

The Political Economy of State Controls in the Transition from War to Peace, c. 1945-1955

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Acknowledgements

The following pages are the result of a process that began in Leeds during December 2007. Then, as an eager third year history student, I was asked during the course of a presentation on the 1945-51 Attlee governments how one could define a control. My answer was concise: I simply did not know. Moreover, despite a niggling curiosity, nor did I really care. After all, who would? This, it must be admitted, was a fairly inauspicious start. However, given that I have now spent five years thinking about the issues raised, it was also quite fitting. The question “what is a control?” certainly proved me wrong. Indeed, continuing to beguile, it has demonstrated itself to be one that should be given considerable attention. Although rooted in this very personal episode, the opportunity to undertake this research would not have been possible without the help and support of numerous individuals and institutions.

I must firstly thank both Richard Whiting and Owen Hartley for their invaluable guidance throughout the research process. Their encouragement, coupled with Richard’s patience in considering my many drafts, has helped to make this thesis what it is. My personal debt to each is matched by a practical one to the AHRC, the University of Leeds and the Economic History Society for having made this project financially possible. I am equally grateful for the kind help given to me by numerous staff at the Brotherton library, the Bodleian Library, the British Library of Political and Economic Science, the Conservative and Labour Party Archives, the National Archives and the University of Sussex’s special collections. It is they who have allowed this research to become more than an idea. Of course, a special mention is reserved for the family of Ely Devons. Without them, and especially David, my understanding of this topic would have remained that of a curious outsider.

On a similarly personal level, I would also like to thank all of those at the University of Leeds who have helped me to appreciate the irrationality of administration and encouraged me to keep asking “what is a control?”. My continued interest in this

question – and willingness to explore its many aspects – certainly owes a great deal to the many discussions that I have enjoyed with colleagues and in departmental seminars and colloquia. I am particularly grateful to all those who have attended the Historians’ Workshop, to everyone with whom I have shared the delights of P424 and to those who encouraged me to embrace uncertainty whilst in Beijing. It is they who have made this process worthwhile. In fact, Devons and Jewkes would not have provided better company. My patient (and geographically well-placed) family also deserve mention for having made this research logistically bearable. So, too, Rafe Hallett, Will Jackson and Kevin Linch for encouraging me to apply my curiosity into other spheres. The last words are, however, reserved for Jennifer Fellows – without her support and inspiration, none of this would have been possible.

Abstract

This thesis uses a detailed study of industrial economic controls to examine the broader relationship between popular politics and economic policy in Britain between 1945 and 1955. Combining the personal insights of administrators with a high level intellectual history, it begins by analysing the relationship between controls and attempts to manage the economy during and after the Second World War. After tracing these developments in administration and usage, it will demonstrate that the ambiguous nature of individual controls allowed for the system as a whole to be used as a symbolic device within an intensely political debate. Indeed, far from raising entirely technical questions, it will show that controls were able to reduce complex economics into a simple form and provide a tangible link between everyday economics and potent philosophical critiques. They were, in this sense, able to symbolise both administrative inefficiencies and a rhetorical ‘choice between two ways of life’. Nevertheless, acknowledging the inherent artificiality of a debate that had imbued individual controls with an undue sense of significance, it will be argued that this discussion testified to certain shared ‘high level’ assumptions and did little to clarify confusions within the system. Thus, although the debates could be politically advantageous in the short term, it will be shown that they made little difference to the actual mechanisms of control and served to entrench barriers between the public and policy formers to which all were ostensibly dedicated to overcome.

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Abbreviations

ACP	Conservative Party Advisory Committee on Policy
BIPO	British Institute of Public Opinion (Gallup Poll)
BAC	British Aluminium Company
BBC	British Broadcasting Corporation
BMC	British Metal Corporation
CC	Co-ordinating Committee of the Departmental Examinations into Controls
CCO	Conservative Central Office
CE	Controls and Efficiency Committee
CEC	Committee on Economic Controls
CEIS	Central Economic Information Service
CEPS	Central Economic Planning Service
CIPC	Conservative Party Industrial Policy Committee
COI	Central Office of Information
CPA	Conservative Party Archives
CPC	Conservative Political Centre
CRD	Conservative Research Department
CSO	Central Statistical Office
DDGstatsP	Ministry of Aircraft Production Directorate of Statistics and Planning
DR55	Defence Regulation 55
EC	Working Party on Economic Controls

EC(S)	Economic Section
ED	Official Steering Committee on Economic Development
EIU	Economic Information Unit
ELC	Emergency Legislation Committee
EL(EC)	ELC Working Party on Economic Controls
EOWG	Economic Organisation Working Group
EPB	Economic Planning Board
FBI	Federation of British Industries
GOC	Government Organisation Committee
GPC	Working Party on Government Purchases and Controls
HMSO	His/Her Majesty's Stationary Office
IEA	Institute for Economic Affairs
IH	Home Information Service
IPC	Investment Programmes Committee
LPA	Labour Party Archives
LP(I)	Lord President's Industrial Subcommittee
LPRD	Labour Party Research Department
LSE	London School of Economics and Political Science
MAP	Ministry of Aircraft Planning
MFP	Ministry of Fuel and Power
M-O	Mass Observation
MOI	Ministry of Information
NEC	Labour Party National Executive Committee
NFRB	New Fabian Research Bureau
NFY	The Next Five Years Group

NIB	National Investment Board
OC	Official Committee on Control
PEP	Political and Economic Planning
PORD	Conservative Party Public Opinion Research Department
PWPC	Conservative Party Post-War Problems Consultative Committee
RAF	Royal Air Force
R(OI)	Minister of Reconstruction's Organisation of Industry Subcommittee
SCG	Socialist Clarity Group
<i>TLS</i>	<i>The Times Literary Supplement</i>
TNA	The National Archives
TUC	Trade Unions' Congress
VE Day	Victory in Europe Day

Introduction

Understanding Economic Controls

The number of materials which sooner or later came under some form of government control during the Second World War ran into the many hundreds, and no single volume, or indeed series of volumes, could fully set out the history of these controls.

Joel Hurstfield, *The Control of Raw Materials* (London, 1953), p. xiii.

There [exists] a terrifying mass of original documents, and there are thousands of people who actually took part in the performance, each with his own ideas of how, when and why things happened ... How much easier it will be for some future historian to rewrite it all when the events can be viewed in dispassionate perspective, when mice have eaten some of the files, and when none of those who were alive at the time are there to point out the distant connection between what was written on the official files and what actually happened.

Ely Devons, 'The Control of Raw Materials', *Journal of the Royal Statistical Society*, 116:4 (1953), 466-7 (p. 466).

This thesis owes its existence to ambiguity. Although it is explicitly focused on the political economy of those controls enforced by the state in the decade after 1945, it will become apparent that this is a subject mired in misunderstanding and one that is not easy to categorise. The history of such controls, it will be argued, is one of uncertainty. This conclusion was perhaps inevitable. After all, the thesis is ostensibly an attempt to produce for the post-war period what Joel Hurstfield declared was impossible for that preceding it. His contention that the system's complexity rendered a full history of controls impossible is given more weight by the fact that he had been commissioned by the government to do just that.¹ His was not the only warning. John Jewkes, who had helped to create many of the restrictions and later became one of their most vocal critics, was equally adamant that 'no pen could fully describe and no mind could wholly grasp the vast mesh of controls' enforced in the years after the Second World War.² Charged with doing so in 1947, David Butt, a Whitehall economist who had briefly worked with Jewkes in wartime, similarly

¹ Joel Hurstfield, *The Control of Raw Materials* (London, 1953), p. xiii.

² John Jewkes, *Ordeal by Planning* (London, 1948), p. 217.

conceded that his task was impossible given that ‘any precise account could fill a volume’.³ Three and a half years later, when he tried to do so again, he conceded that he had been doomed to failure because there was simply ‘no obvious definition of the term “control”’.⁴ It was for this reason that Ely Devons, who had gained an intricate knowledge of the system as Jewkes’ wartime protégé, maintained that no attempt to replicate it would be able to capture its inherent intangibility.⁵ This study does not intend to disprove such claims. Instead, as the work of a future historian in the dispassionate mould envisaged by Devons, it will offer a more reflective view that seeks to examine the implications of this complexity for post-war planning and draw out what he referred to as ‘the distant connection between what was written on the official files and what actually happened’.⁶ The reason for doing so requires some explanation.

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Given that the term ‘controls’ has been the source of such confusion, it is first necessary to set out the parameters of this study by defining how it has employed the word. At a basic level, a control can be understood as an administrative instrument that allows a degree of regulation over economic activity that would be impossible without its existence. Most of the measures considered within this thesis owed their being to the Second World War. Some were conceived as a means to focus production upon those industries which were most vital for the war effort. Others were used to ensure that materials were distributed carefully so as to manage shortages and counter the threat of inflation. The scale of the apparatus was impressive. Indeed, by 1945, thousands of bespoke schemes were being enforced by 687 separate Defence Regulations. Yet, as will be seen, the actual development of such measures had been relatively unplanned and almost all were designed piecemeal to meet immediate crises. Very rarely were they understood to be anything more than

³ Kew, The National Archives (TNA), T 230/319, Butt, ‘Controls’, 22 May 1947, p. 1.

⁴ TNA, T 230/340, Butt, ‘Controls in the United Kingdom’, 17 Jan 1951, p. 1.

⁵ Ely Devons, ‘The Control of Raw Materials’, *Journal of the Royal Statistical Society*, 116:4 (1953), 466-7 (p. 466); ‘Economic Planning in War and Peace’, *The Manchester School of Economic and Social Studies (The Manchester School)*, 16:1 (1948), 1-28 (p. 1) and *Planning in Practice: Essays in Aircraft Planning in Wartime* (Cambridge, 1950), pp. 1-15.

⁶ Devons, ‘The Control of Raw Materials’, p. 466.

temporary expedients and very often their administration was far from rational. Many wartime controls would, however, be maintained well after 1945 to complement indirect fiscal and monetary measures. Still used to direct resources in accordance with certain defined priorities, they also became linked with broader attempts to plan economic development.⁷ The most visible controls were undoubtedly those covering consumer goods and these restrictions remain ubiquitous within studies of the period as a result.⁸ The history of such controls is important, especially from a social perspective. Nonetheless, consumer coupons formed only the tip of an iceberg. They were, in essence, the very last stage in an administrative process that was otherwise hidden from view. Moreover, as measures deliberately designed to ration goods that had already been produced, they played very little part in the actual planning of production, or decisions surrounding the definition of priorities. For this reason, the research underpinning this thesis has consciously focused upon the study of industrial controls.

This decision comes with its own qualifications. Most obviously, the nature of any market-based economic system – even one which includes a degree of state intervention – renders an entirely binary distinction between consumer and industrial controls unworkable as each implicitly impacts upon the other. Moreover, even if the former are artificially excluded, one can still include a range of instruments under the somewhat obtuse title of the latter. During the period in question, there were, for instance, restrictions covering imports and currency exchange, environmental planning controls covering the distribution of industry, statutory instruments setting maximum and minimum prices for certain raw and semi-finished materials, an export licensing system which aimed to promote production in particular sectors, direct allocation schemes covering fuel and basic raw materials, a quota-based permit system that limited the production of most manufactured goods, so-called ‘ring-

⁷ G.D.N. Worswick, ‘Direct Controls’, in *The British Economy 1945-1950*, eds G.D.N. Worswick and P. Ady (Oxford, 1952), pp. 278-312 (p. 278).

⁸ Paul Addison, *No Turning Back: The Peaceful Revolutions of Post-War Britain* (Oxford, 2010), pp. 20-23; Susan Cooper, ‘Snoek Piquante’, in *Age of Austerity*, eds M. Sissons and P. French (London, 1963), pp. 33-54; Geoffrey Fry, *The Politics of Decline* (Basingstoke, 2005), pp. 99-113; Peter Hennessy, *Having It So Good: Britain in the Fifties* (London, 2007), pp. 8-10; David Kynaston, *Austerity Britain, 1945-1951* (London, 2007), ch. 4; K.O. Morgan, *Britain since 1945: The People’s Peace* (Oxford, 2001), pp. 76-93 and Ina Zweiniger-Bargielowska, *Austerity in Britain: Rationing, Controls and Consumption, 1939-55* (Oxford, 2000), chs 2 and 4.

fence' restrictions prohibiting some employees from leaving the workforce, a licensing system covering capital investment, not to mention short-lived controls over building materials and machine tools.⁹ This study remains focused upon the most direct of these measures and will primarily consider those relating to the licensing and allocation of materials. Nevertheless, befitting the focus on uncertainty, it will be stressed that such distinctions were only rarely drawn in practice and shown that the word 'Control' with a capital 'C' was also used to refer directly to those organisations responsible for administering individual regulations.¹⁰ As Butt noted in January 1951, the situation was muddled further by the fact that a myriad of more established processes – not least taxation and monetary policy – could also legitimately 'be called controls over the freedom of the economy'.¹¹ With this semantic confusion most pronounced within political debates over the system, the thesis has (whilst avoiding budgetary and monetary means) adopted a broad definition of a control as a physical measure applied directly to a particular sector, or an individual firm, for a particular purpose by either the state or an autonomous organisation acting on its behalf.

The reason for choosing to focus on such controls can be traced back to their very intangibility. From a purely economic perspective, developments with the apparatus and the difficulties inherent within its administration have been well charted within a vast secondary literature focused on Britain's economic policy during the 1940s and 1950s. Tied into a history of economic planning, it has been well established, not least by Christopher Dow and Alec Cairncross, two more former economic advisors, that there was a broad move towards a less 'hands-on' approach during this period.¹² Over the past two decades this interest has continued with Stephen Brooke, Martin Chick, Scott Kelly, Neil Rollings, Keir Thorpe, Jim Tomlinson and Richard Toye amongst those contributing to a debate that has become inextricably wound up in

⁹ Alec Cairncross, *Years of Recovery: British Economic Policy 1945-51* (London, 1985), p. 334 and Worswick, 'Direct Controls', p. 280.

¹⁰ See below, p. 59.

¹¹ TNA, T 230/340, Butt, 'Controls in the United Kingdom', p. 1.

¹² Cairncross, *Years of Recovery*, p. 343 and J.C.R. Dow, *The Management of the British Economy 1945-60* (Cambridge, 1964), p. 168.

wider discussions regarding consensus and modernisation.¹³ Politically, too, controls have been heavily referenced in broader histories as examples of an austere economic reality that stood at odds with popular expectations of peace.¹⁴ Yet, for all of this notable interest, their longer term administration and development has been surprisingly under researched and few distinctions have been drawn between strategic controls related to economic development and those applied to meet specific market conditions. Their political significance remains similarly unclear, with competing narratives of controls as either the necessary precursors to economic rationalisation, electoral liabilities, evidence of an excessive and almost authoritarian interference, or the insignificant remnants of a system to which all were committed to reform. Moreover, not only have recent studies questioned the veracity of the link between control and planning, but a consumer-orientated view of their politics can only ever go some way towards explaining the apparent significance of a system that's eventual reform was, as *The Economist* wryly noted, 'felt with most relief by the businessman'.¹⁵ Following Devons' logic, these failings might reasonably be explained by the fact that each of those involved in the development of the system had their 'own ideas of how, when and why things happened'.¹⁶ As a result, they provide a clear opportunity for deeper interrogation.

¹³ Alan Booth, 'The "Keynesian Revolution" in Economic Policy-Making', *Economic History Review*, 36 (1983), 103-123; Stephen Brooke, 'Problems of "Socialist Planning": Evan Durbin and the Labour Government of 1945', *The Historical Journal*, 34:3 (1991), 687-702; Martin Chick, *Industrial Policy in Britain, 1945-1951: Economic Planning, Nationalisation and the Labour Governments* (Cambridge, 1998), ch. 3; Scott Kelly, *The Myth of Mr Butskell: The Politics of British Economic Policy, 1950-55* (Aldershot, 2002), ch. 5; Keith Middlemas, *Power, Competition and the State, Vol. 1 Britain in Search of Balance* (Basingstoke, 1986), p. 117; Neil Rollings, 'Poor Mr Butskell: A Short Life Wrecked by Schizophrenia?', *Twentieth Century British History*, 5:2 (1994), 183-205; Keir M. Thorpe, "'Statistical Floodlighting"? The Unpublished Economic Surveys 1946-7', *Contemporary British History*, 11:4 (1997), 86-111; Jim Tomlinson, *Democratic Socialism and Economic Policy: The Attlee Years, 1945-51* (Cambridge, 2002), chs 4 and 6; Richard Toye, *The Labour Party and the Planned Economy, 1931-51* (Woodbridge, 2003), ch. 9 and Ina Zweinger-Bargielowska, 'Consensus and Consumption: rationing, Austerity and Controls after the War', in *The Myth of Consensus: a New View on British History, 1945-1964*, eds H. Jones and M. Kandiah (Basingstoke, 1996), 79-96.

¹⁴ Addison, *No Turning Back*, pp. 12-20; Fry, *The Politics of Decline*, pp. 112-3; Hennessy, *Having It So Good*, p. 10; Morgan, *The People's Peace*, p. 68; Martin Pugh, *State and Society: a Social and Political History of Britain, 1870-1992* (London, 1999), p. 272 and Zweinger-Bargielowska, *Austerity in Britain*, chs 2 and 5.

¹⁵ *The Economist*, 13 Nov 1948.

¹⁶ Devons, 'The Control of Raw Materials', p. 466.

There were a variety of ways that this opportunity could have been approached. However, after beginning with a fairly narrow study of institutional development, it soon became clear that this research should not be distilled into an issue of administration, economic policy, ideology, or political manoeuvre. Thus, although this thesis will draw upon existing scholarship, it does not intend to follow such work into a cyclical debate about the extent to which developments were representative of a loosely-defined consensus, or indicative of any rigid ideological retreat. It does not even directly address the impact of industrial controls on everyday life. Not only have such issues been dealt with in detail elsewhere, but the parameters within which they occur can be brought into question for constructing an almost ahistorical version of events.¹⁷ Most importantly, in maintaining a focus upon the broader meaning attributed to controls, much of this scholarship has simply overlooked the controls themselves and ignored a reality that was, in the words of Rollings, ‘more complex and ambiguous than that often presented’.¹⁸ By using its subject matter as a point of focus through which to examine a broader relationship between economic policy and popular politics, this thesis aims to examine how this reality interacted with an illusion that had continued to shape our understanding of controls. Indeed, despite numerous practical uncertainties, it will be shown that these regulations were able to become rhetorical symbols that reduced complex economics into a simple form and translated mundane grumbles into potent philosophical critiques. This process, like the system itself, was complex and interactive with abstract debates played out within the same sphere as practical investigations and against an unforgiving economic landscape that raised its own political questions; its history is all the more intriguing as a consequence. As a result, though deliberately concerned with a specific issue, the thesis has adopted a broad definition of ‘political economy’ and views it as representing the complex interactions between that which is economic

¹⁷ Martin Francis, ‘Economics and Ethics: The Nature of Labour’s Socialism, 1945-51’, *Twentieth Century British History*, 61 (1995), 220-4; Henry Irving, ‘A Retreat from Socialism? Labour and the Bonfire of Controls’ (unpublished MA thesis, University of Leeds, 2009), ch. 1; Ben Jackson, ‘Revisionism Reconsidered: “Property-Owning Democracy” and Egalitarian Strategy in Post-War Britain’, *Twentieth Century British History*, 16:4 (2005), 416-440 (p. 417) and Neil Rollings, “‘The Reichstag Method of Governing’? The Attlee Government and Permanent Economic Controls’, in *Labour Governments and Private Industry: Experience of 1945-51*, eds N. Rollings, H. Mercer and J. Tomlinson (Edinburgh, 1992), pp. 15-37.

¹⁸ Neil Rollings, ‘Butskellism, the Postwar Consensus and the Managed Economy’, in *The Myth of Consensus: New Views on British History, 1945-64*, eds H. Jones and M. Kandiah (Basingstoke, 1996), pp. 97-119 (p. 112).

and that which is political. Before setting out how this will be achieved in practice, it is worth dwelling briefly on the analytical framework that has shaped this approach.

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With its focus on the construction of issues, perception, rhetoric and complexity, this thesis obviously draws upon a growing body of so-called ‘New Political History’ that has sought to advance traditional scholarship by examining the interaction between politics and other spheres.¹⁹ Nonetheless, it has consciously sought to combine this with what might be deigned a ‘high political’ approach. At first glance this might seem to be at odds with an awareness of a broader meaning of politics. Not only is such an approach now fairly unfashionable, but any attempt to reconstruct high level debates, let alone successfully reconcile them with popular politics, is acknowledged to be fraught with practical difficulties.²⁰ Even so, it has become increasingly recognised that the two approaches need not be mutually exclusive and that an understanding of each can allow for a more nuanced historical analysis.²¹ Such a perspective is employed here for two main reasons. Firstly, having heeded Devons’ warning about the disconnection between real and remembered practice, a critical examination of the interaction between different actors is used to provide an important insight into the administration of individual controls. As will be seen, this has shown that decisions taken within the system could have far more impact than

¹⁹ Through a measured adoption of cultural historical methods, this ‘New Political History’ has tended to focus on the importance of identity and rhetoric in understanding the interaction between the political and public spheres. For a fuller definition, see: Dror Wahrman, ‘The New Political History: A Review Essay’, *Social History*, 21:3 (1996), 343-354; Steven Fielding, ‘Looking for the New Political History’, *Journal of Contemporary History*, 42:3 (2007), 515-524 and Jon Lawrence, *Electing our Masters: The Hustings and British Politics from Hogarth to Blair* (Oxford, 2009), p. 8.

²⁰ Laura Beers, ‘Whose Opinion?: Changing Attitudes Towards Opinion Polling in British Politics, 1937-1964’, *Twentieth Century British History*, 17:2 (2006), 177-205; David M. Craig, “‘High Politics’ and the ‘New Political History’”, *The Historical Journal*, 53:2 (2010), 453-475 (pp. 462-3); Robert Crowcroft, ‘Maurice Cowling and the Writing of British History’, *Contemporary British History*, 22:2 (2008), 279-86; W.J.M. Mackenzie, *Explorations in Government: Collected Papers, 1951-1968* (London, 1975), pp. 17-30; Michael Oakeshott, *The Politics of Faith and the Politics of Scepticism* (London, 1996), p. xviii and Philip Williamson, ‘Maurice Cowling and Modern British Political History’, *Philosophy, Politics and Religion in British Democracy*, eds R. Crowcroft, S.J.D. Green and R.C. Whiting (London, 2010), pp. 108-152 (p. 113).

