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Dame Barbara Castle, former Labor Cabinet minister and a major force in the British Parliament, was a committed Socialist who campaigned fiercely for labor, women's rights, and transportation safety since the beginning of her political career in the 1930s. She died in May 2002.

In this interview, Barbara Castle explains the roots of her socialist ideals, the creation of the British welfare state, and the clash of ideas between the Labor Party and the Conservatives in Britain.

Socialism and Social Conditions in 1930s Britain

INTERVIEWER: Is it fair to say that the crash, the Depression in the 1930s, destroyed people's faith in capitalism?

BARBARA CASTLE: It went a long way to do so. Everybody had been told this was a wonderful, easy way to make money, and capitalism would go on expanding, and all the rest of it. Then people were brought up sharply against the fact that a free-for-all market economy is exactly what it says. It doesn't know or care what the next fellow is doing. They're all rampaging along and suddenly the whole thing comes unstuck because there's no central planning, no brain at work behind it. It's just really—I was going to say organized greed, except that it was very disorganized. But it was an emotional, oh-I-can-make-money-here, never mind what the effect is on anybody else. Then, with lots of people doing that without ever looking over their shoulders [to] see how they were affecting anybody else, it couldn't work, and it didn't work, and it just came to a standstill.

INTERVIEWER: When a system like that fails, who pays the price? What happens to ordinary people?

BARBARA CASTLE: Of course they paid the price. There was nobody putting a floor in their lives to give them some kind of basic economic security. That was contrary to the philosophy. I was brought up in the industrial north in Bradford, which was a wool town, and as a school girl, in my gym slip and long black woolen stockings, I used to walk around those streets. I remember going down one working class street near the wool mill and its dye works. I don't know whether you have ever endured the smell of dye on wet wool, [but] it was appalling. I

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knocked at the door of one cold place, and a white-faced woman with a small child and bare feet came to the door. I thought to myself, "Well, I couldn't live here, why should anybody else?" That was my kind of socialism. Simple as that. If I couldn't tolerate it, why should anybody? But you see, there was nobody at that stage in the development of economic thinking that took responsibility for the consequences of this scramble for wealth. If you've got unemployment, low pay, that was just too bad. But that was the system. That was the sort of economy and philosophy against which I was fighting in the 1930s.

INTERVIEWER: As a young Socialist in the 1930s, are there any particular examples of ordinary hardship that stick in your mind? You mentioned the woman in the mill town. What else?

BARBARA CASTLE: They were just getting out of the era of the privy pit. I don't know whether you've ever heard that phrase before, but the privy pit was the outdoor system with an "earth closet" that ran down the center of street serving the houses on each side. They were back to back, and no air got through, and there was no bathroom. I remember the Independent Labor Party, which Keir Hardy had formed in Bradford, was full of people who'd actually lived through that period. Fred Jowett, who became a Labor MP in the Labor government of 1924 and was there for the very first Labor government ever in the history of this country, devoted his life to fighting the slums and their privy pits. You see, he used to be what they called a "night soil man," who'd come down in the night and sort of shovel the worst of the muck away and put on some earth. But if you were caught short towards the end of the day, you got the full blast! They were remarkable people.

There were middle-class intellectuals who were drawn to the Independent Labor Party by the horror of those conditions. One of them was Margaret Macmillan, who was one of our local heroines when I was a schoolgirl. She'd come from a comfortable middle-class home in the south. She'd heard all the great activity in Bradford, and she offered her services dirt cheap to the Independent Labor Party. Now, she'd got herself elected on the School Board. She was the one who fought like a wildcat for free school meals for needy school children, because she said you can't educate children with empty bellies. It was as primitive as that. She was successful in getting this. Another of her campaigns was for public baths. On the Bradford City Council the Tories thought she was just obsessed with cleanliness. But she got the support of the chief

medical officer, [who had] just been appointed. They had school medical exams introduced. At one school she records how, out of 200 children, over half had not had their clothes off for six months. You don't need much imagination to realize what state their bodies were and their hair and all the rest of it. She fought and won, and Bradford became famous for pioneering things like free school meals, like public baths. Those were the very pragmatic issues which Socialists were fighting for when I was a schoolgirl.

