-1952) died and was succeeded by his daughter, Queen Elizabeth II.

Economic Problems

The Suez Crisis of 1956 (see Chapter 39) led to Eden's resignation in 1957. Harold Macmillan (1894-1986), the new prime minister, rebuilt the Conservatives' lagging support and led the party to an overwhelming victory in the 1959 parliamentary election. In 1963, Macmillan's government suffered a setback when French President Charles de Gaulle vetoed Britain's entry into the European Common Market. Macmillan had hoped that closer trade ties with Western Europe would promote British economic growth. (After de Gaulle left the French presidency, Great Britain entered the Common Market in 1973.)

Although Great Britain experienced some prosperity during the 1950s, the British failed to modernize their industry as rapidly as their competitors in the world market. Furthermore, British industry of ten lacked innovative

management, and the economy continued to be hurt by labor-management conflict.

In 1964, the Labor Party returned to office, and for the next decade and a half, Labor and the Conservatives alternated in power. Although the British economy gradually improved, the old industries that had once provided the backbone of the country's industrial might—coal mining, shipbuilding, steel, and textiles—remained depressed. In an effort to place limits on budget deficits, the Conservatives instituted modest fees for some services provided by the National Health Service, while Labor, with its greater commitment to the welfare state, reduced or eliminated these fees when it was in power.

Thatcher's Conservative Government

In 1979, the Conservatives took control of the House of Commons. Margaret Thatcher (b. 1925) became prime minister, the first woman ever to hold that office and the first woman ever to head a major European government.

Economic Policies

Thatcher, the most conservative of Britain's postwar prime ministers, launched a campaign against "big government." In an effort to combat "stagflation," the combination of economic stagnation and a high inflation rate, she cut government spending, increased interest rates, and reduced taxes. She also sought to curtail the power of the labor unions. The results of what came to be called Thatcherism were mixed: Although the inflation rate dropped, unemployment increased to levels reminiscent of the depression years of the 1930s.

The Falklands War

In foreign policy, the Thatcher government encountered a crisis. Following years of unproductive negotiations, Argentina invaded the British-controlled Falkland Islands in the South Atlantic in April 1982. The British acted promptly to defend the Falklands and inflicted a sharp defeat on Argentina. This assertion of power produced a wave of popular support for the Thatcher government, which triumphed in the House of Commons election of 1983. Divisions in the Labor Party helped the Conservatives retain their hold on power, and they won another electoral victory in 1987.

The Irish Problem

Northern Ireland (Ulster) presented the British with a far more intractable problem than the Falklands war. In Northern Ireland, the Protestant majority had long enforced restrictions on the Roman Catholic minority. A Catholic

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civil rights movement began in 1968, while the radical Provisional Wing of the Irish Republican Army (IRA) initiated a campaign of terrorism in an effort to force the British out of Ulster and to unite it with the Republic of Ireland. Protestant organizations responded with a terrorist campaign of their own, while the British army attempted to restore and maintain order. Some twenty years after the beginning of this latest in a long series of Irish troubles, no solution appeared to be in sight.

France

The Fourth Republic

In 1946, the French established the Fourth Republic. Like the Third Republic, which had collapsed when France was defeated by Germany in 1940, the new regime concentrated authority in the parliament, while the executive was relatively weak. As in the past, the multiparty system necessitated the formation of coalition cabinets.

Cabinet Instability

General Charles de Gaulle (1890-1970), who had headed both the Free French movement during the war and France's postwar provisional government, opposed the new constitution. He believed that a system based on a strong parliament and a weak executive could not provide the country with effective government and angrily withdrew from an active role in political life.

As de Gaulle had feared, cabinet instability quickly became the main characteristic of government in the Fourth Republic.

Economic Recovery

Despite France's ineffective governments, the country made a good economic recovery and began to experience substantial growth. By 1960, industrial production had increased to two and a half times the 1938 level. France also experienced a significant postwar population growth, reversing the trend of the prewar years.

The Mendes-France Government

In the mid-1950s, Premier Pierre Mendes-France (1907-1982) sought to provide the Fourth Republic with strong leadership. He succeeded in ending France's involvement in the colonial war in Indochina (see Chapter 39) and began the process of ending French rule over Morocco and Tunisia in North

Africa. When Mendes-France turned his attention to domestic problems, however, parliamentary wrangling increased, and he lost the premiership.

The Return of de Gaulle

The French regarded their North African possession of Algeria, with its population of over 1 million Frenchmen, as an integral part of France. In 1954, the Algerian National Liberation Front (FLN) began its struggle for independence, and soon a bitter colonial war was under way. The war in Algeria became an intensely divisive issue in French politics, and by 1958 it appeared that the government might enter into serious negotiations with the FLN.

Fearing a withdrawal from Algeria, army leaders began a revolt in Algiers, the Algerian capital, in May 1958. As France stood on the brink of civil war, the leaders of the Fourth Republic called on de Gaulle to take power.