²¹ Craig, “‘High’ and ‘New Political History’”, pp. 456-7; Jon Lawrence, *Speaking for the People: Party, Language and Popular Politics in England, 1867-1914* (Cambridge, 1998), p. 63; Susan Pederson, ‘What is Political History Now?’, in *What is History Now?*, ed. D. Cannadine (Basingstoke, 2004), p. 42 and Williamson, ‘Maurice Cowling and Modern British Political History’, p. 108.

those taken from above. Secondly, it allows for more attention to be paid to the academic discussion which helped to inform the intellectual climate. This is undoubtedly to have focused upon a relatively small number of policy formers. But, given that many of those who would provide intellectual critiques of the controls system had also been involved in its formation, it allows both a conceptual and a practical understanding of the issues at stake. As was stressed by the Conservative MP Richard Law, about whom more will be written later, any other focus would ignore the fact that the term control often referred to the decisions taken by ‘a youngish university lecturer ... with no particular qualification for the task’.²² Furthermore, having explicitly acknowledged that such individuals formed just one small part of an interrelated – and often unpredictable – political and economic landscape, the most obvious contradictions have hopefully been avoided.

Quite fittingly, the decision to adopt this approach can be traced back to an almost accidental reading of Devons’ *Planning in Practice*. Devons, later the Robert Ottley Professor in Applied Economics at the Victoria University of Manchester, was a man for whom Law’s comments were particularly apt. Recruited to the wartime Central Economic Intelligence Service (CEIS) by Jewkes as a twenty six year old junior statistician, he had, after just four hectic years, worked his way to become the Ministry of Aircraft Production (MAP)’s Director of Statistics and Planning. His later career, cut short by an untimely death aged just fifty four, was less distinguished when viewed against conventional academic standards. Afflicted by doubt in his own ability and direction, some of his ideas were deliberately confrontational. Criticising Hurstfield’s text, for example, he questioned the ability to ever understand a system built upon individual relationships, noting that ‘All of the paraphernalia of planning [were] there ... but they flit across the page like phantoms’.²³ Nevertheless, drawing upon his experience and a playful scepticism that emulated F.M. Cornford’s cult *Microcosmographia Acaemica*, he sought to analyse the idiosyncrasies of administration as sites of political interaction and manoeuvre.²⁴ Amongst the most

²² Richard Law, *Return from Utopia* (London, 1950), p. 185.

²³ Devons, ‘The Control of Raw Materials’, pp. 466-7. Hurstfield conceded that a more fruitful approach – one that could be adopted by a future generation of historians – would have been to offer a detailed case study of an individual control, see: Hurstfield, *The Control of Raw Materials*, p. xiii.

²⁴ Ely Devons, ‘Managing an Organisation’, in *Papers on Planning and Economic Management*, ed A. Cairncross (Manchester, 1970), pp. 116-120 (p. 117). Despite setting out to ‘omit any consideration of

fruitful topics were those, like controls, that were relatively obscure and allowed for an analysis of the process of entanglement between ideas and their application.²⁵ This approach, the product of much cross-disciplinary collaboration and debate within faculty seminars, was never encapsulated within a single text. But, through his influence on more distinguished colleagues including Bill Mackenzie, Max Gluckman and Arthur Lewis, the ideas underpinning it helped to shape the study of politics, sociology and economics in Britain.²⁶ In the words of Cairncross, a friend and former MAP colleague, ‘To those who did not know him personally he was not a particularly significant figure ... [but he possessed] a rare integrity which gave him the aura of a prophet’.²⁷ Most importantly, it will be shown that the disparate papers remaining from their time together provide a fascinating insight into the questions that underpin this research and offer a potential bridge between its high and popular interests.

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Given that this thesis accepts the complexity and ambiguity of its subject matter, an awareness of its evidence base and structure is also crucial. Regarding the former, care has been taken to marry an analysis of key policy developments with detailed research into the policy making and presentational processes underpinning their being. Specific attention has been paid to the Conservative Party Research Department, its Labour counterpart and the intricate web of governmental committees charged with making sense of the system. This has, where possible, been complemented by evidence from the controls themselves. Such archival sources have been entwined with a wide-ranging survey of contemporaneous academic accounts

the effect of personalities’, this also emerges strongly in the highly personal *Planning in Practice*, ch. 8.

²⁵ Ely Devons, ‘The Role of the Economist in Public Affairs’, *Essays in Economics*, ed. E. Devons (London, 1956), pp. 33-46 (p. 34).

²⁶ A.H. Birch and R.N. Spann, ‘Mackenzie in Manchester’, in *W.J.M.M. Political Questions*, eds B. Chapman and A. Potter (Manchester, 1975), 1-24; Robert E. Goodwin, ‘The British Study of Politics’, *Oxford Handbook of British Politics*, ed. M. Flinders (Oxford, 2010), pp. 42-55 (p. 44); Max Gluckman and Ely Devons, eds, *Closed Systems and Open Minds: The Limits of Naivety in Social Anthropology* (Edinburgh, 1964), ch. 7 and Richard Rose, ed., *Studies in British Politics: A Reader in Political Sociology* (London, 1966), ch. 1 and 3.

²⁷ Alec Cairncross, ‘Ely Devons a Memoir’, in *Papers on Planning and Economic Management*, ed A. Cairncross (Manchester, 1970), pp. 1-16.

so as to allow for the analysis of the relationship between controls and planning as it would have been understood at the time.²⁸ The dense official histories of the Second World War produced under direction of Michael Postan and Keith Hancock in the decade or so after 1945, of which Hurstfield's *Control of Raw Materials* formed a part, and numerous shorter papers included within learned journals and edited collections have provided a particularly intriguing insight into the system as it was perceived by those working within it. Whilst this has been of use to the administrative element of this research, the preconceptions held by politicians and early social scientists have made the analysis of public opinion rather more difficult. Instead of claiming to have found an answer to this problem, the sources employed here – a loose mixture of quantitative polls, qualitative surveys, newspaper cuttings, anecdotal observations and records from discussion groups – deliberately emulate those that were used by contemporary actors. Although this means that any conclusions are necessarily tentative, it has allowed for an analysis of the interaction between their preconceptions and the actions taken thereon. The public relations aspect of this work has, lastly, been evidenced through the analysis of key policy statements, political publications, electoral ephemera and a range of more unusual sources including documentary film, posters and even physical exhibitions.

Regarding the structure, the following chapters are broadly thematic and – like the sources – reflect the different areas of research. To aid the reader, they have been grouped into two related parts. The first might be characterised as being broadly economic and will – as Hurstfield attempted – offer an overview of developments within the apparatus. Though it begins with a political overview, Chapter One attempts to establish a better understanding of controls' perceived significance by setting out the nature of their relationship with economic planning. After conducting something of a historiographical overview, it will do so from a primarily contextual perspective and seeks to determine contemporary understandings through a survey of interwar economic debates. Following this, Chapter Two will broadly trace the system's evolution between its wartime inception and 1947; Chapter Three will continue this story up until the point at which most controls had been removed in 1955. Both will combine the personal insights of administrators with a high level

²⁸ For a further discussion of the benefits and weaknesses of such an approach, see: Karl Popper, *The Open Society and its Enemies, Vol. II* (London, 1952), pp. 221 and 268-9.

intellectual history, changes in political thought and a survey of practical policy developments to determine the framework within which subsequent debates occurred. The second section is more overtly political and will show how controls were able to become sites of a broader debate. Chapter Four seeks to explain how these often intangible and hidden regulations became symbolic points of rhetorical differentiation by examining the links drawn between controls and fundamental questions regarding the role of the state. Analysing the translation of this debate to a wider audience, Chapter Five will then detail how such a narrow economic issue was able to practically fulfil such a role before determining the impact of continued uncertainty and the high political implications that this held. Having dissected each strand of research, the conclusion will combine the findings to offer its own understanding of the complex political economy of state controls during the transition from war to peace.

Chronologically, then, the study has avoided enforcing overly political boundaries and will instead span a ‘long’ transitional period covering the decade after 1945. The legacy of total war, this period was dominated by attempts to overcome a financial crisis, recurrent problems with the nation’s balance of payments and on-going shortages of material.²⁹ However, although nominally demarcated by the end of fighting in Europe in May 1945 and the evocations of affluence that followed the Conservative Party’s second post-war election victory in 1955, it would be a mistake to view these dates as immovable boundaries. This point is best illustrated by simply taking into consideration changes within the system of industrial controls. On the one hand, the apparatus was inaugurated in August 1939 and drew upon a conceptual framework that was rooted in earlier developments. Moreover, when the term is taken literally, the transition from war to peace began well before Victory in Europe (VE) Day, with detailed thoughts regarding the continued usage of such measures beginning in 1942. On the other hand, the remnants of the wartime system – the Defence Regulations that underpinned each restriction – were only annulled in 1958

²⁹ Alec Cairncross, *The British Economy Since 1945: Economic Policy and Performance, 1945-1990* (Oxford, 1992), pp. 99-107 and *Years of Recovery*, pp. 4-16; Dow, *The British Economy 1945-60*, pp. 13-65 and 70-9; Austin Robinson, ‘The Economic Problems of the Transition from War to Peace: 1945-49’, *Cambridge Journal of Economics*, 10:2 (1986), 165-185 (p. 169); Jim Tomlinson, ‘Marshall Aid and the “Shortage Economy” in Britain in the 1940s’, *Contemporary European History*, 9:1 (2000), 137-55 (pp. 139-40) and Zweiniger-Bargielowska, *Austerity in Britain*, pp. 218-20.

(though many of the specific controls had all but lapsed before this date). This is not to argue that there were no differences within the period. But, even when accepting the malleability of its boundaries, it is to stress a degree of continuity and to accept that any attempt at periodisation is somewhat arbitrary; the views of military, social, economic or political historians with a different point of focus would no doubt differ considerably. The obvious benefit of analysing a long transition is that it allows a comparative examination of the situation under both Labour and Conservative administrations. In doing so, it is hoped that this study can advance a historiography that has tended to view the 1951 General Election as a rigid point of change and has arguably distorted a political and economic reality that was less stable and less predetermined than is often presumed: a reality that *was* contested and within which the Conservatives were far from confident.³⁰

Whilst rejecting 1951 as an artificial division, the decision to use 1947 as the point of demarcation between Chapters Two and Three remains significant – not least because the year is often invoked as being both politically and economically decisive. Punctuated by severe snowfall, flooding and drought, a serious fuel shortage, a run on the pound, a dollar shortage and on-going struggles to attain national solvency, it was a year of unprecedented crisis that painfully highlighted the fragility of Britain's economic transition to peace and destroyed any hopes that this would be a short process.³¹ Thus, despite disagreeing about their inevitability, both Cairncross and Dow suggested that the crises of 1947 represented the distinct end of a phase and forced a 'reorientation of policy' towards raising production at all costs.³² Presented as the point at which any long term attempt to plan the economy was abandoned, this shift was later seized upon as evidence of a burgeoning consensus and the date is now often invoked as the point at which controls began to

³⁰ Vernon Bogdanor and Robert Skidelsky, eds, *The Age of Affluence, 1951-1964* (London, 1970), p. 7; Hennessy, *Having It So Good*, pp. 34-5; Kevin Jefferys, *Retreat from New Jerusalem: British Politics, 1951-1964* (Basingstoke, 1997), p. 7; Arthur Marwick, *British Society Since 1945* (London, 2003), p. xii; Morgan, *The People's Peace*, pp. 112-4; Pugh, *State and Society*, pp. 279-81; Anthony Seldon, *Churchill's Indian Summer: The Conservative Government, 1951-55* (London, 1981), pp. 54-5 and Zweiniger-Bargielowska, *Austerity in Britain*, pp.235-6.

³¹ Chick, *Industrial Policy*, p. 42; Roy Harrod, *And So It Goes On: Further Thoughts on Our Present Mismanagement* (London, 1951), p. 106; Morgan, *The People's Peace* (Oxford, 2001), pp. 70-1; Alex J. Robertson, *The Bleak Midwinter: 1947* (Manchester, 1987), ch. 7 and Tomlinson, *Democratic Socialism and Economic Policy*, p. 31.

³² Cairncross, *Years of Recovery*, p. 502 and Dow, *The British Economy 1945-60*, pp. 22-9.

be removed in earnest.³³ This thesis takes a slightly different approach. Drawing upon the more recent work of Chick, Rollings, Thorpe, Tomlinson and Toye, it will show that the events of 1947 sparked much theoretical deliberation, led to a thorough review of policy towards controls and were followed by a notable rationalisation of their administration.³⁴ Politically, it will also be demonstrated that an academic re-reading of the 1945 General Election, coupled with a pragmatic desire to translate economic arguments into popular appeals, led both Labour and the Conservatives to actively experiment in the field of public relations after this point, with both drawing heavily upon their stance towards controls. The history of 1947 was, therefore, far from representative of any simple point of retreat. Nonetheless, it will also be shown that the intermingling of political and economic ends, combined with the intensification of everyday hardships and a failure to address underlying confusions within the system, ensured that it was not a great move forward either. It was simply part of a story defined by uncertainty.

³³ Addison, *No Turning Back*, p. 18; Booth, 'The "Keynesian Revolution"', p. 121; Fry, *The Politics of Decline*, pp. 98-9; Morgan, *The People's Peace*, p. 69; Andrew Thorpe, *A History of the British Labour Party* (Basingstoke, 2008), p. 122 and Ina Zweiniger-Bargielowska, 'Rationing, Austerity and the Conservative Party Recovery after 1945', *The Historical Journal*, 37 (1994), 173-197 (p. 174).

³⁴ Chick, *Industrial Policy*, pp. 197-202; Rollings, "'The Reichstag Method'?", pp. 15-37; Tomlinson, *Democratic Socialism and Economic Policy*, p. 141; Toye, *Labour and the Planned Economy*, pp. 222-4 and Keir M. Thorpe, 'The Missing Pillar: Economic Planning and the Machinery of Government during the Labour Administrations 1945-51' (unpublished PhD thesis, University of London, 1999), pp. 76-8.

Chapter One

Planning and Economic Controls

The State must have a comprehensive economic policy ... [It] must possess and act upon a moving blueprint of the community's productive organisation. Where it does not operate it or control it, it must at least understand it and the factors and tendencies that work it. By this means it can use its own power to regulate where it does not own or operate.

Herbert Morrison, 'The State and Industry', in *Can Planning be Democratic?* (London, 1944), pp. 1-23 (pp. 21-2).

Economic planning is a much used and abused notion. The term is employed in different senses by different people; and the people who use it in any of these senses are frequently unclear as to its economic purpose and significance.

Maurice Dobb, 'Economic Planning and Planned Economies', in *Economics: Man and his Material Resources*, ed. W.A. Lewis (London, 1949), pp. 247-276 (p. 247).

This chapter will begin with a very political issue. On 23 July 1949, almost exactly four years after the results of the 1945 General Election had become known and Britain's first majority Labour Government took office, the Conservative Party launched a campaign for re-election with the publication of a detailed 68 page policy statement entitled *The Right Road for Britain*. The publication, which was accompanied by an abridged version, went on to sell over two million copies during the first three months of its release and formed the basis of the Conservatives' manifesto. Capturing the public mood, it described the party's main purpose as being to 'free the productive energies of the nation from the trammels of overbearing state control'.¹ That October, addressing an estimated 10 000 delegates seated in a packed Earl's Court Empress Hall, Winston Churchill presented the statement to the Conservative Party's Annual Conference. Echoing its prose, he used the occasion to accuse Labour of having insulted 'the rights and liberties of Englishmen' during their period in office.² As will be explored further in Chapter Four, this contention became a defining point of Churchill's approach during a lengthy election campaign.

¹ Conservative Central Office (CCO), *This is the Road: The Conservative and Unionist Party's Policy* (London, 1950), p. 22.

² *British Pathé*, UN 2187E, 'Tory Party Conference (Unused Material)', 14 Oct 1949 and *The Times*, 15 Oct 1949.

Speaking in front of a newsreel camera during a *Pathé* election address in early 1950, for instance, he again drew attention to the dangers of ‘regimentation’ when ‘everything is controlled by an all-powerful state’.³ The current administration, he argued during a radio address delivered on 21 January, had ‘glor[ied] in controls for controls sake’. In stark contrast, he promised that a successful Conservative government would strive to liberate the nation from this ‘definite evil’ by ‘setting the people free’.⁴

Churchill’s party would emerge from that election disappointed. As the final results were returned during the morning of the 24 February, it became clear that the Conservatives had failed to make a decisive breakthrough. Labour’s majority had been dramatically cut from 147 to 5, but Clement Attlee remained in Downing Street for a second term. On 25 October 1951, however, Britain went to the polls once again and, although the contest was somewhat overshadowed by events overseas, many of the earlier arguments continued to resonate. The Conservatives’ new policy statement, *Britain Strong and Free*, repeated the accusation that Labour had imposed ‘control for controls sake’ and claimed that this had ‘hobbled’ the nation’s ‘spirit of endeavour’.⁵ Echoing claims made in *The Right Road*, this latest electoral contest was portrayed by Churchill as a potential ‘turning point’ for a country now facing a path that was ‘fatal to individual freedom’. His self-produced manifesto, which he hoped would complement the party’s official effort, continued by calling for an immediate reduction of ‘multiplying orders and rules’.⁶ Throughout his party’s campaigning, the broad call to ‘set the people free’ integrated concepts of liberty with everyday fears: queues, shortages, continued rationing, housing problems, the rising cost of living and the failure to tackle the balance of payments deficit were all blamed upon inefficient ‘socialist’ and ‘overbearing’ controls.⁷ Nonetheless, it is also clear that most of these controls – that long list of material allocation schemes, production licences and export permits set out in the Introduction – had very little direct impact on everyday life. As will be seen in Chapters Four and Five, this point

³ *British Pathé*, 50/10, ‘Interview with the Rt. Hon. Winston Churchill’, 2 Feb 1950.

⁴ Martin Gilbert, *Winston S. Churchill Vol. 8 Never Despair 1945-1965* (London, 1988), p. 502.

⁵ CCO, *Britain Strong and Free* (London, 1951), pp. 3-4.

⁶ Winston Churchill, *The Manifesto of the Conservative and Unionist Party* (London, 1951), p. 6.

⁷ For examples: Oxford, Bodleian Library, Conservative Party Archive (CPA), PUB 146/1, ‘Home Truths’, Jul-Dec 1949.

was well-recognised within the Conservative Party itself.⁸ Their apparent significance could, therefore, be considered something of a paradox.

Thus, before turning to consider the evolution of government policy towards industrial controls during the long transition period, it is first necessary to understand why these instruments were so significant. This is all the more pressing given that Labour and the Conservatives were ostensibly committed to markedly similar objectives. Not only did both agree on the need to raise production and exports but, as will be seen, a process of decontrol had begun under Labour well before 1949. Moreover, the party had long declared – as Attlee stressed during a two day debate on the economic situation in February 1946 – that it was not in favour of ‘controls for their own sake’.⁹ Similarly, and despite the virulent rhetoric of opposition, the Conservatives Party’s 1950 manifesto had combined its call for liberty with the measured assertion that controls would not be removed over essential goods and services until they were ‘within the reach of *every* family and *each* individual’.¹⁰ Six years earlier, both parties had subscribed to the oft-referred 1944 *White Paper on Employment Policy* which committed them to some level of economic management and the retention of certain controls – encompassing a range of measures from consumer rationing to industrial licences – whilst ‘abnormal conditions’ remained.¹¹ The apparent disparity between the rhetorical illusion and economic reality of the debates surrounding controls underpins this thesis and provided the primary impetus for its research. The practical economic and administrative development of the controls system will, as noted in the Introduction, be explored in Chapters Two and Three whilst the more political aspects will be examined in the second part of the thesis. This chapter offers an initial link between each strand by examining the relationship between industrial controls and concepts of economic planning. Indeed, although maintaining a focus on the controls themselves, it will be shown that their development can only be fully understood in terms of this interrelationship. It begins with an introduction to the system itself.

⁸ See below, pp. 178-9.

⁹ *Hansard*, (House of Commons Parliamentary Debates) 5th ser., vol. 419, 27 Feb 1946, cc. 1951-1965.

¹⁰ CCO, *This is the Road*, p. 11 [emphasis added].

¹¹ HMSO, Cmd 6527, *Employment Policy* (London, 1944), pp. 8-9.

Those controls upon which this thesis is based were legally enforced by a wide-ranging Emergency Powers (Defence) Act that came into force on Thursday 24 August 1939, eight days before the German invasion of Poland. The Act enabled the formation of any subsequent Defence Regulation that was deemed:

necessary or expedient for securing the public safety, the defence of the realm, the maintenance of public order and the efficient prosecution of any war in which His Majesty may be engaged, and for maintaining supplies and services essential to the life of the community.¹²

Drawing upon experience gained during the latter stages of the First World War, it was confidently expected that any such conflict would necessitate a tight focus on real resources like manpower, fuel and munitions. So, although lacking specificity, enabling legislation for the creation of a ‘comprehensive and stringent’ programme of industrial controls was amongst the first measures pursued that September. Legally defined, and commonly referred to, as Defence Regulation 55 (DR55), this measure allowed the regulation and prohibition of industrial practices so as to focus production upon ‘essential work’.¹³ Its powers could be placed into two broad categories. The first – defined as being ‘negative’ – included those controls that restricted the effects of the price mechanism. The second – labelled as being ‘positive’ – were those measures that introduced new incentives.¹⁴ By the summer of 1940, following an intensification of the war effort which pulled almost 300 000 people into the civil service, the scale of this framework was such that the government had effectively become the primary producer, wholesaler, distributor and consumer of all raw materials.¹⁵ Crucially, this Act would provide the cornerstone for controls policy until 1958 and provides the legislative basis upon which this

¹² Emergency Powers (Defence) Bill, 2&3 Geo VI, 1939, f. 1.

¹³ H. Hartley, ‘British War Controls – The Legal Framework’, *The Manchester School of Economic and Social Studies (The Manchester School)*, 11:2 (1940), 163-76 (p. 167).

¹⁴ Kew, The National Archives (TNA), T 230/13, Robinson, ‘Pre-War and War-Time Controls over the Economic System’, 13 Dec 1941, p. 3.

¹⁵ G.C. Peden, *British Economic and Social Policy: Lloyd George to Margaret Thatcher* (Hemel Hempsted, 1991), pp. 120-127; D.N. Chester, ‘The Central Machinery for Economic Policy’, in *Lessons of the British War Economy*, ed. D.N. Chester (Cambridge, 1951), pp. 5-33 and ‘Machinery of Government and Planning’, in *The British Economy, 1945-50*, eds G.D.N. Worswick and P. Ady (Oxford, 1952), pp. 336-364.

thesis rests. Yet, of the many thousands of individual regulations that it legally enforced, the majority were temporary, many merely codified pre-war practice, a large number were overlapping, some were quite obviously unimportant in the longer term, and others were – even by the war’s end – obsolete.¹⁶ As such, the paradox of their wider significance remains unanswered.