There was no welfare state, and people had to rely mainly on the Poor Law—that was all the state provided. It was very degrading, very humiliating.... And there was a means test for receiving poor relief. And Aneurin Bevan, the fiery Welsh rebel who'd gone down the mining pits himself at the age of 14, finally gets elected into Parliament. He made a wonderful speech in the 1930s against the household means test. He pointed out that it was destroying family life, and he told the case of a young boy of his acquaintance, who like everybody else in the family had followed his father down the mining pit. When his father was laid off, he was the one breadwinner. So he comes back proudly home one day—he'd had a rise of seven shillings a week.... And then in moved the means testers of the poor relief and knocked that increase off his father's relief. So he upped and left home. He said, I'm just an encumbrance to you. The heartlessness of that system and that period is very difficult for anybody today to grasp.

The Labor Government and the British Welfare State

INTERVIEWER: When the Labor Party won the election in 1945, what were its hopes, its ideals?

BARBARA CASTLE: The Labor Party swept to power simply because the vast majority of people, particularly those men and women in the fighting forces who'd lived through the dreadful depression years of the '30s, just said, Churchill's done a fine job of a war leader but we don't trust him to win the peace. They were looking for an entirely different society which we'd always preached in the Independent Labor Party and in the Labor Party itself. And so the people were conscious, for instance, that during the war there had to be absolute planning and controls. And what always struck me about that war period was how even Churchill had to talk socialism to keep up people's morale. It was Lord Moulton, a Conservative minister in charge of food, who exercised rigorous food rationing. It wasn't a question of the profiteer grabbing more than his fair share and the others going to the wall, which had been very often

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the case in the first world war. No, we knew that our people would never have withstood the bombardments and the loss of life and the hardship if they hadn't been confident that their government was operating a policy of fair shares. What we set out to do was to ensure that this system of fair shares and the planning and controls continued after the war, and when we won, that's what we did.

I was parliamentary private secretary, first to Stafford Cripps when he was president of the Board of Trade and then to Harold Wilson when he followed Stafford Cripps in that job. I always remember the austerity we still had to exercise because we'd lost our export markets while we produced the munitions of war. We had been encouraged by the Americans to become the arsenal of the Allies while they paid for food and raw materials coming into the country and said, "Oh, we'll settle after the war." ... When the European peace was declared, the ships on the high seas suddenly became chargeable at enormous prices and we'd no money. We'd no export markets. We'd sold all our gold in dollar reserves. We'd run up great sterling debts with the faithful members of the Commonwealth like Australia and New Zealand who did their best to help. And so we had to have a complete planning and control of government and of economics generally.

I remember people who'd had a lot of hardship during the war. They'd thought we'd won. One of the moans of the women were there were no fully fashioned stockings. If you'd ever had to put on a pair of cashmere stocks, sewn up in the middle of the back, and tried to look glamorous, you'd know what women felt like. So there was a great clamor for the government to authorize the importance of provisions of fully fashioned stockings. I remember a big meeting with the hosiery trade in Harold's ministerial room. And the hosiery industry said, "Please don't take off the control, because all it will mean is a flood of imports. Our machinery's out of date. During all those Depression years we ran into gluts of inefficiency and out-of-date machinery." We didn't invest or anything, not only during the war but during the Depression years which preceded it. And so we said it'd only mean you'd run up an enormous bill and it wouldn't help us. Any money you've got should be put into helping us to invest in this new machinery ourselves. And so there it was, enormous pressure. Ah, give us a bit of glamour, for heaven's sake! We've earned it, haven't we? I think I came out of that meeting admiring the Labor government more than ever because it was not only introducing great reforms and establishing the welfare state, social insurance, the National Health Service, all

those things, but at the same time it was keeping strict controls over private consumption in order for our economy to be able to [compete]. And I was as fed up as anybody, not having nice, fully fashioned glamour stockings. Of course the GIs who came over from the States and were still living in England, they had a wonderful time because they were very popular with the girls with their fully fashioned stockings from America.

I was so proud of that government. You see, anybody can plan a new Jerusalem with proper pensions and insurance and the rest of it, but to carry it out at a time when your country has been bankrupted by war is a very different kettle of fish. We kept on the food rationing, we kept on the clothes rationing while gradually our own industries revived. We paid the price for it. The Tories said, "Oh, well, that was totally unnecessary, it was social mismanagement," and so on, [and] they managed to oust us in '51. But we went down with our colors flying and I think we never compromised on our beliefs, which turned out to be proved entirely right.

INTERVIEWER: You used the phrase "new Jerusalem." What, in your mind, does new Jerusalem stand for in 1945?

BARBARA CASTLE: It has stood above all for getting people jobs and a decent wage, a good home, healthy food, the amenities of life for everyone, on broadly equal terms, no extremes of wealth and poverty. That's what we meant—a society which was held together by the sense of our being members, one of another, interdependent, and we did. Do you know one of the most interesting things is, when we lost office in '51 we did so on a higher vote that we'd been elected to in '45. The trouble was, of course, at that time our vote was concentrated in one or two areas, and the Tories' vote was spread more evenly and that enabled them just to win office and push us out.