Algerian Independence

De Gaulle established a new regime, the Fifth Republic, which increased the powers of the president and premier and reduced the authority of the parliament. After winning election to a seven-year presidential term in late 1958, de Gaulle acted to solve the Algerian problem. Although the army believed that de Gaulle would maintain French control over Algeria, the president was a realist. Nothing short of full independence for Algeria would satisfy the FLN, and de Gaulle agreed to this demand in 1962.

Foreign Affairs

In foreign affairs, de Gaulle promoted closer ties between France and West Germany, but he remained suspicious of the United States and Great Britain. In 1967, he pulled French forces out of NATO, although France remained a member of the North Atlantic alliance. De Gaulle wanted to establish a more independent role for France in international affairs, and he promoted the development of a French nuclear capability.

1968 Disturbances

De Gaulle focused his attention on foreign and military policy and tended to neglect domestic issues. Discontent gradually mounted, and serious unrest erupted in the spring of 1968. Beginning among the university students in Paris, the trouble soon spread to industry, as hundreds of thousands of workers went on strike.

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For a time, de Gaulle's power seemed endangered, but he held on with the support of the army and the middle class. Following the defeat of some relatively minor constitutional changes in 1969, however, de Gaulle resigned.

The Pompidou and Giscard Governments

Georges Pompidou (1911-1974), who succeeded de Gaulle, and Valéry Giscard d'Estaing (b. 1926), who held the presidency from 1974 to 1981, worked to improve the economic situation of the French workers, thereby reducing the discontent that had contributed to the 1968 unrest. Pompidou and Giscard also promoted the cause of Western European integration.

The Mitterrand Government

In 1981, François Mitterrand (b. 1916), the leader of the Socialist Party, defeated Giscard's reelection bid. As president, Mitterrand nationalized several major banks that had not previously been nationalized. Other nationalizations increased the state's share in the ownership of French business and industry from 15 to 35 percent. Mitterrand also increased social benefits and encouraged wage increases in an unsuccessful effort to stimulate the lagging economy. After France was hit by a recession and the value of the franc dropped, Mitterrand adopted more cautious economic policies. The conservative parties regained control of parliament in 1986. During the 1988 presidential campaign, Mitterrand campaigned as a moderate and won a solid reelection victory.

West Germany

The Adenauer Government

When the German Federal Republic was established in 1949, Konrad Adenauer (1876-1967), the leader of the Christian Democrats, won the chancellorship. Adenauer remained chancellor until his retirement in 1963, thus serving longer than Hitler as Germany's leader.

The Adenauer years were the time of the West German economic miracle. Under the leadership of Ludwig Erhard (1897-1977), Adenauer's minister for economics, the economy recovered from the devastation of World War II and experienced remarkable growth. Encouraging private enterprise, Adenauer and Erhard developed a free market economy that quickly made the country one of the most prosperous in Western Europe.

The Adenauer chancellorship also produced a political miracle: the establishment of a stable democratic political system on the ruins of the Nazi dictatorship.

The Erhard Government

After Adenauer retired at the age of 87, Erhard became chancellor. Erhard lacked his predecessor's skills as a political manager, however, and stepped down in 1966. The new government was a coalition of West Germany's two major parties, the Christian Democrats and the Social Democrats. Willy Brandt (b. 1913), the Social Democrats' leader, served as vice chancellor and foreign minister. Following the 1969 parliamentary election, Brandt became chancellor.

The Brandt Government

Both as foreign minister and chancellor, Brandt pursued the policy known as *Ostpolitik* ("east policy"), designed to improve relations with the Soviet Union and the Communist states of Eastern Europe, including East Germany, while maintaining close ties with the West. In 1970, West Germany acknowledged the Oder-Neisse line as Poland's western frontier (see Chapter 35), while a 1972 agreement recognized the existence of two German states and established the bases for closer cooperation between them. Also in 1972, the two German states became members of the United Nations, and the Soviets pledged not to interfere with Western access to Berlin.

The Schmidt and Kohl Governments

In 1974, Brandt was succeeded in the chancellorship by a fellow Social Democrat, Helmut Schmidt (b. 1918). Moderate and capable, Schmidt emerged as a major leader of the Western democracies during his term of office, which ended in 1982.

The Christian Democrats now returned to power, with Helmut Kohl (b. 1930) serving as chancellor. In an effort to cut government spending, the Christian Democrats reduced appropriations for social programs, but they did not attempt to undo the welfare state. Kohl led his party to victory in the parliamentary elections of 1983 and 1987. In 1989, the extreme right-wing Republicans made a strong showing in local and state elections, introducing an element of uncertainty to the West German political scene.

Italy

Postwar Politics

In a 1946 plebiscite, the Italian electorate voted, by a narrow margin, to replace the monarchy with a republic. Postwar Italian politics were dominated by the Christian Democrats, whose leader, Alcide de Gasperi (1881-1954),

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served as premier from 1947 to 1953. The Christian Democrats never succeeded in winning a majority of seats in the Chamber of Deputies (the lower house of parliament) and had to govern in coalition with other parties. These coalitions were usually unstable and followed one another in rapid succession. Government instability was also promoted by the fact that after de Gasperi left office, the Christian Democrats failed to produce a strong leader who could hold the diverse party together.