Given that the economic importance of the various measures enacted by DR55 can be related specifically to their context, then their wider consequence should perhaps be understood in similar terms. It is, though, worth returning briefly to the Emergency Powers Act and, more specifically, DR55 first. Both, which regulated for the ‘control ... of any property or undertaking’ and defined the use of such in the general terms of ‘maintaining supplies and services essential to the life of the community’, were conspicuously sweeping in scope and imprecise in detail. Following a revision of the Emergency Powers Act in 1940, a change which enabled conscription of the ‘whole resources of the community’, *The Times* noted that the government had effectively taken ‘complete powers to order the life of the nation’.¹⁷ For Keith Hancock, the Australian historian who edited the series of post-war official histories that included Joel Hurstfield’s volume, this seemed an obvious case of the government asking for ‘too much power rather than discover[ing] later that it possessed too little’.¹⁸ Writing in an introductory volume on *The British War Economy* under the direction of the influential economic historian Michael Postan, he and his co-author Margaret Gowing, argued that this all-purpose approach was motivated by a desire to avoid repeating the mistakes of the past; yet the decision can also be seen to have had a more important – if unforeseen – consequence on the future. For, as David Butt later realised, in legally enforcing such a diffuse and inherently subjective definition, the very term ‘controls’ was itself rendered open to interpretation.¹⁹ Its opacity ensured that, alongside the many irrelevant, obsolete and transitory restrictions that emerged after 1939, it was also possible to include powers relating to investment, the location of industry or external trade under its heading.

¹⁶ TNA, T 222/215, Woods to Bridges, 2 Dec 1948.

¹⁷ *The Times*, 23 May 1940.

¹⁸ W.K. Hancock and M.M. Gowing, *British War Economy* (London, 1949), pp. 85-6.

¹⁹ See above, p. 4.

Moreover, these – to use a similarly loose contemporary definition, ‘basic’ – controls were seen by many to be integral to the future of the British economy.

In the run up to their General Election victory in 1945, the Labour Party had confidently asserted its vision for this future. Echoing Herbert Morrison who had earlier called for ‘a comprehensive economic policy’, the party’s forward-facing manifesto declared that it intended to keep a ‘constructive hand on our whole productive machinery’ allowing a Labour government to ‘plan from the ground up’.²⁰ This, explained a more technically detailed pamphlet entitled *The Case for Nationalisation and Control*, would allow a Labour government to co-ordinate economic development and mitigate against uncertainty. Most importantly, it would do so through the guidance of industry – avoiding the need for total state ownership.²¹ As will be shown later in this chapter, their bold aim built upon earlier foundations. It had, though, only been formally adopted three years earlier when the party’s Annual Conference of 1942 accepted a resolution that pledged ‘that there must be no return after the war to an unplanned competitive society’.²² The ‘Planned Economic Democracy’ envisaged would, it was hoped, not only banish the ills of the interwar period but would provide the rational economic foundations for Britain to be remade as a ‘Socialist Commonwealth’. Basic controls, it was claimed, would enable the interests of ‘the community’ to be placed above those of ‘profiteers’ and allow for the ‘full and free development of every individual’ therein.²³ For Stephen Brooke and Richard Toye, who have each provided rigorous histories of the party and its relationship with planning in the period during and after the Second World War, this was the culmination of a process that had begun in 1931 and would ensure that the party was defined by this faith by the war’s end.²⁴

Although Brooke’s wartime study ends in 1945, and Toye’s with the election of 1951, it will be shown in Chapter Three that a faith in a form of planning remained a

²⁰ Labour Party, *Let Us Face the Future* (London, 1945), p. 4.

²¹ Labour Party, *The Case for Nationalisation and Control* (London, 1945), p. 18.

²² Labour Party, *Report of 41st Annual Conference* (London, 1942), p. 110.

²³ Labour Party, *Let Us Face the Future*, pp. 6-7

²⁴ Stephen Brooke, *Labour’s War: The Labour Party during the Second World War* (Oxford, 1992), p. 231 and Richard Toye, *The Labour Party and the Planned Economy, 1931-51* (Woodbridge, 2003), p. 154.

central component within Labour's thinking throughout the long transition. This drew upon the strong contextual argument for some level of intervention during a period of continued shortages and dislocation that cut across traditional political boundaries. The need to 'plan' the transition was, in fact, like the Emergency Powers Act, accepted across the political spectrum and had been formally written into the *Employment Policy* White Paper. Indeed, even when looking to the longer term, both Labour and the Conservatives had envisaged that a degree of continued state intervention would be needed to ensure economic stability and avoid the wasteful fluctuations of an entirely unregulated market.²⁵ Beyond this, and reflecting on the eventual evolution of the peacetime economy, a number of commentators have since argued that a policy of *more* deliberate planning could have better managed growth and avoided the so-called 'stop-go' development that is ubiquitous within declinist accounts of the 1950s.²⁶ Importantly, the malleability of the concept meant that a call for greater intervention could be applied to a variety of different ends. So, between the late 1930s and the late 1950s, it was variously argued that planning could banish unemployment, raise production, avoid inflation, promote stable development, modernise industry, ensure greater efficiency, rectify deficits in the nation's balance of payments, allow greater fairness, encourage popular participation in economic decisions – and safeguard fundamental freedoms. For the young Labour economist Evan Durbin, it was quite simply the 'intellectual religion' of his day.²⁷

Planning may have been an economic policy that held a great deal of political potential but it was also, as might already have been inferred from the brief glimpse at the Conservatives' campaigning in the 1950 and 1951 General Elections, a contested one. Despite seeming to offer a less direct alternative to nationalisation, for

²⁵ *Employment Policy*, pp. 9 and 26-28. See also: Alec Cairncross, *Years of Recovery: British Economic Policy 1945-51* (London, 1985), p. 15 and Keith Middlemas, *Power, Competition and the State: Vol I Britain in Search of Balance* (Basingstoke, 1986), pp. 91-2.

²⁶ Norman Macrae, *Sunshades in October: An Analysis of the Main Mistakes in British Economic Policy since the mid-1950s* (London, 1963), p. 16; Peter Oppenheimer, 'Muddling Through: The Economy 1951-64', in *The Age of Affluence, 1951-64*, eds V. Bogdanor and R. Skidelsky (London, 1970), pp. 117-67; Hugh Pemberton, 'Affluence, Relative Decline and the Treasury', in *An Affluent Society? Britain's Economic Golden Age Revisited*, eds L. Black and H. Pemberton (Aldershot, 2004), pp. 107-27 and G.D.N. Worswick, 'The British Economy 1950-1959', in *The British Economy in the Nineteen-Fifties*, eds G.D.N. Worswick and P. Ady (Oxford, 1962), pp. 1-75 (p. 72).

²⁷ Evan Durbin, 'The Nature of Economics', in *Problems of Economic Planning: Papers on Planning and Economics*, ed. E. Durbin (London, 1949), pp. 159-80 (p. 159).

some, at least, the idea of any degree of enforced planning simply reeked of totalitarianism. Thus, it was, according to the influential Conservative Party policy maker ‘Rab’ Butler, quite simply a ‘Reichstag method of government’.²⁸ Nonetheless, whilst adherents and detractors sought to position themselves accordingly, both groups saw that planning would rest on some form of control. Their conception of what form this would take was, during the immediate transition period, grounded in the practical experience gained after 1939. In the words of the independent-minded Labour MP Sir Stafford Cripps, the Emergency Powers Act offered a ‘proven system’ around which debates could be hung.²⁹ Thus, although it will be shown in Chapter Two that they did not represent an entirely suitable model, those controls legislated for by DR55 were presented as concrete examples of planning in action: examples of either a notable success or of an infringement of liberty that was unthinkable in times of peace. For Alec Cairncross, who was broadly sympathetic to a degree of intervention but would later criticise Labour for failing to move its vision beyond the retention of the wartime system, the two loosely-defined issues were presented as being essentially synonymous.³⁰ This linkage imbued economic controls – again loosely-defined – with an undue sense of ideological significance. It also ensured that they would remain important markers within mid-twentieth century political discourse. This process will be explored further in Chapter Four, but any such analysis must first be founded upon an economic understanding of planning itself.

-II-

In its simplest form, economic planning can be regarded as a three stage process. The first stage includes a survey of all available resources. The second requires the determination of an objective or set of priorities. The third, which was usually referred to as programming or secondary planning during the 1940s, regards the deliberate implementation of a policy or set of policies to achieve this aim.³¹ Leaving a fuller definition of programming to one side, it is generally accepted that planning

²⁸ *Hansard*, (H.C.Debs) 5th ser., vol. 480, 1 Nov 1950, c. 174.

²⁹ *The Guardian*, 21 May 1945.

³⁰ Alec Cairncross, *The British Economy Since 1945: Economic Policy and Performance, 1945-1990* (Oxford, 1992), pp. 46-7.

³¹ Alan Budd, *The Politics of Economic Planning* (London, 1978), p. 20.

as a broadly-defined whole relates to a future period, that it requires some form of action (it is, as opposed to simply forecasting or ‘management’, a deliberate attempt to attain a specified aim) and coherence (reliant upon decisions but implying that these are somehow integrated).³² Put simply, it may be regarded as an attempt to achieve certain economic ends through the conscious co-ordination of means.³³ But beyond this broad definition of ends and means, the concept is subject to numerous variables regarding its scope, intensity and flexibility.³⁴ It can be either ‘top-down’, ‘bottom-up’ or ‘two-way’; focused on either micro or macroeconomics; might or might not include direct intervention; and could have either a quantitative or qualitative objective.³⁵ The last point is particularly problematic. Indeed, although later studies would often emphasise the importance of economic growth – which Cairncross and Dow believed was the main difference between ‘planning’ and ‘management’ which merely implied stability – earlier invocations tended to emphasise economic stability and broader social benefits.³⁶ Moreover, its inherent duality ensures that economic planning is not simply an economic process. The principle might be regarded as ‘neutral’ but both the definition of objectives and the choice of techniques used require political choices that, in turn, complicate the relationship between each stage.³⁷

Planning’s heterogeneity can be seen as the predominant theme within an economic literature that has employed the term to refer variously to a broad spectrum of economic instruments, institutions, procedures and ideals. The lack of clarity even led the authors of a 1968 Political and Economic Planning (PEP) study into

³² Morris Bornstein, ‘Introduction’, in *Economic Planning, East and West*, ed. M. Bornstein (Cambridge Mass., 1975), pp. 1-19 (p. 2).

³³ John Corina, *Incomes Policy – Problems and Proposals. Part II: The Development of Incomes Policy* (London, 1966), p. 6 and W.J.M. Mackenzie and J.W. Grove, *Central Administration in Britain* (London, 1957), p. 355.

³⁴ Bornstein, ‘Introduction’, pp. 3-9.

³⁵ Bornstein, ‘Introduction’, p. 1; Budd, *The Politics of Economic Planning*, p. 13; Martin Cave and Paul Hare, *Alternative Approaches to Economic Planning* (London, 1981), p. 15; Jacques Leruez, *Economic Planning and Politics in Britain* (London, 1975), p. 30 and G. Denton, M. Forsyth and M. MacLennan (PEP), *Economic Planning Policies in Britain, France and Germany* (London, 1968), p. 25.

³⁶ Maurice Dobb, ‘Economic Planning and Planned Economies’, in *Economics: Man and his Material Resources*, ed. W.A. Lewis (London, 1949), pp. 247- 276 (p. 248).

³⁷ Budd, *The Politics of Economic Planning*, p. 16; Dobb, ‘Economic Planning and Planned Economies’, pp. 248-50 and Leruez, *Economic Planning*, pp. 29-30.

Economic Planning and Policies to declare – despite their institutional identity, not to mention the title of their book – that they would simply avoid using the word wherever possible.³⁸ A decade before the PEP report, and in a sentence that was later echoed by it, Ely Devons noted that the term ‘has ... acquired so many different possible meanings that it tends more to confuse than to clarify’; almost two decades later, the French economist Jacques Leruez, himself influenced by Devons’ work, concluded that his study was also hindered by the continued inability of policy makers to define what planning actually meant or how it might be realised.³⁹ A similar tone can be detected in an earlier effort by the Treasury to put the actions of the 1945 Labour government into their historical context. Their secret study into ‘Long Term Economic Planning’, begun in 1962 as part of the Historical Memoranda series, noted that planning ‘could be considered to cover the whole range of economic policy’ and that it was not easy to separate it from any other form of ‘government action’.⁴⁰ The only area upon which most commentators agreed was that planning implied making deliberate – or *positive* – choices. Yet, somewhat ironically, given that they were often conflated or viewed as synonymous, this leaves the relationship between planning and controls, or even the proper definition of the latter, unclear.⁴¹

Those economists writing in the late 1960s and 70s were clear that an ‘administrative’, ‘total’ or ‘command’ model of planning would rely on certain direct instruments. In this sense, planning was taken to mean that goods and services would be directed from the centre via ‘vertical’ controls over individual industries. Tending towards the allocation of raw materials, these would cover each development within the supply chain and direct materials from their input to their eventual end use.⁴² However, although it is maintained that the relationship between the control of materials and end products was never fully resolved, British wartime planning had tended towards negative ‘horizontal’ controls. Administered by decentralised agents

³⁸ PEP, *Economic Planning Policies*, p. 25.

³⁹ PEP, *Economic Planning Policies*, p. 84; Ely Devons, ‘Price and Administrative Economic Systems’, in *Papers on Planning and Economic Management*, ed A. Cairncross (Manchester, 1970), pp. 102-9 (p. 103) and Leruez, *Economic Planning*, p. 280.

⁴⁰ TNA, T 267/11, Ogilvy-Welsh, ‘Long-Term Economic Planning: Vol I 1945-51’, Treasury Historic Memoranda, 7, Apr 1964, p. 1.

⁴¹ Leruez, *Economic Planning*, p. 31.

⁴² John Bennett, *The Economic Theory of Central Planning* (Oxford, 1989), p. 9.

and cutting across different industrial sectors, these covered particular stages within the supply chain by restricting the flow of materials through systems of licensing and compulsory purchase.⁴³ More differences emerge when one considers these mechanisms in more detail. Indeed, although the majority of such restrictions should be regarded as negative controls, the theorists maintained that planning as a purposive method had to include a degree of positive inducement.⁴⁴ This was not seen to preclude the use of physical controls as a method of compulsion, but it continues to confound our understanding of what constitutes a control. To complicate matters further, many writers also maintained that direct controls could also be used in unplanned ‘economic management’ whilst maintaining that an ‘indicative’ version of planning *could* be attained without any physical controls at all. Indeed, it was widely held that most Western European attempts to plan economic developments had focused merely upon the manipulation of the macroeconomic environment and the sharing of information: actions which were more usually described in managerial terms.⁴⁵

For an earlier generation of economists writing in the 1940s and 1950s, many of whom had witnessed wartime and post-war planning at first hand, the situation was arguably even more complex. The rhetorical link between planning and controls later identified by the likes of Cairncross was again well versed. Writing in his Penguin Special on post-war economic policy, for example, Andrew Schonfield noted that controls were ‘the very stuff of economic planning’.⁴⁶ According to Sir Oliver Franks, reflecting on his own experience as a temporary administrator in the wartime Ministry of Supply during a series of lectures organised by the University of London, controls were needed throughout the planning process to ensure that statistics were collected, that objectives were defined and that such aims were enforced.⁴⁷ They were, according to a lengthy reference paper produced by the Treasury’s Information

⁴³ Joel Hurstfield, *The Control of Raw Materials* (London, 1953), p. 72.

⁴⁴ J.C.R. Dow, *The Management of the British Economy, 1945-60* (Cambridge, 1964), p. 2 and TNA, T 267/11, ‘Long-Term Economic Planning’, p. 4.

⁴⁵ Bornstein, ‘Introduction’, p. 9; Alec Cairncross, *Essays in Economic Management* (London, 1971), pp. 49-56; Cave and Hare, *Alternative Approaches to Economic Planning*, pp. 135-141 and Claude Sibel, ‘Planning in France’, in *Economic Planning, East and West*, ed. M. Bornstein (Cambridge Mass., 1975), pp. 153-182.

⁴⁶ Andrew Schonfield, *British Economic Policy Since the War* (London, 1958), p. 168.

⁴⁷ Oliver Franks, *Central Planning and Control in War and Peace* (London, 1947), p. 13.

Division in March 1951, designed to ‘influence economic activities ... [by] matching claims and resources in accordance with certain overall objectives of policy’.⁴⁸ But, as recognised by the Marxist Cambridge Economist Maurice Dobb, who had spent the Second World War authoring a series of books on life in the USSR, this role could ‘vary considerably both in breadth and depth’.⁴⁹ Others were still less forgiving and the exact relationship was increasingly questioned as Britain moved into the 1950s. Edwin Plowden, for instance, a former industrialist who held the auspicious title of Chief Planning Officer between 1947 and 1953, was adamant that both concepts had lost most of their economic meaning and maintained that planning could probably be applied to include ‘most, if not all, of the [economic systems] operating in most Western countries today’.⁵⁰ This scepticism was matched by an increasing acceptance that the task of economic control was far from simple. Thus, if a control-based vision of planning had been an ‘intellectual religion’ in 1945, it had according to Leruez, later struggled ‘against [a] rise of fresh orthodoxies and declining members of the faithful’.⁵¹

Having witnessed the realities of wartime planning at the Ministry of Aircraft Production (MAP), Ely Devons was – to continue with the religious metaphor – another notable heretic. Questioning the assumed synonymy between planning and controls, his characteristically playful writing invoked a disparity between economic theory and administrative reality. This, like Franks, clearly drew upon practical experience. But, unlike his former colleague, it also included a much more abstract understanding of the system. Planning was, for Devons, not a pure science but a question of political choice that rested upon a series of myths.⁵² It was, he argued, akin to ‘magic in a primitive society’ in that it was used to ‘dress up uncertainties’ and justify human decisions about which there was no rational basis for action.⁵³

⁴⁸ TNA, T 229/267, Leslie, ‘Reference Paper on Economic Controls’, 22 Mar 1951, p. 1.

⁴⁹ Dobb, ‘Economic Planning and Planned Economies’, p. 252.

⁵⁰ TNA, T 230/323, Plowden, ‘Economic Planning’, 10 Jun 1953, p. 1. See also: Gunnar Myrdal, ‘The Trend Towards Economic Planning’, *The Manchester School*, 19:1 (1951), 1-42 and Thomas Wilson, ‘Changing Tendencies in Socialist Thought’, *Lloyds Bank Review*, 41 (1956), 1-22.

⁵¹ Leruez, *Economic Planning and Politics in Britain*, p. 280.

⁵² Ely Devons, ‘Applied Economics – The Application of What?’, in *Essays in Economics*, ed. E. Devons (London, 1961), pp. 13-32 (p.13) and T. Wilson, ‘Private Enterprise and the Theory of Value’, *The Manchester School*, 16:2 (1948), 156-191 (p. 165). See also: Alec Cairncross, *Economics and Economic Policy* (Oxford, 1986), p. 84.

⁵³ Ely Devons, ‘Statistics as a Basis for Policy’, *Lloyds Bank Review*, 33 (1954), 30-43 (p. 42).

Within this colourful framework, the system of controls was presented as having become an emotive myth that endorsed a view that government intervention *could* ensure economic rationality.⁵⁴ In a significant, if underdeveloped, aside, Jim Tomlinson has claimed that such views were ‘exceptional’ during this period for being focused upon failings rather than possibilities.⁵⁵ However, although few were able to encapsulate an argument so vividly, Devons was not the only economist to express such cynicism. Some interventions, like those made by John Jewkes and the former member of the Prime Minister’s Statistical Service (PMSS) Roy Harrod, were obviously polemical. Nonetheless, as was argued by ‘Ronnie’ Tress, another of Devons’ former colleagues and a co-contributor to the *Manchester School of Economic and Social Studies*, even this provided evidence that planning had been oversimplified and its relationship with controls undeveloped.⁵⁶ Thomas Wilson, another young statistician and former colleague, agreed and decried the fact that most economists had simply failed to inform what had soon become a highly political debate.⁵⁷ Indeed, although used by Tomlinson as an example of a more optimistic thought, it should not be forgotten that even Durbin’s religious assertion had drawn upon the blurred boundaries that existed between its economic and political components.⁵⁸

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Given the loose multiplicity of meaning, the potential for politicisation and the contentions outlined at the outset of this chapter, it should come as no surprise that economic planning has been the subject of some notable historical attention. Though some of this work has remained fairly economic in its analysis, a number of historians have – like Toye and Tomlinson – also examined the political dimension and a distinctive planning literature now sits alongside numerous broader studies of Labour and Conservative policies during this period. Despite some obvious

⁵⁴ Ely Devons, ‘Economic Planning in War and Peace’, pp. 11-12 and 25-28.

⁵⁵ Jim Tomlinson, ‘Planning: Debates and Policy in the 1940s’, *Twentieth Century British History*, 3:2 (1992), 154-174 (p. 159).

⁵⁶ R.C. Tress, ‘The Practice of Economic Planning’, *The Manchester School*, 16:2 (May 1948), 192-213 (p. 202).

⁵⁷ T. Wilson, ‘Private Enterprise and the Theory of Value’, *The Manchester School*, 16:2 (May 1948), 165-191 (p. 165).

⁵⁸ Evan Durbin, ‘The Nature of Economics’, p. 159-60.

differences in emphasis, much of this established historical writing describes the same general drift away from the ideological commitments outlined by the incoming Labour Government in *Let Us Face the Future* towards a more pragmatic approach: a move that is seen to have become more pronounced from the late 1940s as controls were relaxed and to have been fulfilled once the Conservatives' came to office in 1951 with their pledge to restore 'freedom'. Importantly, this is not simply seen to be a rhetorical shift. Instead, the removal of wartime controls has often been portrayed as symbolising either the gradual abandonment of planning or being indicative of a failure to ever start planning in practice.⁵⁹ In this sense, Brooke argued in 1991 that the concept was 'a notable, if unlikely, casualty' of the transition period.⁶⁰ His phrase continues to resonate within more recent studies. Nonetheless, the reasons for, and the implications of, planning's apparently ill-fated struggle are more contentious and the subject has become entwined in a number of well-established historiographical debates. Before examining the relationship between this study and such discussions, it is worth briefly setting out some of the arguments that have been used.

From a predominantly political perspective, it has been contended that planning's failure was one of engagement. Both Kenneth Morgan and William Crofts have, for example, claimed that the government failed to properly articulate their vision in a manner that would gain public support.⁶¹ Such issues have also been explored by Brooke and Daniel Ritschel, who both suggest that a failure to engage properly with either trade unions or business interests was particularly damaging giving that it led to a number of debilitating compromises.⁶² Many of these points have been expanded by Tomlinson within an overarching thesis that maintains that progress was inhibited

⁵⁹ Stephen Brooke, 'Problems of "Socialist Planning": Evan Durbin and the Labour Government of 1945', *The Historical Journal*, 34:3 (1991), 687-702; Budd, *The Politics of Economic Planning*, pp. 58 and 72; Cairncross, *Years of Recovery*, pp. 329-332; Dow, *The British Economy 1945-60*, p. 11 and Toye, *Labour and the Planned Economy*, pp. 216-220.