Nationalization and Its Ideals

INTERVIEWER: What was the idea behind nationalizing key industries?

BARBARA CASTLE: The idea was that you couldn't have real democracy if the economic power, the power of hiring and firing, the power of deciding what's produced and what isn't produced or the ownership of the land, is in the hands of a few rich people. That was not what men and women fought for during the war.

Aneurin Bevan was a great rebel. In 1951 he published his book *In Place of Fear*, and it was such astonishing reading for people who thought he was always negative and revolutionary and destructive. He was not. He described how, as a boy of 14, his dad had been down the mining pit, his uncle had been down the pit, his brother had been down the pit, and of course he would go down the pit. And he pointed out that we were up against the weight of accomplished power, which dictated there wasn't anywhere else for us to go. And so it was either the steel mill or the factory or the mine. And so he went down, bright boy as he was, down the pit, at 14. There was no choice. And that was the reason why he said to share that power that's accumulated ... we can't buy a bit of the steel mill, or part of the pit. It's got to be done collectively, through public ownership. It was very much a cry for democratic control at that time. Above all, breaking the accomplished power of a few people to rule the lives of everybody else. And that had a powerful appeal, particularly to those who had been denied the choice to stay on at school, to go to university, to be something else, other than going down the pit.

INTERVIEWER: When working people found themselves working for a nationalized industry, was there a great surge of idealism? Was it an exciting time for them?

BARBARA CASTLE: Yes, I think there undoubtedly was. You see, another reason for nationalization was that private ownership meant fragmentation. It meant that the services and assets which ought to be spread through the whole community were concentrated on a few areas which could be guaranteed to bring the bosses profit. I got a very vivid example of this when I first met and started to go out with Ted Castle. His parents were lovely people, very simple, very devout, and they lived in the country. We used to go down to stay with them. They had only oil lamps and a little paraffin stove. No electricity, because electrical supply was at that time scattered through 200 companies. Two hundred private companies, so naturally they invested their money on the wealthier and more crowded areas. Vaster parts of rural Britain just went without. No prospect. They were getting electricity under private ownership. Why should somebody set up a company to provide for a sparsely populated area? But when nationalization came, I remember the first time electricity came to Ted's parents. A simple little bungalow. Fantastic. It was emancipation. But it was only done by a collective effort, by a comprehensive body that covered the whole country, and which could, therefore, direct some of the efforts from the wealthier areas on to the poorer ones. And it seemed, to

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people who'd been through a war—not only soldiers and fighting women but the civilians who suffered these terrible hardships and bombardments—it seemed to them natural justice. Why not pool your resources? And so we broke into the concept of the sacredness of private property.

Another example of that was that even during the economic problems of the 1945 government, we managed to carry out other aspects of our policy and other ideals. Through the establishment of national parks, for instance. We said why should the people in the smoky valleys around the peak district not be free to walk out into the fresh air and the sun? Access to mountains, that was the battle cry. I went walking with Ted and Hugh Dalton and another group which, walking, formed the Apennine Way, to form the national parks, to make the land they had fought for accessible to everybody. Now that, to us, was just one of the simple truths of life that you have to try to follow.

INTERVIEWER: What were the basic ideals behind nationalizing education and health?

BARBARA CASTLE: I remember Aneurin Bevan's great battles to establish a comprehensive universal national health service. You must always remember that Sir William Beveridge, who was a liberal (they were pretty left wing in those days, the Liberals), not a Labor Party chap, produced his great report in the middle of the war. His postwar reconstruction was to be used to bolster the morale of people who were feeling a pinch of austerity and danger, and give them a hope, the sunlit plains above. And the peace report on the national insurance scheme also said this won't work unless there is a comprehensive universal health service available to everybody. We'll not be able to afford to pay sickness benefits unless you are tackling sickness at the source. I remember I became MP for Blackburn in '45, and the people never dreamed that they could share in some of the things that comfortably off people took for granted. I remember the old dears in Blackburn, before the health service was set up, used to go to Woolworth's, which was a six-pennies-an-item store at that time, and they'd go with their sixpences in their hands and rifle through the boxes of spectacles. They couldn't afford a private eye test. And they would try an item, a lot of these specs, until they found one that magnified it to a certain extent and helped a little bit. But imagine the explosion of feeling, of excitement. What's happened to our country? Has a war been worthwhile? When they said, "Oh, yes, you'd better have an eye test. Oh, yes. Free." And the old dears would not only get