“Opening to the Left”

During the 1960s, the Christian Democrats sought to establish a more stable coalition government in an alliance with the Socialists. This “opening to the left,” as it was termed, also offered the prospect of promoting economic and social reforms that the more conservative wing of the Christian Democrats had opposed. While a series of Christian Democratic-Socialist coalitions governed Italy from the 1960s to the 1980s, cabinet stability was not achieved, nor was a substantial reform program enacted.

Economic Recovery

Despite the general ineffectiveness of Italy’s governments, the country experienced substantial economic growth. By 1960, Italy’s industrial production was three and a half times greater than it had been in 1938, and industrial expansion continued during the 1960s. Italian automobiles, household appliances, and office equipment won large shares of the European market.

Communist Gains

During the 1970s, frustration with Italy’s ineffective government mounted. Political terrorism increased, and acts of violence were committed by both neofascist groups and the leftist Red Brigades. Political instability and frustration also enabled the Communists to make significant electoral gains. The Italian Communist party had achieved a high degree of independence from Soviet control, and Enrico Berlinguer (1922-1984) proved to be an attractive and charismatic party leader. When the Communists won 35 percent of the votes in the 1976 election for the Chamber of Deputies, Berlinguer proposed what he called a “historic compromise”: the establishment of a Christian Democratic-Communist coalition. The Christian Democrats refused, and the Communists began to lose some of their political momentum, especially after Berlinguer’s death in 1984.

During the 1980s, the Christian Democrats held on to their position as Italy’s largest party, and the country’s political drift continued.

Spain and Portugal

Spain

Francisco Franco (1892-1975), Spain's dictator, owed much of his success during the 1936 to 1939 civil war to the support he received from the Axis dictators, Hitler and Mussolini. Nevertheless, he avoided the mistake of tying his fate to theirs during World War II. While the Franco dictatorship was widely unpopular in Western Europe after 1945, Franco's refusal to give full Spanish support to the Axis cause enabled him to survive.

Restoration of the Monarchy

After Franco's death in 1975, the Spanish monarchy was restored. Under the leadership of King Juan Carlos, a member of the Spanish Bourbon dynasty, Spain adopted a liberal constitution in 1976. During the next several years, Spain made a remarkably successful transition from dictatorship to pluralistic democracy.

Portugal

A similar transition occurred in Portugal, where Antonio Salazar (1889-1970) had exercised dictatorial authority from 1932 until he was disabled by a stroke in 1968. The dictatorship was maintained until 1974, when it was overthrown by an army revolt. In 1976, Portugal adopted a democratic constitution.

Western European Integration

Following World War II, Western Europe made remarkable progress in promoting economic integration.

The European Coal and Steel Community

In 1950, Jean Monnet (1888-1979), a French economic planner, convinced Premier Robert Schuman (1886--1963) to support a plan for the integration of the coal and steel industries of France and West Germany. Such integration would reduce French fears of a West German economic recovery.

Negotiations on the Schuman Plan, as the project became known, led to the establishment in 1951 of the European Coal and Steel Community (ECSC). The ECSC not only included France and West Germany, but Italy and the Benelux states (Belgium, the Netherlands, and Luxembourg), as well.

The European Economic Community

The success of the ECSC helped advance an even bolder proposal developed by Monnet. In 1957, the six members of the ECSC signed the

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Treaty of Rome establishing the European Economic Community (EEC), popularly known as the Common Market. The members of the Common Market committed themselves to eliminate trade barriers and to promote free movement of capital and labor. The success of the Common Market during the 1960s led to its expansion. Great Britain, Ireland, and Denmark joined in 1973, while Greece entered in 1981. In 1986, Spain and Portugal won admission.

The Councilor Europe

Developments in the realm of Western European political integration have been more modest. In 1949, the Western European states organized the Council of Europe, an advisory body that meets in Strasbourg, France. Members of the Council of Europe, the so-called European parliament, were elected by the parliaments of the member states until 1979, when direct election was established. Direct election was intended to increase the European parliament's visibility and prestige. However, it remains an advisory body, since the member states are jealous of their political sovereignty.

As Western Europe moved into the final years of the twentieth century, the achievements of the almost half a century since the end of World War II were evident. Throughout Western Europe, democratic political systems were firmly entrenched, and even Spain and Portugal had made evidently successful transitions from dictatorship to democracy. A high degree of economic prosperity had been maintained, and the people of Western Europe had come to enjoy the highest standard of living in their long history. There were problems, including a general slowdown of economic growth, some serious economic weaknesses in Great Britain, and the failure to establish a truly workable system of government in Italy. Nevertheless, Western Europeans could take considerable satisfaction in what they had accomplished.