⁶⁰ Brooke, 'Problems of "Socialist Planning"', p. 687.

⁶¹ K.O. Morgan, *Britain since 1945: The People's Peace* (Oxford, 2001), p. 67 and William Crofts, *Coercion or Persuasion?: Propaganda in Britain after 1945* (London, 1989), ch. 16.

⁶² Brooke, 'Problems of "Socialist Planning"', p. 689 and Daniel Ritschel, 'The Making of Consensus: The Nuffield College Conferences during the Second World War', *Twentieth Century British History*, 6:3 (1995), 267-301 (p. 287). See also: Keir M. Thorpe, "'Statistical Floodlighting"? The Unpublished Economic Surveys 1946-7', *Contemporary British History*, 11:4 (1997), 86-111 and Toye, *Labour and the Planned Economy*, pp. 219-20.

by an unenviable assortment of political considerations.⁶³ From a more economic perspective, the transitional context has also been invoked as a further hindrance to reform. A series of crises involving the nation's balance of payments is, for instance, seen to have forced a short term focus at the expense of longer term development. Although the severity of the root cause remains contested, this contextual point is, as might be expected, generally accepted.⁶⁴ More controversially, other historians have suggested that, without a clear blueprint for implementation, these issues merely exacerbated what was already an 'intellectual failure'. Taking a fairly broad view, Alan Booth has claimed that there had been little real thought on the mechanics of planning before 1945 whilst Michael Cunningham has contended that such issues would haunt Labour's time in office.⁶⁵ From a slightly more technical perspective, the relationship between a planned economy and private industry – which can be extended to include questions surrounding the methods and aims of control – have been seen as particularly troublesome.⁶⁶ On a more human level, Morrison, who as Lord President would be nominally responsible for overseeing planning policy and developments within the system of controls, has been the subject of equally stringent criticism for his apparent lack of understanding.⁶⁷ Crucially, similar arguments regarding a lack of clarity have been applied elsewhere to explain the difficulties encountered by the Conservatives during their own haphazard attempts at economic management during the 1950s.⁶⁸

⁶³ Jim Tomlinson, 'The Iron Quadrilateral: Political Obstacles to Economic Reform under the Attlee Government', *Journal of British Studies*, 34:1 (1995), 90-111.

⁶⁴ Brooke, "Problems of "Socialist Planning"", pp. 687-702; Dow, *The British Economy 1945-60*, p. 6; Geoffrey Fry, *The Politics of Decline* (Basingstoke, 2005), p. 93; David Howell, *British Social Democracy: A Study in Development and Decay* (London, 1976), p. 159; Jim Tomlinson, *Democratic Socialism and Economic Policy: The Attlee Years, 1945-51* (Cambridge, 2002) and 'The Iron Quadrilateral', pp. 90-111.

⁶⁵ Alan Booth, 'The "Keynesian Revolution" in Economic Policy Making', *Economic History Review*, 36 (1983), 103-123 (p. 121) and Michael Cunningham, "From the Ground Up"?: The Labour Governments and Economic Planning', in *Labour's High Noon: The Government and the Economy*, ed. J. Fyrth (London, 1993), pp. 3-19 (p. 5).

⁶⁶ Cunningham, "From the Ground Up", p. 5; Helen Mercer, 'The Labour Governments of 1945-51 and Private Industry', in *The Attlee Years*, ed. N. Tiratsoo (London, 1991), pp. 71-89; Tomlinson, *Democratic Socialism and Economic Policy*, p. 131 and 'The Labour Party and the Capitalist Firm', pp. 685-708.

⁶⁷ Cairncross, *Years of Recovery*, pp. 20 and 50; Fry, *The Politics of Decline*, p. 97; Morgan, *The People's Peace*, p. 66 and Thorpe, "Statistical Floodlighting", p. 107.

⁶⁸ Samuel Brittan, *The Treasury Under the Tories 1951-1964* (Harmondsworth, 1964), p. 304; Cairncross, *The British Economy Since 1945*, p. 118; Macrae, *Sunshades in October*, pp. 75-9; Jim Tomlinson, "Liberty with Order": Conservative Economic Policy, 1951-64', in *The Conservatives*

Ambiguity, as noted from the outset, will be particularly important within this study and the theme can certainly be applied to a range of more practical failings. For R.S. Barker, who produced one of the first archival analyses of Labour's attempt at planning, the lack of a deeper understanding left even the most enthusiastic planners reliant upon a sceptical civil service that was unable to make the imaginative leap necessary to overcome its inherent prejudices and 'semi-detached' approach to co-ordination.⁶⁹ Martin Chick, building upon this focus on departmental responsibilities in his detailed account of post war industrial policy, has shown that an inability to fully integrate planning with existing responsibilities was indicative of a much broader struggle to reconcile 'market and state administrative mechanisms'.⁷⁰ Peter Hennessy, in his broad history of the civil service, presents this problem as primarily one of recruitment. He contends that, whereas an influx of young and professionally trained economists during the Second World War had made the civil service more receptive to new ideas, their absence after 1945 ensured that it soon reverted to a more orthodox approach that was less likely to favour intervention and less able to plan with any success.⁷¹ Taking a slightly different perspective, Toye has suggested that – although a number of professionals *were* retained – the lack of intellectual leadership from Ministers who thought that they were planning when they were not led such efforts to become subsumed by squabbles amongst those that remained: a contention that is also central to an earlier PhD thesis on the failure of planning's implementation written by Keir Thorpe.⁷² The apparent lack of direction has also been explored by Brooke, who suggests that it removed any impetus for meaningful reform and forced the incoming government to fall back upon the system of wartime

and British Society, 1880-1990, eds M. Francis and I. Zweiniger-Bargielowska (Cardiff, 1996), pp. 274-288 (pp. 275-6); (with N. Tiratsoo) *The Conservatives and Industrial Efficiency, 1951-64: Thirteen Wasted Years?* (London, 1991), p. 19 and G.D.N. Worswick, 'The British Economy 1950-1959', p. 72.

⁶⁹ R.S. Barker, 'Civil Service Attitudes and the Economic Planning of the Attlee Government', *Journal of Contemporary History*, 21:3 (1986), 473-486 (p. 479).

⁷⁰ Martin Chick, *Industrial Policy in Britain, 1945-51: Economic Planning, Nationalisation and the Labour Government* (Cambridge, 1998), p. 215.

⁷¹ Peter Hennessy, *Whitehall* (London, 1989), pp. 114-130.

⁷² Toye, *Labour and the Planned Economy*, p. 207 and Keir M. Thorpe, 'The Missing Pillar: Economic Planning and the Machinery of Government during the Labour Administrations 1945-51' (unpublished PhD thesis, University of London, 1999).

controls that was already in place.⁷³ Of course, these individual factors would not have sat in isolation and some extend far beyond the remit of this study. For this reason, and following a framework set out by Thorpe in a measured article that was based upon his earlier research but drew its inspiration and methodology from a 1952 review of government policy written by Devons, it is useful to refer to each within two broader categories: those of context and those of clarity.⁷⁴

As may be inferred from Thorpe's use of Devons' work, both contentions can again be traced back to the work of those mid-century economists who increasingly questioned their ability to plan and a concomitant scholarship which sought to chronicle the concept's decline. Like Brooke, a 1952 PEP survey into the relationship between government and industry concluded that there had been 'a loosening in the general concept of planning' whilst Austin Robinson agreed that not enough had been done to find an alternative to the direct controls that were removed.⁷⁵ Perhaps more critically, both points were central to Arnold Rogow's belief that the 'retreat from planning' was evidence that Labour had failed to meet its stated goals.⁷⁶ Rogow's study, which had been conducted with much help from the young history graduate and Labour Party researcher Peter Shore, was indicative of a more overtly *political* interest in this story. In fact, fostered by the Labour Party's electoral defeat in 1951, and centred on what Rogow saw as a the state's reliance upon private industry, it was later used by the Conservative Party's Research Department (CPRD) as a guide to Labour's thinking.⁷⁷ The subject was also of notable interest to many who had been implicated in the earlier failure. It was, for

⁷³ Stephen Brooke, 'Revisionists and Fundamentalists: The Labour Party and Economic Policy during the Second World War', *The Historical Journal*, 32:1 (1989), 157-175 (p. 164). See also: Tomlinson, *Democratic Socialism*, p. 131 and 'Planning: Debate and Policy', p. 161.

⁷⁴ Thorpe, "Statistical Floodlighting", 86-111 (p. 86) and Ely Devons, 'Planning by Economic Survey', *Economica*, 19:75 (1952), 237-53. Devons' influence is most clear in Ch. Vh of 'The Missing Pillar'.

⁷⁵ PEP, *Government and Industry: A Survey of the Relationship between Government and Privately Owned Industry* (London, 1952), p. 19 and E.A.G. Robinson, *Economic Planning in the United Kingdom: Some Lessons* (Cambridge, 1967), p. 44.

⁷⁶ A.A. Rogow and P. Shore, *The Labour Government and British Industry, 1945-1951* (Oxford, 1955), pp. 6 and 43.

⁷⁷ CPA, CRD 2/9/22 and 2/8/5, Fraser, 'The Labour Government and British Industry, 1945-51', 21 Mar 1956.

Richard Crossman, one of the clearest ‘lessons of 1945’.⁷⁸ Although Crossman was never a ‘key or systematic figure’, he had become an increasingly influential commentator from Labour’s backbenches and would return to the issue on a number of occasions. Indeed, as an active member of the party’s *Keep Left* group, he had earlier warned against an ‘epidemic of decontrol’ and would claim, pre-empting much later scholarship, that planning had failed due to Labour’s ‘intellectual exhaustion’ and its inability to challenge an ‘old Establishment’.⁷⁹

Interventions from the likes of Rogow and Crossman have helped to draw planning into a network of conflicting arguments surrounding the notion of a post-war consensus – a concept that has defined the parameters of so much discussion during the last thirty to forty years.⁸⁰ Although an altogether less emotive issue than nationalisation, this has, in turn, linked the fate of planning into similarly introspective debates surrounding the Labour Party’s ‘revisionism’ and the extent to which a relaxation of controls should be seen as a ‘retreat’ for an administration that had previously declared its intention to recreate Britain as a ‘Socialist Commonwealth’.⁸¹ The loudest criticism has, unsurprisingly, tended to come from those who shared their exasperation. Ralph Miliband, for example, who had personally contributed to internal Labour Party debates as a conference delegate in the 1950s, drew upon Rogow and Crossman to argue that the issue was an example of intellectual paralysis in his impassioned critique of *Parliamentary Socialism*.⁸² Nevertheless, with later commentators tending to agree, the issue is still widely held

⁷⁸ R.H.S. Crossman, ‘The Lessons of 1945’, in *Planning for Freedom*, ed. R.H.S. Crossman (London, 1965), pp. 123-33.

⁷⁹ R. Acland *et al*, *Keeping Left* (London, 1950), p. 15; Crossman, ‘The Lessons of 1945’, pp.127-130 and ‘Towards a New Philosophy of Socialism’, in *New Fabian Essays*, ed. R.H.S. Crossman (London, 1952), pp. 1-32 (pp. 5-6). See also: Victoria Honeyman, *Richard Crossman: A Reforming Radical of the Labour Party* (London, 2007), pp. 24-7 and 159-161.

⁸⁰ For examples: Paul Addison, *The Road to 1945: British Politics and the Second World War* (London, 1994), ch. 10; Rodney Lowe, ‘The Second World War, Consensus, and the Foundation of the Welfare State’, *Twentieth Century British History*, 1:2 (1990), 152-182; Neil Rollings, ‘Poor Mr Butskell: A Short Life Wrecked by Schizophrenia?’, *Twentieth Century British History*, 5:2 (1994), 183-205 and Harriet Jones and Michael Kandiah, eds, *The Myth of Consensus: News View on British History, 1945-1964* (Basingstoke, 1996).

⁸¹ Stephen Haseler, *The Gaitskellites: Revisionism in the British Labour Party, 1951-64* (London, 2005), pp. 96-7 and 57-8.

⁸² Ralph Miliband, *Parliamentary Socialism: A Study in the Politics of Labour* (London, 1972), p. 331.

to be ideologically significant.⁸³ Indeed, it should be remembered that from a less critical perspective the removal of direct controls was famously seen by Alan Booth to have represented nothing short of a ‘Keynesian revolution’.⁸⁴ As noted in the Introduction, these debates will form the background to Chapters Two and Three but it is not my intention to dwell upon them. Instead, emulating Neil Rollings’ attempt to decipher a reality that was ‘more complex and ambiguous than that often presented’, it will draw heavily upon a range of contemporary writings so as to adopt a relative approach that seeks to analyse the relationship between controls and planning as it would have been understood at the time.⁸⁵

Given the additional ambiguities outlined during this chapter, it is worth pausing briefly to consider this approach in a little more detail. Indeed, although seeking to build upon existing historiographical foundations, the focus upon contemporary understanding stands in stark contrast to much of the existing literature. Toye’s study, for example, whilst emphasising the importance of planning’s politics, deliberately rejects – as PEP did before him – a ‘vague’ contemporary understanding and instead adapts a model developed by John Bennett.⁸⁶ This study makes no such attempt at redefinition. Instead, it accepts that planning was a fluid concept and embraces the importance of its political and economic context. Whilst the reliance on ‘muddle’ might be regarded as potentially problematic, it is crucial that such a view is taken; given that planning need not rely on physical controls or that later definitions often emphasised specific context-bound objectives, to apply an external definition risks anachronism. That many of the more detailed economic studies of planning – including Bennett’s – are based upon an understanding of planning as it was conceived in later years of the former USSR, makes this all the more important.⁸⁷ Indeed, it is possible to argue that much of the ingrained

⁸³ For examples: John Callaghan, *Socialism in Britain since 1884* (Oxford, 1990), p.156; James Hinton, *Labour and Socialism: A History of the British Labour Movement 1867-1974* (Brighton, 1983), pp. 173-8; Howell, *British Social Democracy*, pp. 158 and 170-1; Kevin Jefferys, *The Labour Party since 1945* (Basingstoke, 1993), p. 22 and Noel Thompson, *Political Economy and the Labour Party: The Economics of Democratic Socialism, 1884-1995* (London, 1996), p. 140.

⁸⁴ Alan Booth, ‘The “Keynesian Revolution”’, pp. 103-4 and 121.

⁸⁵ Neil Rollings, ‘Butskellism, the Postwar Consensus and the Managed Economy’, in *The Myth of Consensus: New Views on British History, 1945-64*, eds H. Jones and M. Kandiah (Basingstoke, 1996), pp. 97-119 (p. 112).

⁸⁶ Toye, *Labour and the Planned Economy*, p. 4.

⁸⁷ Bennett, *The Economic Theory of Central Planning*, p. xiii.

historiographical debate that surrounds the notion of ‘retreat’ can be explained by a continued invocation of a rigid view of planning via physical controls that did not fully reflect differences in contemporary understanding. This is not to claim that a relative approach – or, indeed, any historical approach – can ever fully recreate Rollings’ complex reality. But it will provide a more realistic framework within which the Labour and Conservative policies towards controls can be further analysed. Thus, before moving to consider the actual development of the controls apparatus within Chapters Two and Three, it is necessary to better establish the intellectual context within which such developments occurred.

-III-

Although much planning literature dates from the 1960s and 70s, the idea had been a subject of considerable academic debate since the late 1920s. Some of this – like the work of the Socialist League, the New Fabian Research Bureau (NFRB) and XYZ Club – was broadly party-political. But, despite the later links with Labour, much of it cut across established party lines.⁸⁸ Invocations of planning were, in fact, linked to a much wider loss of faith in unregulated market forces during a period of economic gloom. Whereas cautious orthodox solutions appeared to have been rendered obsolete, planning appeared to offer an active solution to avoid further wasted capacity.⁸⁹ As has been traced by Toye, the concept of a planned economy was the product of both earlier theoretical debates – in particular a 1908 mathematical essay by the Italian economist Enrico Barone, later translated as ‘The Ministry of Production in the Collectivist State’ – and the practical experience gained during the First World War.⁹⁰ Nonetheless, although one can find scattered references to ‘planning’ or ‘intervention’ beforehand, the term was only popularised a year after Barone’s death when Oswald Mosley published his *Revolution by Reason* in 1925. Inspired by proposals that had earlier been put forward by the Independent Labour Party, Mosley’s calls for a ‘policy of action’ ostensibly represented a radical call for

⁸⁸ Andrew Hogan, “‘Organising the Mind’: The XYZ Club, The New Fabian Research Bureau and the Labour Party’s Recovery, 1931-1939’ (unpublished MA thesis, University of Leeds, 2007), p. 5.

⁸⁹ Arthur Marwick, ‘Middle Opinion in the Thirties: Planning, Progress and Political ‘Agreement’’, *English Historical Review*, 79:311 (1964), 285-298. See also: Anon., *The Next Five Years: An Essay in Political Agreement* (London, 1935).

⁹⁰ Toye, *Labour and the Planned Economy*, p. 18.

change. But, despite later developments, the extent of his radicalism should not be overstated. Indeed, as shown by Ritschel in his detailed study of interwar planning debates, a highly-practical bias ensured that even Mosley's posturing was not dissimilar from other early invocations that called for greater intervention as a means of defending the market system against a 'socialism' that was still primarily defined in terms of public ownership.⁹¹ If planning was an intellectual religion, it was one housed in a broad church.

As if to emphasise the concept's cross-party appeal, a degree of planning would, in fact, also be promoted by a small group of Conservatives informally known as the YMCA. Drawing inspiration from the writings of Noel Skelton and David Steel Maitland, the group – which included Robert Boothby and the aristocratic Oliver Stanley – stressed that planning should be regarded as a reformist measure that would foster greater co-operation between the state and private industry.⁹² Utilising their connections with Harold Macmillan, at this point an ambitious MP representing the marginal seat of Stockton, the YMCA were able to cause a minor stir when their ideas were published in a deliberately provocative volume titled *Industry and the State*.⁹³ Some of their ideas even found their way into the Liberal Party's 'Yellow Book' on *Britain's Industrial Future* which similarly emphasised the importance of industrial relations within a framework of national development.⁹⁴ Mosley, too, attempted to woo the group and brought them into contact with the young industrialist Oliver Lyttelton and the pioneering aviator John Moore-Brazabon.⁹⁵ Although his advances were politely rebuffed, they again owed something to the increasingly unstable economic situation; as Macmillan noted, the suggestions included within their manifesto had been 'forced upon us' by necessity.⁹⁶ Unsurprisingly, then, the trend gathered pace as the economic situation worsened. In

⁹¹ Daniel Ritschel, *The Politics of Planning: The Debate on Economic Planning in Britain in the 1930s* (Oxford, 1997), pp. 64-9.

⁹² Robert Boothby *et al*, *Industry and the State: A Conservative View* (London, 1927), pp. 165-6. See also: E.H.H. Green, 'The Conservative Party and Keynes', in *The Strange Survival of Liberal England*, ed. E.H.H. Green and D.M. Tanner (Cambridge, 2007), pp. 186-211 (p. 191).

⁹³ Simon Ball, *The Guardsmen: Harold Macmillan, Three Friends, and the World they Built* (London, 2005), pp. 107-10.

⁹⁴ Liberal Industrial Inquiry, *Britain's Industrial Future* (London, 1928), pp. 205-225.

⁹⁵ Ball, *The Guardsmen*, p. 119.

⁹⁶ Marwick, 'Middle Opinion', p. 287.

1929, for instance, the Fabian academic G.D.H. Cole uncompromisingly called for the ‘conscious development’ of Britain’s ‘economic resources’ to meet the challenges being faced.⁹⁷ Two years later, this was matched by a call for planning as a means of foresight from the Cambridge statistician Colin Clark and – somewhat improbably – the publication of a hugely influential *National Plan for Britain* by the ornithologist Max Nicholson in a special edition of the high-brow *Weekend Review*.⁹⁸ Drawing upon the ideas set out by Boothby, Macmillan, Stanley and the Liberal’s ‘Yellow Book’, this countered Mosley’s ‘inacceptable’ statism and promoted a holistic vision for national regeneration that would provide an intellectual framework for those who later designed the wartime system.⁹⁹

Throughout these early accounts, planning was portrayed as representing a rational – even scientific – approach to economic management. Instead of an outright rejection of the market mechanism, it reflected a belief that intervention could help transform the current system to ensure that it worked more efficiently. This point was central to the maintenance of planning’s early intellectual momentum. It also fed into the founding of two explicitly ‘capitalist’ planning groups: PEP and the Next Five Years (NFY). The former was, in the words of Matthew Hilton, a classic ‘public sphere’ organisation that sought to provide a forum for discussion and help to link society with the state.¹⁰⁰ Taking inspiration from Nicholson’s *Weekend Review* essay and bringing together a range of industrial, economic and political interests, both bodies stressed the importance of expertise and demanded co-ordinated political action to face the growing economic malaise.¹⁰¹ Yet, touted as a radical alternative to stagnant thinking, planning also augmented much political debate. Alongside Mosley’s famous ‘manifesto’, which Nicholson had set out to directly challenge, the Labour Party had also invoked the concept in 1931 with the slogan ‘we must plan or perish’ and would focus much of its post-election rebuilding around the issue.¹⁰² Following the logic of the examples considered earlier in this chapter, this duality ensured that

⁹⁷ Ritschel, *The Politics of Planning*, p. 33.

⁹⁸ Colin Clark, ‘National Planning’, *Society for Socialist Inquiry and Propaganda*, 5 (1931), pp. 3 and 32 and Max Nicholson, ‘A National Plan for Britain’, *Weekend Review*, 14 Feb 1931.

⁹⁹ Ritschel, *The Politics of Planning*, pp. 81 and 145-8.

¹⁰⁰ Matthew Hilton, *Consumerism in the Twentieth Century: The Search for a Historical Movement* (Cambridge, 2003), p. 100.

¹⁰¹ Marwick, ‘Middle Opinion in the Thirties’, pp. 285-6.