an eye test but get an appropriate pair of spectacles, free at the point of delivery. And of course it was redistributed, because they were so poor, many of them weren't paying any income tax, or very little. And that's why those who believe in the free-for-all scramble for wealth haven't left the health service, never have. Margaret Thatcher never did, because it was telling the well-to-do they had a responsibility to share some of the benefits of the country's wealth with others who couldn't buy it for themselves.... It was such a joy to see ... the lot of grumbles about the rationing and who's won the war and all that, when they were still having to plow through food rationing while the Labor government put more money into building up our export trade. It's very difficult to persuade people to take a long-term view even though you know that it's the only way to save the country from boom and bust. But the wonder and delight that so many of them felt, that they had really got top-quality treatment for their eyes.

Those were the ideals that drove us to nationalization of the health service. In education I must pay tribute to Ron Butler, the Tory Minister who in 1944 introduced his education act while the war was still on to extend to all children the right to a secondary education—the right. But they were poor. What rights had the poor got? They had to have been that deeply ingrained sentiments of the well-to-do in Britain. But he just said, "They're citizens of this country, and they've just helped us win the war. And we're all here because we all pooled our resources. That's what we're going to do in all the essential fields like health, education, food, jobs."

INTERVIEWER: Looking back, then, what success, economically speaking, did the nationalized industries deliver?

BARBARA CASTLE: There is no doubt that when Margaret Thatcher and the conservatives started to privatize the gas industry, they found that there had been high levels of inefficiency. Some of the critics ... say, "Well, they had a monopoly, haven't they?" But what we noticed when privatization came, during the Thatcher period in particular, for example when British Telecom was denationalized, you started to pay for little things. You wanted a number in the telephone directory, you'd think that a business which is providing for telephone calls and getting paid would be only too glad to help people who suddenly had to pay 42 pence. I don't know what it's gone up to now. It didn't happen in every case, but the

notable example in my view was the railways. ... [W]hen the privatization of the railways was launched by the Conservatives ... it was again a policy fragmentation. The rail safety has suffered because you broke it up into a lot of little different companies, and you couldn't get one body responsible for safety of the system throughout the country, or form proper railway stations, or whatever.

The Effects of Nationalization

INTERVIEWER: Britain in the 1970s was an economic mess, wasn't it?

BARBARA CASTLE: It was undoubtedly an economic mess because of the oil price explosion. The oil-producing countries who produced the oil so essential to the running of industry and people's homes suddenly took the bit between their teeth and started to push prices up, by billions and billions of pounds. I remember Nicholas Kaldor, a very brilliant economist who was one of Harold Wilson's economic advisors, talking to me about this. He said the trouble is we were all being drained in the Western world and the more developed industrial countries of billions of pounds to pay for this oil, and it's accumulating in the hands of underdeveloped countries who don't have to use it, don't have to spend it. It ought to be pumping it back into the West in the form of cheap.... But the general intellectuals of [those] economies had not grasped, at that time, that it was a growing international interdependence, and how you had to have a grasp of the effects of what you were told. They'll pay and pay and pay. But it precipitated the recession by wrecking world trade, and that was the great blow. It might have been offset for us if the revenue from our own oil and natural gas that was just developing had been available to the Labor Government, but the oil revenues were just coming in when Labor fell in '79. Margaret Thatcher had about £18 billion worth of oil revenues to play with. In the whole of our period we only had £1 billion, just towards the end.

INTERVIEWER: Margaret Thatcher's key criticism against Labor in the '70s would have been that the nationalized industries had failed and that this was partly due to too much power in the hands of the unions.

BARBARA CASTLE: I am very familiar with that argument, but I don't think it's true. To begin with, I don't think they'd failed. When Margaret Thatcher came in '79 on the sort of arguments you've been expressing, there was a tremendous rise in unemployment. I remember she said,

"Keep government out of people's lives. Let them go ahead and catch as catch can, that's the way to maximum wealth." I remember going around in my area—I was then in the European Parliament, but I had big Northwestern constituencies—and there I remember being begged by employers, "Can you stop her? Can't you do something? We're being ruined by this harsh policy of everybody stand on their own feet. We're not able to." The country was not the richer for that, it was the poorer.