¹⁰² Ritschel, *The Politics of Planning*, ch. 3.

planning remained malleable. Understanding of exactly what the concept would entail was, thus, no clearer at this early stage than that which was presented within the work of those later historians and economists. This point was attested to by Durbin who, writing in 1935, noted that the term had been ‘applied indiscriminately to [both] large-scale and fundamental changes in economic institutions ... and to the comparatively small alterations which the centralisation of the British milk industry invokes’.¹⁰³

There were certainly clear differences in approach and emphasis. Amongst the ‘capitalist’ planners, PEP’s research-driven proposals tended to focus on lasting structural reforms whereas the NFY was quite deliberately short-term and drew upon the type of incremental suggestions that had been put forward since the 1920s. In 1935, for example, the group urged the government to launch a policy of positive improvisation to meet the economic challenges being faced. According to an enthusiastic Macmillan, who became a leading figure within the NFY despite being increasingly ostracised by his party, much of this was simply an attempt to rationalise the ‘piecemeal planning’ that was already accepted practice within many industries.¹⁰⁴ This remains an important point. Indeed, as Durbin suggested, the 1930s saw the implementation of many measures – often described in terms of ‘rationalisation’ – that might best be regarded as practical experiments in planning. The transfer of powers from the government into the hands of quasi-autonomous Trade Associations was, for example, symbolic of a previously unparalleled degree of co-operation between the state and industry.¹⁰⁵ The growth of such bodies was regarded by Macmillan as a case in point and led PEP to later describe the 1930s as having witnessed a greater degree of state intervention ‘than at any other period in modern history’.¹⁰⁶ Even those who were opposed to such changes – for example, the progressive Socialist Clarity Group (SCG) which was adamant that Trade

¹⁰³ Evan Durbin, ‘The Importance of Planning’, in *Problems of Economic Planning: Papers on Planning and Economics*, ed. E. Durbin (London, 1949), pp. 41-57 (p. 42).

¹⁰⁴ Harold Macmillan, *The Middle Way: A Study of the Problem of Economic and Social Progress in a Free and Democratic Society* (London, 1938), pp. 176 and 293.

¹⁰⁵ Hurstfield, *The Control of Raw Materials*, pp. 22-6. See also: P.J.D. Wiles, ‘Pre-war and Wartime Controls’, in *The British Economy, 1945-50*, eds G.D.N Worswick and P. Ady (Oxford, 1952), pp. 125-58 (p. 146).

¹⁰⁶ Boothby *et al*, *Industry and the State*, p. 41; Macmillan, *The Middle Way*, p. 173 and PEP, *Government and Industry*, pp. 8-9.

Associations had been ‘emasculated’ by vested interests – believed that they provided a machinery of control that made planning possible.¹⁰⁷ Thus, although Mosley may have tried to draw a simple distinction between planners and their opponents to attract support to his New Party, it seemed, for Durbin, ‘almost ... true to say that “we are all planners now”’.¹⁰⁸ This may have been so, but any agreement rested upon a complicated network of different understandings and left the exact mechanics open to interpretation.¹⁰⁹

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For Sidney and Beatrice Webb, two individuals who had first considered the ‘collectivist alternative’ in the 1889 collection of *Fabian Essays*, a clue to these unanswered questions lay in an understanding of the USSR’s economic system. Despite lacking much economic or technical detail, their optimistic, at times almost reverential, *Soviet Communism: A New Civilisation?* defined planning in terms of real resources and identified it as the ‘most significant trait’ of Stalin’s communism.¹¹⁰ Critics, too, adopted a similar characterisation. For F.A. Hayek, a figure who bemoaned the ‘interventionist chaos’ of the 1930s from a very different perspective, planning was quite simply ‘the central direction of all economic activity’.¹¹¹ In a view heavily influenced by Barone’s essay, it appeared not as a call for greater co-ordination, but as an all-encompassing – and inflexible – system of resource budgeting and allocation; a system of prioritisation that would rely on detailed plans and tight controls.¹¹² It was this conception of planning that Hayek sought to counter within a famous series of publications that combined economic and philosophical arguments relating to the moral implications of planning: a series that was crowned by 1944’s semi-populist polemic *The Road to Serfdom* and collated in a

¹⁰⁷ Cambridge, The Churchill Archive Centre (CAC), Albu Papers (ALBU), Box 5/6, Albu, ‘Planning and Political Power’, undated, pp. 2-3.

¹⁰⁸ Durbin, ‘The Importance of Planning’, p. 4.

¹⁰⁹ Ritschel, *The Politics of Planning*, p. 45 and Tomlinson, ‘Debates and Policy’, p. 155.

¹¹⁰ Sidney and Beatrice Webb, *Soviet Communism: A New Civilisation?* (London, 1936), p. 602.

¹¹¹ F.A. Hayek, ‘The Present State of the Debate’, in *Collectivist Economic Planning*, ed. F.A. Hayek (London, 1935), pp. 201-244 (p. 202) and ‘The Nature and History of the Problem’, in *Collectivist Economic Planning*, ed. F.A. Hayek (London, 1935), pp. 1-40 (p. 24).

¹¹² The English translation of Barone’s essay had first appeared in Hayek, ed., *Collectivist Economic Planning* (London, 1935), pp. 245-90.

1949 edited collection called *Individualism and Economic Order*. Although his philosophical arguments would become increasingly important within the debate surrounding controls (and are considered in later chapters), Hayek's earliest critiques were ostensibly focused on practicalities. Arguing that the economy had to be understood as the sum of a complex series of individual decisions, he contended that it would be impossible for a planner to maintain order as no central body would ever be able to calculate, comprehend or replicate these millions of small, interrelated, movements. Moreover, hinting at later philosophical arguments, Hayek argued that – even if this were possible – the knowledge that would have to be possessed would be implicitly bound by the planner's initial perspective and would thus inhibit any real choice.¹¹³

This technical appraisal captivated the London Economics Club and spurred a flurry of articles within the London School of Economics (LSE)'s *Economica* journal.¹¹⁴ Nonetheless, its warnings did not exert much popular resonance at this point. Indeed, for all of his later infamy, Hayek would remain a fairly peripheral figure until after the Second World War. His marginality is exemplified by Macmillan's 1938 clarion call *The Middle Way*. Drawing upon his writing with the YMCA and more recent work undertaken as chairman of the Industrial Reorganisation League, this included a remarkably Hayekian passage on liberty *but* continued to push for an empirically-grounded plan defined by a central Economic Council that would gather, collate and interpret statistical information.¹¹⁵ Hayek's intervention was, therefore, perhaps most notable for helping to stoke an intensely academic debate regarding practical methods of calculation. In fact, with this point, he may have even influenced more left-leaning economists. Durbin, to give another example, who worked alongside Hayek at the LSE, shared some of his scepticism and similarly emphasised the importance of resource allocation and democratic freedom.¹¹⁶ However, he maintained that his colleague – though sincere – had come to a 'series of horrific

¹¹³ Hayek, 'The Present State of the Debate', pp. 208-9; 'Economics and Knowledge', *Economica*, 4:13 (1937), 33-54 (p. 51) and *Road to Serfdom*, p. 15.

¹¹⁴ Ben Jackson, 'At the Origins of Neo-Liberalism: The Free Economy and the Strong State, 1930-1947', *The Historical Journal*, 53:1 (2010), 129-151 (p. 136); A.H. Murray, 'Professor Hayek's Philosophy', *Economica*, 12:47 (1945), 149-162 (p. 150) and Jim Tomlinson, *Hayek and the Market* (London, 1990), p. 18.

¹¹⁵ Macmillan, *The Middle Way*, pp. 45-6 and 290.

¹¹⁶ Tomlinson, 'Debates and Policy', p. 157.

conclusions’ because he had ‘not asked himself with sufficient determination what he means by the phrase “economic planning”’ and had relied instead on the type of outmoded ‘gosplan’ model described by the Webbs.¹¹⁷ Written in 1945, just after he had been elected the Labour MP for Edmonton on the platform that he was ‘the man with a plan’, Durbin’s review was fighting a very political point.¹¹⁸ It was, however, a point that remained grounded in a detailed economic understanding and a more practical knowledge gained from co-chairing the Fabian Society’s Industrial Group alongside the industrial manager Austen Albu.

In a marked contrast to the Hayek’s dystopian model, Durbin viewed planning simply as a method of securing priorities. It was, he explained, ‘*a principle of administration and not an inflexible budget of production*’.¹¹⁹ Indeed, responding to the claim that all planners would be bound by inherent prejudices, Durbin argued that the economy would always be controlled by somebody and that the most important question was who held responsibility for these controls. Setting out his approach in *The Politics of Democratic Socialism* – a highly personal text that was drafted during 1938-39 and was intended to sit alongside a companion volume on *The Economics of Democratic Socialism* – Durbin rejected the Webbs by noting that capitalism had provided an ‘expanding and stable’ economy but sought to question what he saw as a ‘separation of privilege and responsibility’.¹²⁰ Drawing upon a Marxist distinction between ownership and control, whilst embracing a belief in the fundamental importance of freedom, this text sought to highlight the differences between long-term interests and short-term gain. In doing so, Durbin chastised unplanned capitalism for restricting freedom and sought to re-frame planning as a method:

Whereby the virtues of capitalism – rationalism and mobility – can be combined with democratic needs – security and equality – by the extension of the activity of the State upon an ever-widening and consistent basis.¹²¹

¹¹⁷ Evan Durbin, ‘Professor Hayek on Economic Planning’, in *Problems of Economic Planning: Papers on Planning and Economics*, ed. E. Durbin (London, 1949), pp. 91-106 (p. 95).

¹¹⁸ Brooke, ‘Problems of “Socialist Planning”’, p. 689.

¹¹⁹ Durbin, ‘Hayek on Economic Planning’, p. 95 [emphasis in original].

¹²⁰ Evan Durbin, *The Politics of Democratic Socialism: An Essay on Social Policy* (London, 1957), pp. 125-6.

¹²¹ Durbin, *The Politics of Democratic Socialism*, p. 148.

This was a case of shifting responsibility, not of restricting choice.¹²² Although Durbin's untimely death in September 1948 ensured that the eagerly anticipated *Economics of Democratic Socialism* was never to be completed, these preparatory ideas were feted by his colleagues and became quietly influential within policy making circles. The attention he paid to the distinction between ownership and control would remain particularly important. Indeed, pre-empting James Burnham's *Managerial Revolution*, a hypothetical study of a self-interested managerial society which suggested that legal changes of ownership might prove to be irrelevant unless accompanied by internal reforms, they can be seen to have influenced figures as diverse as Crossman, Tony Crosland and Hugh Gaitskell.¹²³ With this in mind, Durbin himself would later be 'rediscovered' as having held a remarkably clear idea of what planning would actually entail.¹²⁴

The belief that planning could respond to public opinion whilst still maintaining a view of the economy as a whole was not held by Durbin alone. His NFRB colleague Douglas Jay had, in fact, already set out his own interpretation of *The Socialist Case*.¹²⁵ Jay's text would become a notable point of debate when it was republished in 1947. This will be explored in Chapter Four. Yet it should be noted here that his belief that there were some instances where 'the gentleman in Whitehall really does know better what is good for the people than the people know themselves' – a phrase infamously misquoted as 'the Gentleman in Whitehall knows best' – stood in contrast to a general argument that emphasised devolution and was built upon co-operation.¹²⁶ This model was perhaps most clearly articulated by Barbara Wootton in

¹²² Durbin, 'The Importance of Planning', p. 44 and 'The Case for Socialism', in *Problems of Economic Planning: Papers on Planning and Economics*, ed. E. Durbin (London, 1949), pp. 3-29 (p. 21).

¹²³ James Burnham, *The Managerial Revolution: Or What is Happening in the World Now* (London, 1942), p. 88; Martin Francis, 'Economics and Ethics: The Nature of Labour's Socialism, 1945-51', *Twentieth Century British History*, 61 (1995), 220-43 (pp. 229-30) and Jim Tomlinson, 'The Labour Party and the Capitalist Firm, c. 1950-1970', *The Historical Journal*, 47:3 (2004), 685-708 (pp. 690-1).

¹²⁴ Stephen Brooke, 'Evan Durbin: Reassessing a Labour "Revisionist"', *Twentieth Century British History*, 7:1 (1996), 27-52; Leruez, *Economic Planning and Politics in Britain*, p. 13 and Tomlinson, 'Labour Party and the Capitalist Firm', pp. 690-6.

¹²⁵ Douglas Jay, *The Socialist Case* (London, 1937), p. 316.

¹²⁶ Richard Toye, "'The Gentleman in Whitehall' Reconsidered: The Evolution of Douglas Jay's Views on Economic Planning and Consumer Choice', *Labour History Review*, 67:2 (2002), 187-204 (p. 195).

a series of texts that began with 1934's *Plan or No Plan* and ended with 1945's *Freedom Under Planning*. In a head-on critique of Hayek that might now be labelled as an exercise in behavioural economics, she set out a vision based upon the setting of certain overarching priorities within which individual choices would be maintained. An explicitly 'democratic' proposal, she stressed that this would allow for an active engagement between planners and the public.¹²⁷ For Albu, who provided the theoretical foundation of the SCG alongside his more practical work with the Fabian society, the 'fundamental aim' was to allow 'each individual member [of society] to live the fullest possible life with the greatest possible freedom'. Planning would, in this sense, rest upon a positive interpretation of controls as the mechanism of democratic choice.¹²⁸ Other, purely political accounts, took a similar line. Hugh Dalton, for example, the future Chancellor whose patronage of the NFRB had encouraged much of Labour's thinking after 1931, believed that planning would increase choice by 'releasing [the nation's] creative forces' whilst party publications stressed that planning would restrict 'private control'.¹²⁹ Both points were repeated by Harold Laski, the socialist intellectual who had moved the 'Planned Economic Democracy' motion, during a Fabian lecture that concluded with the assertion that planning would place 'pivotal economic controls' in the hands of 'the community'.¹³⁰

Again, though, this vision of planning as a method of co-operation was not simply Labour-focused; instead, it drew upon a similar spirit of co-operation and pragmatism that had been extolled by the NFY. Reviewing *The Socialist Case*, for example, *The Economist* noted that, as 'an economist with no time for the slogans of loose thinking', Jay seemed to be closer to apparently sceptical economists like Lionel Robbins than to avowedly left wing thinkers.¹³¹ Furthermore, whilst Durbin, Jay and Wootton were all consciously 'socialist', they were also critical of the binary debate between those who viewed planning solely in terms of allocation for

¹²⁷ Barbara Wootton, *Freedom Under Planning* (London, 1945), pp. 52-4 and 145-56.

¹²⁸ CAC, ALBU, Box 17, Albu, 'What do We Mean by Democratic Planning?', 17 Aug 1941, pp. 1-2.

¹²⁹ Brooke, 'Revisionists and Fundamentalists', p. 6; Labour Party, *Labour Looks Ahead!* (London, 1942), p. 5 and *Speakers' Handbook* (London, 1945), p. 47.

¹³⁰ Harold Laski, 'Choosing Planners', in *Plan for Britain*, ed. John Parker (London, 1943), pp. 101-26 (p. 121) and *Will Planning Restrict Liberty?* (Cheam, 1944), p. 16

¹³¹ *The Economist*, 9 Oct 1937.

muddling a polemic attack against *these* ends with a critique of the broader means.¹³² This was certainly the view of James Meade, the future head of the government's Economic Section (EC(S)), who believed that their flexible and democratic model of planning had the potential to provide a 'genuine middle way'.¹³³ Despite this confidence, Durbin's charge that Hayek had not sufficiently defined "economic planning" did hint at continued ambiguities. Most importantly, their ponderings had left a crucial methodological question only partially answered: namely, how would you put a plan – democratic or otherwise – into practice? This omission was central to Hayek's charge that no one was yet 'intellectually equipped to improve the workings of our economic system' and underpins many of the historical accounts sketched out above.¹³⁴ As will be seen in Chapters Three and Five, when one looks back at these debates from the perspective of later developments, it is clear that this lack of clarity did feed into planning's apparent failure. Indeed, as an uncompromising Toye has suggested, these early debates were merely evidence of a startlingly naïve understanding of what such a policy would mean in practice.¹³⁵

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Amongst the theorists, there were, as might be expected, differences in emphasis. Nicholson and PEP, through its futuristically-titled Tec Plan subgroup, had continued to push the role of expertise and suggested in 1932 that government and industry might liaise with an autonomous committee of technocrats charged with working individual priorities into a larger national plan. Like Wootton and Durbin after them, this took care to stress the distinction between means and ends and presented planning as being little more than a mechanical task.¹³⁶ Macmillan, however, pushed instead for an arguably more corporatist solution whereby responsibility would be devolved to autonomous Industrial Boards – an idea that PEP also embraced in later calls for the 'Self Government of Industry'. Linked to a broader call for the diffusion

¹³² For examples: Barbara Wootton, 'Freedom Under Planning', in *Can Planning be Democratic?* (London, 1944), pp. 37-54 (p. 39) and Durbin, 'The Importance of Planning', p. 42.

¹³³ *The Collected Papers of James Meade Vol IV Cabinet Office Diaries, 1944-46*, eds S. Howson and D. Moggeridge (London, 1990), pp. 37-8 (28 Jan 1945).

¹³⁴ Hayek, 'The Present State of the Debate', p. 241.

¹³⁵ Toye, *The Labour Party and the Planned Economy*, pp. 82 and 88.

¹³⁶ Ritschel, *The Politics of Planning*, pp. 163 and 179-80.

of property, this did include a democratic element. But it would have represented a clear shift in responsibility away from the state.¹³⁷ An entirely contrasting view was taken by Cole who believed that the centrality of the issue meant that a high-level ‘Planning Minister’ would have to be given responsibility so that the plan remained answerable to Parliament. Despite having earned a reputation for being a somewhat utopian left-winger in the early 1930s, this interest in representation led Cole into a much more pragmatic stance as the decade went on and his main contribution to later debates was a call for the radical reform of the civil service.¹³⁸ As shown by Elizabeth Durbin, the other members of the NFRB had also devoted much time and effort to the question of implementation. Although it is not possible to replicate the intricacies of their debates in the space available, it must be noted that even amongst this group there were clear differences in opinion – especially regarding mechanisms of control.¹³⁹

On this crucial question, and one which has been given less attention than those surrounding the institutions, debates over the relationship between direct controls and the price mechanism loom large. Jay and Durbin, in line with their emphasis on choice, advocated a broadly market-based approach and stressed that planning was not about replacing all existing economic indices. Indeed, influenced by Albu, who continued to draw upon his business experience, they saw that economic control would be dependent upon a psychological approach that provided new incentives and engaged with the ‘human factor’.¹⁴⁰ Wootton, though, despite her own emphasis on co-operation, maintained that there would have to be a degree of manipulation if this was ever to be a practical success.¹⁴¹ A number of these issues were also taken up by the economist Henry Dickinson in a 1939 study of the *Economics of Socialism*. A familiar voice within debates over the possibility of ‘market socialism’, Dickinson used this text to suggest that licences and quotas could be used as a supplementary

¹³⁷ Macmillan, *The Middle Way*, pp. 194-239 and Ritshcel, *The Politics of Planning*, pp. 148-9 and 193.

¹³⁸ G.D.H. Cole, *The Machinery of Socialist Planning* (London, 1938), pp. 59-60 and ‘A Better Civil Service’, in *Can Planning be Democratic?* (London, 1944), pp. 95-118.

¹³⁹ Elizabeth Durbin, *New Jerusalem: The Labour Party and the Economics of Democratic Socialism* (London, 1985), pp. 160-185.

¹⁴⁰ Austen Albu, *Management in Transition* (London, 1942), p. 14; Durbin, *New Jerusalem*, p. 274 and Jay, *The Socialist Case*, ch. 14.

¹⁴¹ Barbara Wootton, *Plan or No Plan* (London, 1934), p. 323.

means of prioritising production so as to create a ‘beautiful system of economic equilibrium’ that combined the power of the market with the foresight of planning.¹⁴² This was an optimistic hope. Nonetheless, his insistence that such a system would also require manpower planning was unlikely to have been accepted without qualification. Indeed, although Wootton later suggested that a wage policy could be used to indirectly influence the labour force, the New Fabians’ faith in democratic choice left them hostile to any suggestion that workers could be treated akin to materials. Even Cole, with a defiance that symbolised his growing convergence with this liberal ideal, noted in 1944 that the direction of labour was a ‘Nazi remedy’ entirely ‘inconsistent with the requirements of a democracy’.¹⁴³ It will be shown in Chapter Five that this led some of the New Fabians into their own optimistic adoption of information sharing as a means of enlightened public control.

For all of their differences, however, these early suggestions were united by what Ritschel has called an ‘axiomatic conviction’ that a wider, and more rational, economic view could only ever be achieved by some form of overarching planning department.¹⁴⁴ The literature is certainly peppered with references to ‘central planners’, ‘Economic Planning Boards’, and ‘Supreme Planning Authorities’. Nonetheless, as Toye reminds us, although Barone had shown that such organisations were theoretically possible, the form that they would take, or the exact role that they would play, was never really defined.¹⁴⁵ Likewise, though Colin Clark had been confident in 1931 that planning would ‘cut across’ established thinking, the relationship between it and older economic ideals remained similarly uncertain. The link with nationalisation remained especially problematic. Indeed, despite the later confidence of *The Case for Nationalisation and Control*, not to mention the clear distinction between ownership and control drawn by Durbin in *The Politics of Democratic Socialism*, many of the Labour Party’s earliest planning proposals had reiterated their commitment to widespread public ownership.¹⁴⁶ It was, therefore, perhaps unsurprising that many within the party – and especially those at the grass

¹⁴² H.D. Dickinson, *The Economics of Socialism* (London, 1939), p. 205.

¹⁴³ Ritschel, ‘The Making of Consensus’, p. 299.

¹⁴⁴ Ritschel, *The Politics of Planning*, p. 14 and Tomlinson, ‘Debates and Policy’, p. 155.

¹⁴⁵ Toye, *The Labour Party and the Planned Economy*, p. 83.

¹⁴⁶ Tomlinson, ‘The Labour Party and the Capitalist Firm’, pp. 686-7. For example: G.D.H. Cole, *Socialist Control of Industry* (London, 1933), pp. 7-8.

roots – continued to view ownership and control as virtually synonymous.¹⁴⁷ With this in mind, it was perhaps also unsurprising that the party's later insistence that successful planning could avoid the need for a wholesale change in patterns of ownership should have become an obvious point of tension.¹⁴⁸ It was a tension that erupted in 1944 when the party policy makers' apparent ignorance of ownership led to a volatile Conference reaction and an infamous resolution put forward by Ian Mikardo – who was later to be linked with Crossman and *Keep Left* – that called for the National Executive Committee (NEC) to define its socialism in 'simple terms'.¹⁴⁹

The only areas of real agreement – ones that united the likes of Durbin and Meade with those who viewed planning more inflexibly – regarded the constant collation of information and the centrality of investment. Both issues had been present throughout. Boothby had, for instance, suggested the adoption of an American-model of surveying industry to determine developments whilst the Liberal's 'Yellow Book' had matched its call for 'a programme of national development' with the practical suggestion of a specialist staff to deal with the 'complex economic problems of modern administration'.¹⁵⁰ This later point was expanded upon by PEP and Tec Plan in 1932 with the drawing up of detailed proposals for what they dubbed a Central Statistical Authority to deal with the flow of information.¹⁵¹ Both issues were also central to the NFRB's theoretical vision. Like PEP, Durbin stressed that plans were best regarded as flexible surveys and forecasts that would allow for 'conscious foresight' and the exchange of information between spheres of finance and production.¹⁵² Wootton, like her NFRB colleague, similarly stressed the need for greater understanding – although, in her view, and betraying her position regarding resource allocation, this should not simply be about measuring the current system but should aim towards the adding up of priorities.¹⁵³ Again, though, the precise powers

¹⁴⁷ Manchester, Labour Party Archive (LPA), LPRD, RD 22, 'Note on the Public Control of Trade Associations and Combines', Apr 1946, p. 7.

¹⁴⁸ It should be noted that Durbin remained committed to selective nationalisation and his proposals for control without ownership were never completed, see: Durbin, *The Politics of Democratic Socialism*, p. 294.

¹⁴⁹ Labour Party, *Report of the 43rd Annual Conference* (London, 1944), p. 163.

¹⁵⁰ Boothby *et al*, *Industry and the State*, p. 61 and Liberal Industrial Inquiry, *Britain's Industrial Future*, pp. 116-20 and 280-6.

¹⁵¹ Ritschel, *The Politics of Planning*, p. 163.

¹⁵² Durbin, 'Professor Hayek on Economic Planning', p. 98.

¹⁵³ Wootton, 'Freedom Under Planning', pp. 43 and 52-4.

that would be needed had not been so easily defined. Moreover, there was acknowledged to be a risk, exemplified by the ‘Gentleman in Whitehall’ and Cole’s emphasis on parliamentary sovereignty, that an emphasis on technical knowledge would hinder the aim of democratisation. As Crossman noted in 1939, it would not be possible to plan democratically if the planners were ‘far removed from the life and ideas of the mass of the people’.¹⁵⁴ It was for this reason that Jay sought to move beyond the Hayekian notion of physical controls by advocating the potential role of redistributive taxation and stressing that any intervention would have to be ‘intelligent, not comprehensive’.¹⁵⁵

His emphasis upon an active financial policy was indicative of a broader desire to harness the market through the control of investment. Although similar ideas would later become synonymous with the work of John Maynard Keynes, they had, in fact, formed a key part of the research undertaken into planning. The need for macroeconomic stability to be matched by a National Investment Board (NIB) was particularly well-versed by planning’s adherents and was widely seen as forming the necessary foundations for ‘basic’ control over this vital economic lever.¹⁵⁶ It was also an issue upon which considerable thought had been given to the actual mechanism of control. Indeed, it was the only issue that Clark had considered when sponsored by the NFRB to investigate proposals for a ‘Planning Machinery’.¹⁵⁷ In an interesting parallel with Dickinson’s proposals and the actual control mechanisms that would be developed under the Emergency Powers Act, a NIB was envisaged as a licensing body that would be responsible for the flow of capital. It would neither hold nor issue investments, but would be charged with examining requests and deciding their fate with reference to a set of defined priorities.¹⁵⁸ As such, the proposal offered a clear point of convergence for the various interwar theorists. It was, as suggested by PEP

¹⁵⁴ R.H.S. Crossman, *How Britain is Governed* (London, 1939), p. 69.

¹⁵⁵ Jay, *The Socialist Case*, p. 349.

¹⁵⁶ Stephen Brooke, ‘Revisionists and Fundamentalists’, p. 160; Durbin, ‘The Importance of Planning’, pp. 41-57; Ben Jackson, ‘Revisionism Reconsidered: “Property-Owning Democracy” and Egalitarian Strategy in Post-War Britain’, *Twentieth Century British History*, 16:4 (2005), 416-440 (p. 434); Harold Macmillan, ‘The Next Step’ (unpublished discussion pamphlet, London, 1932), p. 14; Herbert Morrison, *Prospects and Policies* (Cambridge, 1943), p. 42 and Joan Robinson, ‘Budgeting in the Post-war World’, in *Can Planning be Democratic?* (London, 1944), pp. 75-94 (p. 94).

¹⁵⁷ Durbin, *New Jerusalems*, p. 161.

¹⁵⁸ Durbin, *New Jerusalems*, pp. 175-9.

and Tec Plan, a non-partisan and nominally ‘scientific’ approach that would be administered by experts. As with Macmillan’s *Middle Way*, it would allow for industry to maintain its own plans at a sub-aggregate level. Like Durbin, Jay and Wootton’s proposals, it would not directly impinge upon consumer choice. And, given that it would not decide the priorities, Parliament would retain overall responsibility. As Wootton noted, it would be a way of ‘changing the oil without redesigning the engine’.¹⁵⁹

All of these themes were carried into *Labour’s Immediate Programme* – a notably Fabian policy statement that was drafted by Durbin, embellished upon by Dalton and published in 1937. Although the statement predates some of the works already cited, this document was effectively the culmination of the NFRB’s research and would provide the foundation for Labour’s ‘Planned Economic Democracy’ motion, as well as underpinning *Let us Face the Future*.¹⁶⁰ As it would, therefore, feed directly into later attempts to put planning theory into practice, it provides a suitable point with which to take stock. In line with its author’s interests, the proposals included centred upon a financial understanding of planning and its call for a NIB was the primary mechanism of control proposed.¹⁶¹ Fittingly, however, the deliberately brief *Immediate Programme* also avoided a number of key questions. It may have stressed that finance would be brought into ‘a national plan’ alongside trade, industry and agriculture but little detail was given to the exact relationship. Moreover, having been unable to expand beyond the broad invocation of a NIB, an imposing introductory section that proposed Labour would ‘plan the economic life of the nation ... industry by industry’ was dropped after the second draft.¹⁶² Most importantly, it only partially addressed the problem that one could have controls without necessarily being able to exercise *control*. Of course, the *Immediate Programme* was not to be the only influence on proposals in 1945. It was also possible, at least after 1939, for planning’s political supporters to look directly to the wartime system for practical inspiration. And, despite this being less flexible than the

¹⁵⁹ Thompson, *Political Economy and the Labour Party*, p. 109.

¹⁶⁰ Peter Barberis, ‘The Labour Party and Mr Keynes in the 1930s: A Partial Keynesian Revolution without Keynes’, *Labour History Review*, 71:2 (2006), 145- 166 (p. 161) and Durbin, *New Jerusalem*, p. 243.

¹⁶¹ Labour Party, *Labour’s Immediate Programme* (London, 1937), p. 3.

¹⁶² Durbin, *New Jerusalem*, p. 247.

theoretical model set out above, it will be shown in Chapter Two that many did just that.

-IV-

The interwar period might tend to be viewed through a predominantly ‘Keynesian’ lens but it is clear that much economic debate was defined by a more hands-on vision of economic planning. It is also clear that this debate was not a simple one. Instead, it was built upon differing interpretations that operated on a number of levels and which included subtle differences of opinion. As Ritschel’s study concludes, planning was an issue defined only by its ‘ideological fragmentation’.¹⁶³ Put simply, planning was always conceived as a two stage process based around the wish to identify and attain certain priorities. As Britain contemplated its long transition to peace, most – though not all – economists interpreted this in a relatively flexible way. But numerous questions remained unanswered. Investment was widely regarded as crucial, but the exact mechanics of a NIB were less discussed; it was not clear whether the process should be proactive or reactive; the relationship between planning, private and public enterprise had not been considered in any great depth; and, although some commentators favoured a purely financial approach or one based on co-operation, most continued to allude to some form of control. An apparent inability to act on these uncertainties after 1945 would ensure that planning’s history has been defined in terms of failure and retreat. Most significantly, however, the very existence of such uncertainties is evidence that planning had always been a contested concept. Thus, although both sides of the debate were ostensibly committed to remarkably similar objectives, this should not be seen as symbolising an all-embracing ‘consensus’. Instead, it is to emphasise the shared framework and context within which such differences were played out. Most importantly, it is to emphasise that despite the clear rhetorical divisions, these debates remained ill-defined and did little to clarify concepts of planning, or its control.

¹⁶³ Ritschel, *The Politics of Planning*, p. 330.

Chapter Two

The Development of Economic Controls Improvisation and Adaptation, c.1939-1947

It is perhaps an inevitable weakness of the human mind to conclude that the remedy for the glaring inefficiencies of the operation of economic planning in war-time was to improve the methods of planning and co-ordination ... yet it is one of the ironies of planning that the more ambitious the system of co-ordination constructed, the less likely it was to be successful.

Ely Devons, 'Economic Planning in War and Peace', *The Manchester School of Economic and Social Studies*, 16:1(1948), 1-28 (p. 19).

Despite the best efforts of those historians, economists and former administrators noted in the last chapter, the economic reality and evolution of economic controls after 1945 remains less than clear. Although most accounts point to a gradual diminution in the importance of such measures during the course of the long transition to peace, it has been shown that the scale, timing, importance, impact and reasons for this movement have all been the subject of numerous interpretations. Along with Chapter Three, this chapter attempts to offer a focused overview of developments within the system. Building upon the broad framework established by Ely Devons in 1952, they will combine a 'high-level' intellectual history with the personal insights of administrators to chart these changes against a background of continued misunderstanding and transitional problems. This will eventually encompass wartime and post-war shortages, recurrent fears regarding inflation, attempts to balance Britain's trade, the 1947 fuel and convertibility crises, attempts to reform the system after 1947, reactions to the Korean War and efforts to better manage growth in the early 1950s. Of course, ending in 1947, this chapter examines developments during the earlier part of this period. It will, nevertheless, continue to question the narrative of retreat by looking in more detail at the controls that were assumed to underpin the act of planning. And, in doing so, it will challenge the assumption that planning's failings before 1947 were the result of an intellectual impasse exacerbated by obstructive officials and an inability to engage with experts.

Before beginning this survey, it is worth noting that there are a number of obvious differences between the role of such expertise in theory and practice. When considering the economy, the former tends towards the abstract by building theoretical models that describe broad developments, whilst the latter attempts to apply such knowledge in order to identify and resolve specific problems.¹ Though complementary, these branches should not be seen as analogous and – even with a growing interest in the application of ideas – a tendency towards the separation of each had grown during the 1930s.² The reason for this was multifaceted. But it was broadly accepted that the dynamic nature and sociological underpinnings of economics meant that it was clearly differentiated from the natural sciences. As Lionel Robbins put it during an anniversary lecture to the LSE, ‘knowledge has its limits’.³ This point was also of great interest to Alec Cairncross and Ely Devons. Although an enthusiastic proponent of such expertise, Cairncross, who could draw upon his wartime experience as well as that gained as the government’s Chief Economic Advisor between 1964 and 1969, similarly maintained that practical decision making often turned upon ‘a balance of considerations among which economic factors are not decisive’.⁴ Devons’ view was slightly different. In fact, from a rather more sceptical perspective, he would maintain in an essay on personal knowledge that it was entirely unclear as to what exactly ‘one applied in applied economics’.⁵ All three agreed, however, that it was often the simplest things – or, to adopt a more theoretical term, ‘common-sense axioms’ – that mattered the most. This observation remains important and will be returned to at the end of the next chapter. Before this, however, it is necessary to understand how the theories explored in Chapter One played out in practice.

-I-

¹ Elizabeth Durbin, *New Jerusalems: The Labour Party and the Economics of Democratic Socialism* (London, 1985), p. 14.

² Evan Durbin, ‘Economics and the Scientific Method’, in *Economics: Man and his Material Resources*, ed. W.A. Lewis (London, 1949), pp. 321-39 (pp. 327-9).

³ Lionel Robbins, ‘The Economist in the Twentieth Century’, *Economica*, 16:62 (1949), 93-105 (pp. 100-1). See also: Hubert Henderson, *The Uses and Abuses of Economic Planning* (Cambridge, 1947), p. 29.

⁴ Alec Cairncross, *Economics and Economic Policy* (Oxford, 1986), p. 14.

⁵ Ely Devons, ‘Applied Economics – The Application of What?’, in *Essays in Economics*, ed. E. Devons (London, 1961), pp. 13-32 (p. 13).

The broad apparatus of controls legislated for by the wide ranging 1939 Emergency Powers (Defence) Act provides an obvious example of the distinction between ideas and their application. In theory, the statutory powers enforced by each of the 687 separate Defence Regulations ratified under the Act were designed to enable a three stage process of surveying, planning and programming that would allow for the central direction of all vital resources and productive capacity. The legal framework certainly ensured that an extensive apparatus of controls could be established within days of war being declared.⁶ However, with individual materials covered by their own bespoke systems of regulation, this complex web of positive and negative controls was entirely dependent upon its careful co-ordination with a range of more practical measures.⁷ Amongst the most important developments, one which followed Enrico Barone's logic, had been the creation between April and July 1939 of a distinct Ministry of Supply.⁸ Split into fourteen sections that were individually responsible for certain groups of material, the Ministry exercised its power through the granting of government contracts, the direct allocation of some materials and a complex system of stated priorities that were enforced regionally and aimed to encourage distribution in line with an annotated list of manufacturers known as *Register 392*.⁹ To facilitate this work, Britain was divided into thirteen separate administrative areas under the oversight of Area Boards and regional directors who co-ordinated the work of individual controllers.¹⁰ Amongst the first recruited was the ambitious Chairman of the British Metal Corporation (BMC), and a future Minister of Production, President of the Board of Trade and front-bench Conservative economic spokesperson, Oliver Lyttelton. These moves were supplemented by the extension of existing price controls, the introduction of powers for compulsory purchase, and the development of a national scheme for the compulsory salvage of

⁶ J. Backman and L. Fishman, 'British Wartime Control of Copper, Lead and Zinc', *Quarterly Journal of Economics*, 55:2 (1941), 210-38 (pp. 210-11).

⁷ Kew, The National Archives (TNA), T 230/12, Robbins, 'Notes on the Present State of Economic Co-ordination', Oct 1940.

⁸ H. Hartley, 'British War Controls – The Legal Framework', *The Manchester School of Economic and Social Studies (The Manchester School)*, 11:2 (1940), 163-76 (p. 163) and J.D. Scott and R. Hughes, *The Administration of War Production* (London, 1955), pp. 68-78 and 213-232.

⁹ TNA, T 230/13, Robinson, 'Pre-War and War-Time Government Controls', 13 Dec 1941, pp. 7-14.

¹⁰ Backman and Fishman, 'British Wartime Control of Copper', pp. 222-3 and 'British Wartime Control of Aluminium', *Quarterly Journal of Economics*, 56:1 (1941), 18-48 (p. 23).

metal, paper, rags and food waste. A broader survey of economic co-ordination was also undertaken by the National Government's economic advisor Lord Stamp and a small number of academic economists were subsequently drafted into Whitehall to help him instigate the three stage process that came to underpin Labour's later calls for a policy based upon a 'knowledge of economic fact and circumstance'.¹¹

In a marked contrast to the First World War, these developments had been discussed in advance and were widely accepted. Such preparations have received relatively little historical attention. But, starting in the mid-1920s with attempts to learn lessons from the earlier conflict, it is clear that they fed into increasingly detailed planning as rearmament stepped up.¹² Much of this took place behind closed doors with the Production Supply Organisation and the Board of Trade's own Supply Organisation building detailed estimates, collating statistical returns and beginning to stockpile essential resources.¹³ Nevertheless, reflecting contemporary fears about the devastating potential of aerial warfare, an open panel of industrialists was also convened in 1938 to advise the government on the planning of aircraft production.¹⁴ The involvement of such figures reflected an agreement struck in 1925 that existing structures would form the basis of any wartime system and that many controls – like those requiring the collection of statistics and trade returns – would initially be established on a voluntary basis.¹⁵ It was for this reason that Trade Associations and combines, many of which had already been given government encouragement, became central, whilst Whitehall's role was conceived primarily in terms of co-ordination. Lyttelton's recruitment provides a particularly apt case. In fact, having set out plans whereby the responsibility for trading all non-ferrous metals would be transferred to the BMC, essentially transforming the company into a control,

¹¹ Alec Cairncross and Nita Watts, *The Economic Section 1939-1961: A Study in Economic Advising* (London, 1989), p. 12; E.A.G. Robinson, 'The Overall Allocation of Resources', in *Lessons of the British War Economy*, ed. D.N. Chester (Cambridge, 1951), pp. 34-57 (p. 52) and Herbert Morrison, 'The State and Industry', in *Can Planning be Democratic?* (London, 1944), pp. 1-23 (p. 21). See also: James Meade, 'Economic Planning', in *The Collected Papers of James Meade Vol. I Employment and Inflation*, ed. S. Howson (London, 1988), pp. 265-74.

¹² W.K. Hancock and M.M. Gowing, *British War Economy* (London, 1949), pp. 41-5 and Neil Rollings, 'Whitehall and the Control of Prices and Profits in a Major War, 1919-1939', *The Historical Journal*, 44:2 (2001), 517-540 (pp. 521 and 530).

¹³ Joel Hurstfield, *The Control of Raw Materials* (London, 1953), pp. 33-54.

¹⁴ TNA, AVIA 10/91, 'Prime Minister's Panel of Industrial Advisors', 1938-9.

¹⁵ Hurstfield, *The Control of Raw Materials*, pp. 32, 60 and 67-8.

Lyttelton, who had been made an official advisor in 1937, held the government to ransom by threatening non-co-operation if his proposals were refused. His antics, which were not helped by his dealings with the German metals giant Frankfurter Metallgesellschaft, with whom he held a London directorship, led to complaints from other industrialists and did little to endear him to established civil servants.¹⁶ Crucially, though, his preference for maintaining established channels of control was reflected by Stamp, who had earlier claimed that it would be ‘impossible to make a businessman work harder ... by standing next to him with a revolver’.¹⁷ Thus, this was just one example of the Emergency Powers Act representing anything but a radical change in practice.

The intelligence necessary to ensure that this system of autonomous control worked was the key consideration of Stamp’s survey and led to the creation, in December 1939, a full three months after most controls had been set up, of the Central Economic Information Service (CEIS). This interdepartmental body of advisors – which was split into the Central Statistical Office (CSO) and Economic Section (EC(S)) in late 1940 – was made up of academics drafted from various universities and was charged with offering ‘a general conspectus of the economic system’ through the collation and analysis of ‘basic economic data’.¹⁸ As it developed, the CEIS and its successor bodies would also help to shape the determination of wartime priorities through their circulation of an influential paper on ‘Urgent Economic Problems’ and were later given responsibility for drafting the 1944 *White Paper on Employment Policy*. Drawing in a wide range of ‘specialists’ – including those like Evan Durbin and Max Nicholson who had been so influential during the 1930s – they certainly provide this chapter with an interesting link between theory and practice. Even more interestingly, although to be entirely expected considering the small number of professional economists available, apparently hostile individuals like John Jewkes and Lionel Robbins were amongst those involved, with both men serving as director during the course of the conflict. Beginning its work with a survey of war finance, an issue that had also been taken up by John Maynard Keynes, the

¹⁶ Simon Ball, *The Guardsmen: Harold Macmillan, Three Friends, and the World they Built* (London, 2005), pp. 203-5.

¹⁷ Rollings, ‘Whitehall and the Control of Prices and Profits’, p. 540.

¹⁸ TNA, AVIA 10/373, Jewkes and Robinson, ‘Survey of the Work of the Central Economic Intelligence Service’, 19 Dec 1939, pp. 1-3.

CEIS soon turned its attention to strategies for the efficient utilisation of raw materials and productive capacity.¹⁹ This reflected, as Robbins later noted, a belief that success in war was ‘essentially a matter of command over resources’.²⁰ As might be expected, this move was most obvious in those sectors described as being ‘essential’. To return to the example of aircraft production, for instance, a sector where output targets had been set at their most optimistic levels, financial limitations were replaced by those of capacity as early as 1938.²¹ A similar approach was adopted with timber which, despite the absence of any pre-war mechanism, was immediately transferred to a system of compulsory purchase and allocation by licence.²²

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When looked at with hindsight, the emphasis placed upon real resources and the apparent ‘conversion’ of former critics can be seen to have legitimised planning’s utility. The wartime system appeared, as noted by Stephen Brooke and Jim Tomlinson, to be both the realisation of many of the pre-war proposals sketched out in Chapter One and to offer a vision for the future.²³ Examining the case of steel in July 1942, for example, the Labour Party’s Research Department (LPRD) noted that the process of control through detailed co-operation with private firms might offer an alternative to nationalisation within this vital industry.²⁴ Two years later, much was also made of Lyttelton’s confident assertion that industrial production had been

¹⁹ Cairncross and Watts, *The Economic Section*, p. 16; Douglas Jay, *Who is to Pay for the War and the Peace?* (London, 1941); J.M. Keynes, *How to Pay for the War: A Radical Plan for the Chancellor of the Exchequer* (London, 1940); Richard Toye, *The Labour Party and the Planned Economy, 1931-51* (Woodbridge, 2003), pp. 87-113 and TNA, T 230/12, Meade, ‘Principles of War Finance’, 25 Nov 1940, p. 1.

²⁰ Lionel Robbins, *The Economic Problem in Peace and War: Some Reflections on Objectives and Mechanisms* (London, 1947), p. 31 and Hancock and Gowing, *British War Economy*, p. 94.

²¹ M.M. Postan, *British War Production* (London, 1952), p. 17.

²² Hurstfield, *The Control of Raw Materials*, p. 147 and TNA, SUPP 14/631, ‘Child’s Guide to Timber Control’, 14 Mar 1942, p. 1.

²³ Stephen Brooke, ‘Revisionists and Fundamentalists: The Labour Party and Economic Policy during the Second World War’, *The Historical Journal*, 32:1 (1989), 157-175 (p. 162) and Jim Tomlinson, *Democratic Socialism and Economic Policy: The Attlee Years, 1945-51* (Cambridge, 2002), p. 21.

²⁴ Manchester, Labour Party Archives (LPA), LPRD, RDR 111, ‘Steel Control’, Jul 1942.

increased by around 40 per cent when compared to pre-war figures.²⁵ These successes helped wartime planning – when loosely defined – capture the public imagination in a way that had been unimaginable during the interwar period.²⁶ It should, therefore, come as no surprise that the more overtly party-political discussions briefly mentioned at the outset of Chapter One fed directly upon this context. In 1941, for example, Labour summed up its first year in coalition by noting that ‘persuasion is giving way to planning’ and promising to harness the ‘surprising change’ in Britain’s economic organisation.²⁷ The situation, explained the prominent MP James Griffiths in 1943 during a buoyant speech to the Fabian Society, had changed considerably since 1939. He saw that the choice was no longer one between planning or not, but over the type and aims of a plan.²⁸ This approach would define Labour’s campaigning in the 1945 General Election and underpinned its rhetorical invocations of ‘the controls that won the war’.²⁹ Nonetheless, the context also provided a basis for more practical thoughts about the structure such planning would take. Indeed, even Griffiths’ speech, though primarily an example of political oratory, attempted to flesh out its vision by isolating the need for basic controls over investment, priorities, regional development and trade.³⁰

Of course, the relationship between planning in war – with its overriding objective of military production – and peace was less than clear. But, for Sir Stafford Cripps, the wartime head of the Ministry of Aircraft Production (MAP) and future Chancellor of the Exchequer, it was simply incontestable that the war had ‘developed many mechanisms for political and economic co-operation’ that could be harnessed at its end.³¹ He, like Barbara Wootton and the other democratic planners, instead sought to differentiate between questions of means and ends. The objective, he argued, was an issue for the electorate, but the process was one for the experts to work out in

²⁵ Labour Party, *Your Future: After Victory – What Then?* (London, 1944), f. 3 and ff. 3 and PEP, ‘Framework of a Four Year Plan’, *Planning: A Broadsheet by PEP*, 235, 8 Jun 1945, p. 4.