As far as some of the major industries were concerned, there's no proof at all of the greater inefficiency of the nationalized industries. It is true that they paid much more attention to the trade unions because the trade unions were after all speaking for the rights and conditions of working men and women in their employment. They were right to do so, because since Thatcher came to power and there's been this widespread feeling of "smash the unions," what has happened has been that that was not so much unrest because of unemployment. People were so frightened of losing their jobs they stayed mum. It's always been part of my Socialist economics belief that the best way to increase wealth is to share it more equally. Otherwise, if it accumulates in a few hands, the very rich don't spend it on domestic products. They spend it on yachts, abroad, [on] little foreign islands.

That is why after the great giveaway budget of 1988 under Margaret Thatcher there was at first a great boom. House prices went up, everybody said, "Ooh, I'm going to get rich." It seemed like it, and for a time one or two people did, but then they suddenly ran up the biggest balance of payments deficit in our history. Appalling. We were not putting the wages or the money on investment into the industries to which our mass of people would want to turn, and the money was going. By accumulating, 5 percent of the richest people got 40 percent of Nigel Lawson's giveaway budget in 1988, and they didn't spend it on our own industries but on foreign luxuries. So our country became poorer [and] there was less investment in the sources of our own wealth. It was the beginning of the race of globalization where [the feeling is that] it doesn't matter that you don't shop at home, that it's not cool enough at home. It's not chic. You go abroad. We had the most terrible balance of payments debt, and a huge rise in unemployment and bankruptcies of firms. I know because many of them appealed to us MPs to protect them from the government. That's what eventually brought Margaret Thatcher's downfall and a chance for Labor's concept of greater distribution of wealth in the country, wider distribution.

Public vs. Private Ownership in the British Economy

INTERVIEWER: Why has New Labor not tried to seize again the commanding heights of the economy?

BARBARA CASTLE: There are two reasons for that. One is the reality of the fact that if somebody has been allowed into power for as long as Margaret Thatcher has, then the cost of reversing her policies becomes prohibitive for a government trying to do so many other things with what money is available. The first reason, therefore, is economic. But there has also been a philosophic reason. Tony Blair is a considerable admirer of Margaret Thatcher. He certainly admired her determination to control her Cabinet. And that is a great pity, because what you need in dealing with the problems today is an enormous wealth of discussion and argument in Cabinet, whereas I gather, though nobody has leaked to me, that on the contrary, at the moment, the [discussions in] Cabinet last half an hour, and mainly become a rubber stamp for policies which are being decided in separate, independent departments. Of course, if you're a keen minister you'll fight very hard for your own department and for funds for your own department. I was so scrupulous in fighting hard, but I would have against me the weight of Cabinet colleagues who had also got spending desires and philosophies and dreams and ideals. So you have in the Cabinet the good, healthy clash of ideas to balance one against the other. I don't think one person, even if they've got a couple of cronies, is capable of solving all the problems single-handedly. It needs a collective effort.

INTERVIEWER: Surely since Mrs. Thatcher was prime minister, the governments around the world have been privatizing nationalized industries, deregulating. Doesn't that show the way that Labor lost the argument economically?

BARBARA CASTLE: Well, yes and no, again. It is true that privatization has given a shot in the arm to all sorts of industries. Their idea was that competition would bring out the best in the entrepreneur and that the customer would benefit from that competition. First it looked like it. But then at the heart of that belief, under that policy, is the fact that as soon as competition gets intense, firms don't continue the competition. They merge, [beginning] a great process of merging the competing elements which stimulate a trade and industry. They're getting bigger and bigger, and getting international, and they're getting beyond the control of any national government, and this, therefore, is going to turn the economies sluggish, or more sluggish

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than they need have been. There's no public control over them. If a nationalized industry was performing badly one could always ask questions in Parliament. You could bring the spotlight on them. You can't bring a spotlight on a great global corporation that's got its tentacles all over the place. There's already a new world unrest showing itself among those who are left on the sidelines when this great accumulation of power takes place. Now a company's power is becoming bigger and less accountable than it ever was before. It was bad enough when it was just a big, national industry.

Everybody has been, for a time, stunned by what has happened. Unions have been stunned into acquiescence. Local parties, labor activists have been stunned out of their ideas. They've tended more or less to accept this development as inevitable and healthy. But I think the backlash is already starting. Seattle is an example when the poorest countries will suddenly say, "We've been exploited enough." And they're going to be more active and more demanding, and they can be more of a nuisance. I think we're going to get a lot of unrest showing itself in all sorts of demonstrations, and you never quite know what would come out of it. But if something doesn't come out of it, then democracy will suffer, because democracy may be an untidy and inconvenient system, but it's the best check devised for keeping some kind of control on the commanding heights of the economy.... And that will increasingly dawn on people. The demand for controlling the commanding heights will grow.