²⁶ John Stevenson, ‘Planners Moon? The Second World War and the Planning Movement’, in *War and Social Change*, ed H.L. Smith (Manchester, 1986), pp. 58-77.

²⁷ Labour Party, *Labour in the Government: A Record of Social Legislation in Wartime* (London, 1941), p. 5.

²⁸ James Griffiths, ‘Plan for the Key Industries’, in *Plan for Britain*, ed. John Parker (London, 1943), pp. 53-65 (p. 54).

²⁹ Labour Party, *Let Us Face the Future* (London, 1945), p. 2.

³⁰ Griffiths, ‘Plan for the Key Industries’, p. 55.

³¹ Stafford Cripps, *Shall the Spell Be Broken?* (Aberdeen, 1943), p. 15.

advance.³² Although Cripps – who had been expelled from the Labour Party in 1939 and spent the years between then and 1945 as the Independent MP for Bristol West – remained unconnected from the detail of party policy making, this statement remains significant as he was to become virtually synonymous with Labour’s post-1945 economic policies. Richard Toye, for instance – whose PhD thesis was based upon Cripps’ as then unreleased personal papers – sees him as the key to understanding planning’s development in the years before 1951 as his was quite simply the most articulate vision of an otherwise ambiguous concept.³³ Even at this point, the spirit of his statement reflected efforts by the ‘experts’ sitting on Labour’s Social and Economic Transformation, Machinery of Government and Post-War Finance subcommittees to work out the detail. Like Cripps, much of their work looked directly to the wartime system for inspiration and the phrase ‘we are already doing it’ was commonly used.³⁴ It was in this context that Douglas Jay – who had entered Whitehall as a temporary civil servant in 1940 – underwent a fairly well-known conversion towards an acceptance of selective physical controls as a means of democratic planning.³⁵ Thus, according to Herbert Morrison, who maintained that he had ‘learnt a lot from the war’, a ‘prophetic vision’ was able to be substituted with a ‘clear table of priorities’.³⁶ To borrow a phrase from Brooke, the creation of such an extensive apparatus of control appeared to have delivered the very ‘building blocks of socialism’.³⁷

The MAP, in particular, appeared to offer something of a blueprint to the planners and Cripps would continually return to the experience he gained at its head. Jewkes, who was moved to the department from the CEIS in 1940 and served as the director of its planning department until 1944, would later maintain that it had become a

³² Cripps, *Shall the Spell Be Broken?*, p. 15.

³³ Toye, *Labour and the Planned Economy*, p. 124. See also: Peter Clarke, *The Cripps Version: The Life of Sir Stafford Cripps 1889-1952* (London, 2003), p. 479 and J.C.R. Dow, *The Management of the British Economy, 1945-60* (Cambridge, 1964), p. 33.

³⁴ Stephen Brooke, *Labour’s War: The Labour Party during the Second World War* (Oxford, 1992), p. 248 and ‘Revisionists and Fundamentalists’, p. 164.

³⁵ Jim Tomlinson, ‘Planning: Debates and Policy in the 1940s’, *Twentieth Century British History*, 3:2 (1992), 154-174 (p. 159).

³⁶ *Hansard*, (House of Commons Parliamentary Debates) 5th ser., vol. 419, 28 Feb 1946, c. 2130 and Morrison, ‘The State and Industry’, p. 1.

³⁷ Brooke, *Labour’s War*, p. 248.

fairly tiresome example of democratic planning in action.³⁸ In fact, within months of his taking office, whilst visiting Jewkes in the MAP's Whitehall Chart Room, Cripps is said to have exclaimed that its activities proved there was 'no limit in theory ... to economic planning'.³⁹ Founded in May 1940, the department can certainly be seen as a microcosm of the broader system and was symbolic of the unprecedented level of government intervention brought about by the war. Embodying the scientific nature of wartime planning, it was responsible for co-ordinating the manufacture of a modern, highly specialised, interdependent, and not to mention vitally important, range of products – from aero-engines and propellers to radios and radar – that were financed by the state but designed and built by numerous private firms.⁴⁰ This was an enormous undertaking, with over 1.8 million individuals employed within the sector at its peak – a figure which represented almost one third of all manufacturing workers.⁴¹ Throughout his tenure, Cripps placed a great deal of emphasis on planning as a collaborative partnership between the state and both sides of the industry. Embarking on a wide-ranging tour of manufacturers, he instigated a tripartite model of Joint Production Consultative Committees in what was arguably the first attempt in Britain 'to plan from the ground up' and to which Toye has devoted some attention.⁴² For Peter Clarke, writing in his intricate biography of the future Chancellor, this experience marked the first 'realisation of his talents as an executive minister' and saw him win over many of his sceptical subordinates.⁴³ Given this, Cripps' confident assertion to an audience at the University of Aberdeen that 'It can be done', seemed easily justified.⁴⁴

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³⁸ John Jewkes, *Ordeal by Planning* (London, 1948), p. 14n.

³⁹ Alec Cairncross, *Planning in Wartime: Aircraft Production in Britain, Germany and the USA* (Basingstoke, 1991), p. 6.

⁴⁰ Backman and Fishman, 'British Wartime Control of Aluminium', p. 18 and Alec Cairncross, 'How British Aircraft Production was Planned in the Second World War', *Twentieth Century British History*, 2:3 (1991), 344-59 (p. 344).

⁴¹ Cairncross, 'British Aircraft Production', p. 344.

⁴² Toye, *Labour and the Planned Economy*, pp. 122-4.

⁴³ Clarke, *The Cripps Version*, pp. 373-9.

⁴⁴ Cripps, *Shall the Spell Be Broken?*, p. 15.

The realities of the wartime system have, however, since been subjected to a more rigorous appraisal. Alongside more recent historical accounts, it was noted in the Introduction that the experience gained by those drafted into the system's administration provided the impetus for a number of fascinating earlier studies that can be read alongside W.K. Hancock's series of official histories.⁴⁵ The wartime system would remain a lasting point of reference for many former specialists who, as recorded by Lyttelton, were 'bound ... by the indelible experience of those times'.⁴⁶ Many, like Devons, who was transferred by Jewkes to the CEIS as a statistician and would replace him as director of planning at the MAP in 1944, would use this experience as a lens through which to analyse post-war developments or would directly reflect upon their wartime role within later publications. Given the later invocations of the MAP as an example of success, it is significant that a number of these accounts were rooted in experience gained in that department's bureaucratic hinterland. The MAP had, in fact, been home to a notable collection of economists and statisticians with Cairncross, David Champernowne, Walter Hagenbuch, Frank Paish, Brian Tew, Thomas Wilson, Devons and Jewkes filling some of the department's 949 executive and 107 administrative positions. Crucially, the personal papers and recollections of such figures provide some of the most detailed surviving records from a department within which most early work was conducted via telephone or without written notes and for which 'a large sack' of files was lost at some point after 1949.⁴⁷ This was not quite the mice eaten files about which Devons' warned, but it was not far off. Moreover, and further questioning the claim that Devons and Jewkes were somehow 'exceptional' in their scepticism, the accounts tend to converge around a two common themes. Firstly, that the system was less 'planned' than often presumed and, secondly, that it lacked the definitive objective and sense of direction so often attributed to it.

⁴⁵ For examples: Cairncross, *Planning in Wartime* and (with Nita Watts) *The Economic Section*; Ely Devons, *Planning in Practice: Essays in Aircraft Planning in War* (Cambridge, 1950); Oliver Franks, *Central Planning and Control in War and Peace* (London, 1947); John Jewkes, *Ordeal By Planning*; Edwin Plowden, *An Industrialist in the Treasury: The Post-War Years* (London, 1989); Robbins, *The Economic Problem in Peace and War*; Austin Robinson, *Economic Planning in the United Kingdom: Some Lessons* (Cambridge, 1967); Brian Tew, 'Economic Planning', *English Historical Review*, 4:1 (1951), 125-7 and Ronald Tress, 'The Practice of Economic Planning', *The Manchester School*, 16:2 (1948), 192-213.

⁴⁶ Oliver Lyttelton, *The Memoirs of Lord Chandos, Oliver Lyttelton, Viscount Chandos* (London, 1962), p. 290.

⁴⁷ Cairncross, 'British Aircraft Production', p. 344.

On the first point, and re-acknowledged by more recent historical investigations, the ambiguities regarding planning and controls highlighted earlier ensured that many questions remained unanswered as the war began.⁴⁸ The function of most controls, Joel Hurstfield conceded, was ‘never fully defined’ because it had been ‘impossible to [fully] prepare for total war’.⁴⁹ Indeed, despite the interwar discussions, high-profile calls for a wholesale reorganisation of the machinery of government and warnings about ‘unintelligent priorities’ from William Beveridge, much of the early apparatus drew upon those ‘piecemeal’ practices earlier identified by Harold Macmillan.⁵⁰ The priority system in force until May 1940 – and mentioned with regard to the Ministry of Supply – provides the most obvious example. It was theoretically an exercise in meticulous co-ordination that worked by assigning ‘certificates’ or ‘symbols’ to certain goods with reference to the CEIS’ surveys, *Register 392* and the various statistical returns submitted by individual firms. Once the priorities had been decided, enforcement would be devolved to a regional level where Area Boards made up of departmental representatives would arbitrate over individual claims. The production decisions would then be devolved to those autonomous materials-specific controllers – initially known as Controls with a capital ‘C’ – responsible for supervising the use of productive capacity, distributing materials, fixing prices and granting licences for the materials required.⁵¹ However, as inferred by the example of Lyttelton’s Non-Ferrous Metals Control, the reality was never quite so neat. Not only were many of the Controls drawn from existing Trade Associations, but the system remained reliant on self-enforcement, was quantified in financial terms, left certain raw materials entirely uncontrolled and took place within a relatively open market.⁵² Even more remarkably, individual priority decisions were rarely co-ordinated, relied upon an informal process of

⁴⁸ Hancock and Gowing, *British War Economy*, p. 326; Keith Manton, ‘Sir William Beveridge, the British Government and Plans for Food Control in Time of War, c. 1916-1941’, *Contemporary British History*, 23:3 (2009), 363-385 and Rollings, ‘Whitehall and the Control of Prices and Profits’, 517-540.

⁴⁹ Hurstfield, *The Control of Raw Materials*, pp. 66 and 80.

⁵⁰ *The Times*, 3 Oct 1939 and Postan, *British War Production*, p. 34.

⁵¹ TNA, T 230/14, Robinson, ‘The Raw Materials Controls [Draft]’, 2 Mar 1942, pp. 2-3.

⁵² Backman and Fishman, ‘British Wartime Control of Copper’, pp. 218-38.

interdepartmental bidding and left government departments personally exempt from the licensing system.⁵³

To give a sense of what this looked like in practice it is worth considering the evolution of one Control in a little more detail. Aluminium, a material which made up around 75 per cent of each plane produced by the MAP, provides a particularly useful example. Integrated into the Ministry of Supply's priority system on 1 September 1939 and enforced by licence a week later, the Aluminium Control was amongst the first to be set up. In keeping with a general policy to disperse administrative functions beyond London, it was initially based at the Raven Hotel in the market town of Shrewsbury and was made up of four controllers drawn from the monopolistic British Aluminium Company (BAC) and supported by a small staff of 20.⁵⁴ As the aluminium industry had been a virtual monopoly before 1939, the supply-side of this equation was carried into state control relatively smoothly.⁵⁵ Given its importance to aircraft production, the priority decisions surrounding its use were also relatively straightforward. The Control's main function was, therefore, to administer 'acquisition licences' that permitted the purchase of metal in either its unwrought, alloy or scrap form (in other cases 'disposal' licences were also required). This became a parallel form of currency with firms required to submit a detailed 'schedule of orders' in order to gain a licence. So that decisions could be made with reference to those centrally defined priorities outlined above, each request had to set out specific materials requirements whilst indicating at each request's end use. Given that the aluminium at stake was often required for the manufacture of intricate aircraft components, and that the Control required each firm involved to schedule every stage of production thereafter, the quantity of paperwork generated by this process was immense. A 1941 review estimated that the 150 applications received each day meant that around 10 000 scheduled customers were being considered at any one time (many of which would overlap).⁵⁶ One must also remember that each firm had to submit separate licence requests for each material it

⁵³ Postan, *British War Production*, p. 92.

⁵⁴ TNA, AVIA 10/298, 'Light Metals Control: Organisation and General Function of Control (A)', 28 Sept 1943, f. 1.

⁵⁵ Backman and Fishman, 'British Wartime Control of Aluminium', p. 19.

⁵⁶ TNA, AVIA 12/85, A.G. Charles, 'History of the Non-Ferrous Metals Control 1st September 1939 – 31st August 1945', c. 1947, p. 18.

needed, and that these would be considered by each individual Control. Thus, even an ostensibly straightforward restriction rested on an inherently complex web of decision making.

Given that each of its constituent parts operated slightly differently, the system as a whole was even more complicated. It was, however, still possible to draw a number of more general conclusions. Indeed, even within the system's first six weeks of operation, the economic journalist Richard 'Otto' Clarke, who had been brought into Whitehall via the Ministry of Information and Ministry of Economic Warfare, felt inclined to publish a damning indictment of the current system which he saw as being wastefully segregated.⁵⁷ This point was not lost on Evan Durbin when he was made responsible for drafting an EC(S) memorandum on the priority system in July 1941. Designed as a reference text that could be sent to the USA, this adopted a fairly detached and surprisingly light hearted tone whilst identifying a number of very practical failings. Firstly, in a phrase that was later echoed by Hurstfield, Durbin noted that there had 'never been any definition of the precise significance that should be attached to any [priority] symbol'. Secondly, he saw that there was little relation between priority decisions and available supplies: estimating that in some cases the stated priorities equated to 1000 per cent of available capacity. The relationship between departments was also brought to question as he doubted that they would ever 'play fair' when it came to allocating priorities to their own sectors.⁵⁸ This point was not lost on external commentators. Jack Stafford, for instance, a pre-war colleague of Devons who was later drafted into Whitehall himself, had pointed out in 1940 that a 'tug-of-war of departmental interests' had left the system blighted by a form of priority inflation as certificates were extended to such an extent that they became meaningless.⁵⁹ For Austin Robinson, a founding member of the CEIS, some of the blame lay with individual controllers who he accused of being 'unduly secretive' and unwilling to 'submit to detailed supervision'.⁶⁰ For Durbin, however,

⁵⁷ R.W.B. Clarke, *The Economic Effort of War* (London, 1939), p. 184.

⁵⁸ TNA, T 230/13, Durbin, 'Priority and Allocation', 15 Jul 1941, p. 5.

⁵⁹ Jack Stafford, 'British War Controls – An Economic Comment', *The Manchester School*, 11:2 (1940), 142-62 (p. 159).

⁶⁰ TNA, T 230/14, Robinson, 'The Raw Materials Controls', 2 Mar 1942, pp. 15-16 and 'The Problems of Controls over the Economic System during the Post-War Transition', 21 Apr 1942, pp. 13-18.

it was not that the state's controls were too loose or that the reliance on self-enforcement was open to abuse. The confusion was, in his view, 'an unsurmountable [*sic*] difficulty' within a system which was simply unable to cross-reference or co-ordinate the action of individual Controls.⁶¹

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Although the sources remain fragmented and comparisons with other departments hard to draw, the MAP provides another vivid example of the difficulties being faced. Initially based in the private house of its head, the press magnate Lord Beaverbrook, and staffed by a potent mixture of civil servants, industrialists, former members of the Air Ministry and *Express*-group journalists, the MAP was defined by its self-confidence, an emphasis on exhortation, suspicion at official practices and a virulent hostility towards bureaucracy and 'red tape'.⁶² Lacking a clear organisational structure and operating without formal records, John Scott and Richard Hughes, in their civil history of wartime administration, concluded that the department's 'very essence ... was its lack of definition'.⁶³ In a fevered atmosphere that promoted production at all costs, it was not until 2 October 1940 that a single programme for production was drawn up; even then, the author was forced to admit that it had not incorporated 'any of the more refined processes of statistics'.⁶⁴ Given the complexity of each of its products, and the length of time taken in research and development, this enthusiastic disregard for forward planning had potentially damaging long term implications. For example, recalling Beaverbrook's insistence that a prototype aircraft should be made available two months ahead of schedule during a 1941 interview with Mass Observation (M-O), the head of a large engineering firm recalled that:

The whole factory was organized into getting the 'plane ready in two days. The whole production schedule was disorganised, the assembly

⁶¹ TNA, T 230/13, Durbin, 'Priority and Allocation', 15 Jul 1941, p. 5.

⁶² Anne Chrisolm and Michael Davie, *Beaverbrook: A Life* (London, 1993), p. 385 and Alec Cairncross, 'Ely Devons: A Memoir', in *Papers on Planning and Economic Management* (Manchester, 1970), pp. 1-16 (p. 7).

⁶³ Scott and Hughes, *Administration of War Production*, p. 296.

⁶⁴ Scott and Hughes, *Administration of War Production*, p. 390 and Sebastian Ritchie, *Industry and Air Power: The Expansion of British Aircraft Production, 1935-41* (London, 1997), p. 229.

line stripped, everything concentrated on the 'plane. By a stupendous effort ... [it] was ready within two days, flown to the aerodrome, and handed over to the R.A.F. The job Beaverbrook had asked for had been done, though the factory would be interfered with for weeks after.⁶⁵

This was not a vision of planning that would have been recognised by the enthusiastic interwar theorists of the last chapter. Indeed, it was not even one recognised by Jewkes, whose relationship with the department began with the drafting of a damning report into its structure: a report that recommended an ambitious scheme of reorganisation and led to its author's appointment at the head of a new planning directorate – given the coded title DDGstatsP – in September 1941.⁶⁶

As Jewkes realised, a number of the MAP's problems could be explained by weaknesses in its statistical data. Similar problems, though most pronounced regarding small firms, were widely regarded as afflicting the entire war economy.⁶⁷ In October 1940, for example, Robbins had described a 'lamentable' and somewhat chaotic situation in a broad review on the subject for the EC(S). Stressing that 'conspicuous gaps' in the available data had encouraged open competition for resources, he warned that Departmental Priority Officers had tended to wait for shortages to occur rather than taking preventative action to increase supplies and had failed to realise that scarcity meant it was impossible to increase production in one area without inhibiting others.⁶⁸ It was because of such problems that Devons and Cairncross were transferred into the MAP. Having conducted a number of investigations for the CEIS from their shared office in the attic of a Whitehall townhouse, both would have been well aware of the situation that they would face. Indeed, Cairncross had even conducted a series of interviews with various Controls in an earlier attempt to make sense of the system.⁶⁹ Looking back at these investigations after three years at the MAP, he remembered that it had been 'almost impossible to obtain a comprehensive statement of outstanding contracts at a given

⁶⁵ Mass Observation (M-O), *People in Production* (London, 1942), p. 58.

⁶⁶ Scott and Hughes, *Administration of War Production*, p. 392.

⁶⁷ Backman and Fishman, 'British Wartime Control of Copper', p. 231; Stafford, 'British War Controls', pp. 160-1 and Richard Pares, 'The Work of a Departmental Priority Officer', in *Lessons of the British War Economy*, ed. D.N. Chester (Cambridge, 1951), pp. 154-67 (p. 166).

⁶⁸ TNA, T 230/14, Robbins, 'Note on the Present State of Economic Co-ordination', Oct 1940, p. 8.

⁶⁹ TNA, AVIA 10/375, Cairncross, 'Interview with the Aluminium Controller', 25 Jun 1940, fols 1-2.

date, or to discover what cumulative deliveries of any component had been made up to that date' such was the 'primitive state' of the available statistics.⁷⁰ The situation was, bizarrely, somewhat self-inflicted; having preferred to see targets as an incentive rather than a guide, MAP figures before 1942 bore little relation to reality and it was privately accepted that those published were between 15 and 45 per cent above the level that might actually be attained.⁷¹ Cairncross would, therefore, delight in the absurdity of a system that had left 300 propellerless Wellington bombers stranded on a beach in Blackpool and remained adamant that most of the individuals involved simply did not understand how to co-ordinate a production programme.⁷²

The relationship between the MAP and other departments was another point of concern. In the summer of 1940, for example, at the height of the Battle of Britain, Beaverbrook had issued a series of 'super priorities' in an attempt to requisition materials and machine tools from the Ministry of Supply without informing the newly appointed Herbert Morrison. This action, which was eventually 'torpedoed' by a Ministry of Supply Controller, exacerbated a tension between two departments which saw themselves as the key to Britain's war effort.⁷³ Relations with other divisions were scarcely better. Indeed, even Beaverbrook's sympathetic successor, John Moore-Brazabon, was forced to admit that it was 'rather ridiculous' that the MAP had been 'scarcely on speaking terms' with either the Air Ministry or RAF when he took over in late 1940.⁷⁴ Reflecting on his experience as a Board of Trade Priority Officer, in an essay for Norman Chester's *Lessons of the British War Economy*, the historian Richard Pares stressed that this reliance on personal contacts had left guiding principles 'indeterminate' and ensured that central directives often had very little influence on the behaviour of individual Controls.⁷⁵ Lyttelton, like many of his contemporaries, had certainly sought to circumvent official channels by

⁷⁰ TNA, AVIA 10/390, Cairncross, Rough Notes on Propeller Programming, c. 1944.

⁷¹ Postan, *British War Production*, p. 173.

⁷² Cairncross, *Planning in Wartime*, pp. 8 and 14.

⁷³ Hurstfield *The Control of Raw Materials*, p. 89 and Oxford, Bodleian Library, Macmillan Papers (MACMILLAN), c. 267, Beaverbrook to Morrison, 12 Aug 1940 and Morrison to Beaverbrook, 13 Aug 1940.

⁷⁴ Lord Brazabon of Tara quoted in R.W. Clark, *Tizard* (London, 1965), p. 289.

⁷⁵ Pares, 'The Work of a Departmental Priority Officer', p. 159. See also: Scott and Hughes, *Administration of War Production*, pp. 243-5; TNA, AVIA 12/8, Ministry of Supply, 'Central Control of Supply: Methods and Procedures Used', Mar 1949, ch. 2 and T 230/14, Robinson, 'The Raw Materials Controls [revise]', pp. 13-6.

exploiting an ‘extensive network of personal contacts’.⁷⁶ This was a particular point of concern for planning’s enthusiasts. The New Fabians, for example, who held a special conference on the subject in 1940, regularly questioned the ‘fear of treading on the toes of private enterprise’ in their *Fabian Quarterly*. Aluminium Control was subjected to a particularly vehement critique for having enforced an inflated regime of price controls that guaranteed the BAC was paid £94 per ton of metal produced.⁷⁷ The idea that the system was beset by self-interest would, of course, become a central component of Arnold Rogow and Peter Shore’s influential critique, but even the established voice of *The Economist* noted that:

It is a waste of talent to use a business man where his experience prevents him from being open-minded, and where his inescapable self-interest is a drag on that energy in ruthlessness that is so often needed ... How could it have been imagined that the best method was to leave each to whip himself?⁷⁸

Though partially responsible, this indictment was shared by Robbins who accepted that the system was unworkable in the long term and had failed to increase production ‘as rapidly as was hoped’.⁷⁹

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When set against these initial uncertainties, the period 1940-42 represented a notable triumph of co-ordination with the priorities system superseded by one that included a greater degree of central allocation. Pioneered by the Ministry of Supply, the new process drew the departmental Priority Officers into a strengthened committee, reconfigured the Area Boards and integrated new subcommittees for materials, capacity, works and manpower.⁸⁰ This high level reorganisation sat alongside

⁷⁶ Philip Murphy, ‘Lyttelton, Oliver, first Viscount Chandos (1893–1972)’, *Oxford Dictionary of National Biography* (Oxford University Press, 2004; online edn, Jan 2011) [<http://www.oxforddnb.com.wam.leeds.ac.uk/view/article/31385>, accessed 21 Dec 2011].

⁷⁷ E. Davies, ‘Private Enterprise and State Control’, *Fabian Quarterly*, 27 (1940), 10-15 (p. 13); J. Parker, ‘After a Year of Coalition’, *Fabian Quarterly*, 30 (1941), 5-9 and G.D.N. Worswick, ‘The Control of Industry’, *Fabian Quarterly*, 32 (1940), 4-14.

⁷⁸ *The Economist*, 15 Jun 1940.

⁷⁹ TNA, T 230/12, Robbins, ‘Staff Meeting: Note on Future Activities’, 14 Oct 1940.

⁸⁰ Bodleian Library, MACMILLAN, c. 267, Macmillan, ‘Note on the Future Work of Area Boards’, 12 Feb 1941, f. 235 and Hurstfield, *The Control of Raw Materials*, p. 78.

attempts to rationalise individual Controls. Responsibility for Aluminium, for example, was passed from the Ministry of Supply to the MAP in August 1940 and was integrated into a new Light Metal Control at Banbury in 1941.⁸¹ The move, which coincided with a shift from voluntary to statutory enforcement and the issuing of more flexible Open Licences to key firms, was an explicit attempt to cut out some of the earlier repetition.⁸² Thanks to the detailed work of Devons and Harry Campion, these changes also paved the way for a ‘revolution’ in the collation of statistics.⁸³ With the circulation of a series of secret *Economic Surveys*, planning had, it seemed, finally been fully embraced.⁸⁴ The situation at the MAP, which was considered in detail by Postan, Scott and Hughes, also suggests that it was something of a success with the number of finished aircraft roughly doubling between April 1940 and November 1942.⁸⁵ In contrast to the department’s haphazard early development under Beaverbrook, Cripps attempted to bring further stability after this date by enforcing an explicitly ‘realistic’ approach working from a base level of available airframes and aero-engines. The position of the DDGstatsP was also strengthened and key variables like holidays, sickness and absenteeism were taken into account for the first time. This careful approach won the confidence of key figures like Air Marshal Sir Wilfrid Freeman who returned to the department as chief executive having left during Beaverbrook’s term.⁸⁶ It also made Cripps seem, to Devons at least, ‘too clever to be a Minister’.⁸⁷ Crucially, however, fundamental questions remained unanswered, and practical difficulties lingered on.

⁸¹ TNA, AVIA 10/298, ‘Light Metals Control: Organisation and General Function of Control (A)’, 28 Sept 1943, fols 1-2.

⁸² Open Licences tended to be used in high volume government contracts and were widely used by both the MAP and Ministry of Supply. They required firms to complete statistical returns, but removed the need to provide a detailed ‘schedule of orders’ as they allocated material according to either productive capacity or past production figures. This technique would be used until the last controls such were removed in 1954.

⁸³ Cairncross and Watts, *The Economic Section*, pp. 25-40. This work can be found in TNA, AVIA 10/315-318.

⁸⁴ TNA, Cabinet Papers (CAB) 71/5, Lord President’s Committee, ‘Quarterly Economic Survey’, 20 Oct 1941 and Hancock and Gowing, *British War Economy*, p. 94.

⁸⁵ According to Postan the figures were 1081 in April 1940 increasing to 2190 in November 1942, see: *British War Production*, pp. 484-5.

⁸⁶ Clarke, *The Cripps Version*, pp. 375-6.

⁸⁷ Cairncross, *Planning in Wartime*, p. 47.

The physical realities of wartime economic planning had certainly surprised many of those drafted into its administration. Like the system of quasi-autonomous Controls, the central administration had been something of an improvisation with offices hastily converted in a former residential house and accommodation requisitioned from the University of London's Bedford College (although Robbins would claim that many colleagues often slept at their desks).⁸⁸ Alec Cairncross would recollect that this created a cramped college-like atmosphere where most business took place off the record and previously eminent economists were forced to share desk space, typewriters and rudimentary calculating machines.⁸⁹ A strong sense of the surreal can be traced throughout his – and many of his colleagues – often darkly humorous recollections. It was, he claimed, not always clear who was in charge and the top official involved at the outset – the somewhat eccentric Francis Hemming – was also the acting Secretary of the Zoological Society of London (whose Regent's Park gardens were located just six hundred metres from Bedford College). This was a situation where hasty decisions, involving millions of pounds – and the lives of service personnel – were seen to have been taken on the basis of 'imperfectly remembered figures, and calculations scribbled on the backs of envelopes'.⁹⁰ For Durbin, the overcrowded, unplanned and 'squalid' conditions endured were matched only by the 'obstructive' attitudes and 'intellectual isolation' of the more permanent civil servants.⁹¹ This point may well have been contested by Robbins, who maintained that the specialists had 'become part of the machine', or Robinson, who Cairncross described as being 'addicted to administration', but an unwillingness to play by the rules is repeated elsewhere.⁹² Indeed, as explained by Devons, the rigorous monotony and 'bureaucratic ennui' of official committee meetings provided a constant source of discontent with participants either detaching themselves from proceedings completely, or finding subversive ways to liven them up.⁹³

⁸⁸ Cairncross and Watts, *The Economic Section*, p. 54 and Lionel Robbins, *Autobiography of an Economist* (London, 1971), p. 184.

⁸⁹ Cairncross and Watts, *The Economic Section*, pp. 51 and 62.

⁹⁰ F.W. Paish, 'Planning in Practice', *Economica*, 18:70 (1951), 218-9 (p. 218).

⁹¹ Evan Durbin, 'Government Administration and Efficiency', in *Problems of Economic Planning: Papers on Planning and Economics* (London, 1949), pp. 107-126 (pp. 110 and 123-4).

⁹² Robbins, *Autobiography*, p. 184 and Alec Cairncross, *Austin Robinson: The Life of an Economic Advisor* (New York, 1993), p. 3.

⁹³ Ely Devons, 'The Conference Game', in *Papers on Planning and Economic Management* (Manchester, 1970), pp. 263-7 (pp. 263-4).

Recollections from those at the MAP again provide plentiful evidence of a situation that appeared, in Cairncross' words, to be 'one gigantic muddle'.⁹⁴ Reflecting on his time in the department, Devons – who *was* broadly supportive of wartime planning – remained adamant that its committees simply lacked the overarching scope and clear sense of priority that had been envisioned by the likes of Durbin, Wootton and Jay. Their views were, in his words, 'a complete travesty of the way in which planning operated during the war'.⁹⁵ There were a number of very practical reasons as to why this might have been the case. To begin with, it should not be overlooked that the MAP's workforce had grown rapidly after 1940. Moreover, this growth, from just under 8 000 during the Battle of Britain to 21 113 in 1944, was incredibly uneven, with nine times as many executive positions as there were administrative ones.⁹⁶ As Jewkes explained in a measured critique for the EC(S), the burden exerted upon these administrators was merely exacerbated by continuing 'blind spots' – rubber, for example, remained free from any form of restriction until 1942 – and the concurrent retention of both priority licensing and allocation systems of control.⁹⁷ In accordance with the emphasis many of the interwar theorists had placed on information, other problems could be attributed a 'consciousness of imperfect knowledge'.⁹⁸ Indeed, even after the Ministry's rationalisation, Jewkes would privately complain that aircraft planning was akin to 'gazing into the crystal'.⁹⁹ Not only did responsibility for data collection remain in the hands of the Production Directorate, but a reliance on cumulative delivery figures hindered attempts at the formulation of a single production programme. As Devons grudgingly concluded, the collation, tabulation and analysis of statistics was still regarded as 'inferior, degrading and routine' by

⁹⁴ Cairncross, *Planning in Wartime*, p. 106.

⁹⁵ Ely Devons, 'Economic Planning in War and Peace', *The Manchester School*, 16:1 (1948), 1-28 (p. 13).

⁹⁶ Scott and Hughes, *Administration of War Production*, p. 519.

⁹⁷ TNA, T 230/13, Jewkes, 'Administrative Machinery and Shortage of Personnel', 19 Feb 1941, f. 1. This testified to a commonly held assumption that the need for restrictions tended to feed upon those already in place, see: E. Ronald Walker, 'Wartime Economic Controls', *Quarterly Journal of Economics*, 58:3 (1944), 503-520 (p. 516).

⁹⁸ Pares, 'The Work of a Departmental Priority Officer', p. 166.

⁹⁹ London, British Library of Political and Economic Science (BLPES), Devons Papers (DEVONS), Box 8, Jewkes, 'Mysticism in the use of Aircraft Weight per head', c. 1943, p. 2.

many at the centre and – perhaps more importantly – by the firms themselves.¹⁰⁰ Given that every forecast relied upon this information, such weaknesses cultivated an atmosphere of mutual suspicion and led to a process of ‘statistical bargaining’ that rested on a general rule of thumb rather than any detailed understanding.¹⁰¹

The continued reliance on private firms and former Trade Associations raised further questions. Indeed, although the system of direct allocations introduced after 1940 was a more stringent method of control than the earlier priority system, many firms started out with unaccountable stocks and a lack of restrictions over end uses ensured that it remained relatively blunt. As most schemes worked in allocations of weight, they were also imperfect guides for the planners who were charged with ensuring the production of specific components.¹⁰² Such questions were particularly important for the MAP which was almost entirely reliant on private firms for production. This, as Robinson noted in a detailed review conducted in 1942, was inevitable given the technical knowledge that industrialists brought with them.¹⁰³ Nonetheless, he also recognised that their role had become ‘a matter of widespread discussion’ and was marred by accusations of self-interest.¹⁰⁴ For M-O, who conducted their own, highly critical, report into war production during 1942, this was seen to have been worsened by an overconfident approach to public relations that had obscured the difficulties faced.¹⁰⁵ This was not without justification. In fact, even in an era of ‘realistic planning’, it was rare for companies to meet the optimistic estimates that had helped them to win licences.¹⁰⁶ Competition between firms also continued a wasteful duplication of functions, with over thirty separate airframes (including twelve different designs of Spitfire) being produced concurrently during November 1942.¹⁰⁷

¹⁰⁰ Cairncross, ‘Devons: A Memoir’, p. 7; Devons, *Planning in Practice*, p. 134 and Scott and Hughes, *Administration of War Production*, p. 392.

¹⁰¹ According to Devons the secret to determining any future output was to ‘Take the firms estimate, set it back six months, deduct 10 per cent, and this will give a programme which will probably be achieved by about 90 per cent’, see: *Planning in Practice*, p. 57.

¹⁰² Pares, ‘The Work of a Departmental Priority Officer’, p. 163 and Stafford, ‘British War Controls’, p. 160.

¹⁰³ TNA, T 230/14, Robinson, ‘The Raw Materials Controls’, p. 4.

¹⁰⁴ TNA, T 230/14, Robinson, ‘The Raw Materials Controls’, p. 3. Cripps would cause controversy in late 1942 when he nationalised two firms that were seen to have failed, see: *Picture Post*, 17 Apr 1943.

¹⁰⁵ M-O, *People in Production*, pp. 60-3.

¹⁰⁶ TNA, AVIA 10/398, Cairncross, ‘The Function of an Engine Programme’, 12 Feb 1942, f. 2.

¹⁰⁷ Cairncross, *Planning in Wartime*, p. 31.

It was because of such problems that Cripps would take the controversial decision to nationalise two firms that he saw as having failed in March 1943.¹⁰⁸ The problems were, however, not limited to private firms. Not only was the definition of those raw materials being controlled subjected to notable debate, but intradepartmental relationships were just as confused with the MAP's planners being barred from dealing directly with the Air Ministry by their own Production Department.¹⁰⁹ Reliant upon a personal friendship between Devons and his opposite number, Caincross recalled that the MAP had been unable to see the planning directorate 'as anything more than a kind of publishing house' with 'no central place in organizing the production of aircraft'.¹¹⁰

Practical problems were obviously important, but the difficulties were arguably even more complex. Challenging the view that every problem could be explained by a paucity of information, Robinson – despite later being characterised as a 'gosplanner' – admitted that 'no amount of statistical investigation could have yielded ... forecasts of the accuracy that some laymen would like to believe possible'.¹¹¹ Indeed, as was recognised by Devons, the statistical gaps that beset the MAP's Chart Room were just one symptom of a more fundamental weakness within a system that aimed for the multifaceted co-ordination of interdependent and constantly evolving products in a fluid environment beset by uncertainty and demanding of rapid decisions.¹¹² This point was clearly echoed by some of his contemporaries. Macmillan, for example, who served as Morrison's Parliamentary Secretary at the Ministry of Supply between 1940 and 1942 and helped shape the control of allocations, noted a perfectly co-ordinated 'machine would ... have to be a large and complicated one' that was able to cope with requirements that changed

¹⁰⁸ Clarke, *The Cripps Version*, pp. 377-8 and *Picture Post*, 17 Apr 1943.

¹⁰⁹ Cairncross, 'British Aircraft Production', pp. 354-5 and Postan, *British War Production*, p. 163. This was not simply a failure on behalf of the wartime planners. As Hurstfield notes, the Director of Steel Tubes remained adamant that it was 'impossible' to define what was meant by the term 'precision tube' noting that 'the International Tube Cartel spent ten years trying to arrive at a definition but ultimately gave it up as a bad job', see: *The Control of Raw Materials*, p. 92.

¹¹⁰ Cairncross, 'British Aircraft Production', p. 350.

¹¹¹ Robinson, 'Allocation of Resources', p. 56 and Tomlinson, 'Debates and Policy', p. 168.

¹¹² Ely Devons, 'The Problem of Co-ordination in Aircraft Production', in *Lessons of the British War Economy*, ed. D.N. Chester (Cambridge, 1951), pp. 102-121 (p. 114) and *Planning in Practice*, pp. 175-8. See also: Cairncross, 'British Aircraft Production', p. 357 and Paish, 'Planning in Practice', pp. 218-9.

on an hourly basis.¹¹³ Chester, another former Manchester academic who was drafted into the CEIS in a bid to promote greater efficiency and who would later publish a handful of seminal analyses of British political administration, was similarly adamant that the sheer complexity of the system ensured that its administration was essentially impossible.¹¹⁴ Cairncross, too, believed that decisions taken at one level often failed to reach those responsible for implementation. This was seen to have created a ‘casino-like atmosphere’ where major decisions were taken ‘unconsciously and by default’ by officials and junior employees who were often ‘uncertain of their function’ and unaware of the implications.¹¹⁵ This would be particularly vexatious for those, like Wootton and Austen Albu, who had stressed that democratic plans could be defined via an open process of two-way consultation.¹¹⁶ But it was also fairly troubling for Postan who questioned whether the example provided by the MAP was one of planning at all and noted that their activities seemed to have been limited to ‘closing the gap’ via the careful control of resources.¹¹⁷

Although he saw the MAP’s administrative confusion as an inevitable result of the ‘number of interrelated variables that could be comprehended by one brain’, Devons was well aware that decisions – whether informed or in ignorance – still had to be made.¹¹⁸ In fact, like Cairncross, he presented doing nothing as being a choice in itself. Thus, although planning seemed to imply greater centralisation, Devons maintained that devolution was an inevitable process and the subsequent tension between those in Whitehall and those at the periphery lie at the heart of his analysis. Drawing upon his nascent interest in social anthropology and management practices, his wartime diaries and post-war writings emphasise the relative autonomy and arbitrariness of his work, the role of administrative politicking, the importance of tacit knowledge and continued conflicts over competing objectives.¹¹⁹ The MAP

¹¹³ Bodleian Library, MACMILLAN, c. 268, Macmillan, ‘The Industrial Capacity Committee of Supply Planning’, 29 May 1941.

¹¹⁴ D.N. Chester, ‘The Central Machinery for Economic Policy’, in *Lessons of the British War Economy*, ed. D.N. Chester (Cambridge, 1951), pp. 5-33 (pp. 19-31). See also: W.J.M. Mackenzie and J.W. Grove, *Central Administration in Britain* (London, 1957), p. 350.

¹¹⁵ Cairncross, *Wartime Planning*, p. 19.

¹¹⁶ Barbara Wootton, *Freedom Under Planning* (London, 1945), p. 110.

¹¹⁷ Postan, *British War Production*, pp. 452 and 4.

¹¹⁸ Devons, ‘The Problem of Co-ordination’, p. 114 and ‘Economic Planning in War and Peace’, p. 19.

¹¹⁹ Devons, *Planning in Practice*, p. 14.

was, put simply by Cairncross, built upon an atmosphere of ‘rumour and gossip’.¹²⁰ It was for this reason that Devons would present planning as being a caucus-like political activity that rested upon personal relationships, political manoeuvring, a degree of secrecy and one’s ability to ‘play the game’.¹²¹ Despite their attempts to develop a more rational mechanism, this point seems to have been well-recognised by the EC(S) and the likes of Macmillan. The latter was certainly keen to maintain the Ministry of Supply’s bargaining power and argued passionately against the loss of departmental ‘prestige’ that eventually accompanied the transfer of responsibility for the control of aluminium to the MAP.¹²² It should be remembered that even Cripps’ realistic programme was primarily built upon exhortation and the personal relationships fostered during his extensive tour of aircraft factories.¹²³ But, instead of giving into despair, Devons – like Jewkes and Cairncross – appeared to revel in the sense of absurdity. ‘The best planners’ were, in his view, ‘those who realised that complete and overall planning ... was quite impossible’.¹²⁴

-III-

The day-to-day administration of the war economy may have remained unclear, but thoughts had already begun to focus upon the transitional needs of the immediate post-war by this point. Such moves had begun in late 1941 when Robinson circulated a detailed draft report on existing controls – of which passing reference has already been made – to the other members of the EC(S) and was continued through the early spring of 1942 when he began to draw up a range of proposals for the system’s future. Robinson, who had embarked on a ‘fact-finding’ mission and collated a number of detailed appendices relating to specific materials, stressed that all future plans would have to consider immediate relaxations, the reinforcement of strategic

¹²⁰ Cairncross, ‘British Aircraft Production’, p. 349.

¹²¹ Ely Devons, ‘Managing an Organisation’, in *Papers on Planning and Economic Management* (Manchester, 1970), pp. 116-20 (p. 117) and ‘The Role of the Economist in Public Affairs’, *Lloyds Bank Review*, 53 (1959), pp. 26-38.

¹²² Bodleian Library, MACMILLAN, c. 267, Macmillan to Morrison, 29 Jul 1940.

¹²³ Clarke, *The Cripps Version*, pp. 376-7. For examples: Oxford, Bodleian Library, Cripps Papers (CRIPPS), Cripps Box 44 and 45, MAP Papers, 1942-5.

¹²⁴ Devons, *Planning in Practice*, p. 189. See also: Cairncross, ‘British Aircraft Production’, p. 357 and *The Economic Section*, p. 52.

measures and the relationship between positive and negative controls.¹²⁵ Underpinning this report was a growing realisation that the transition to peace was likely to be marred by a build-up of excess demand, continued shortages and severe dislocation. As Robbins noted in a separate memorandum, the current problems were ‘likely to be child’s play’ compared to those that would emerge once the ‘the straight jacket’ of wartime production was removed.¹²⁶ Unsurprisingly, then, Robinson’s tentative conclusions embodied a growing belief that many controls would have to be maintained – albeit in a simplified form. This recommendation was echoed by the socialist economic historian R.H. Tawney who had been employed by the government to examine the impact of decontrol after the First World War and warned that the experience of inflation proved that rapid decontrol was a ‘danger to be avoided’.¹²⁷ It was also repeated by Lord Woolton, the former industrialist and future Conservative Party Chairman, who as Minister of Reconstruction called for ‘careful planning’ whilst urging that present ‘obstacles’ should be removed.¹²⁸ Like Woolton, who longed for a new mechanism of ‘ascertaining industrial opinion’, Robinson also attempted to elaborate on the positive function of long-term planning. Stressing that new techniques still had to be found, he noted that the ultimate aim of any such action was to make planning – in the wartime sense – unnecessary.¹²⁹

Robinson’s papers represent the first attempt to make sense of the system as a coherent whole and were consciously written to spark discussion. Perhaps unsurprisingly, then, they highlighted a number of unresolved issues. Despite the importance attached to the interrelationship between positive and negative controls, the constitution of the former remained a particular point of uncertainty and Robinson was forced to admit that his first draft had unconsciously managed to avoid

¹²⁵ TNA, T 230/13, Robinson, ‘Pre-War and War-Time Government Controls Over the Economic System’, 13 Dec 1941 and T 230/14, Robinson, ‘The Raw Materials Controls’ and ‘Survey of the Pre-War and War-Time Controls’, pp. 15 and 24-5.

¹²⁶ TNA, T 230/283, Robbins, ‘Notes on the Role of the Economist in the Future Machinery of Government [draft]’, p. 8.

¹²⁷ R.H. Tawney, ‘The Abolition of Economic Controls, 1918-1921’, *The Economic History Review*, 13 (1943), 1-30 (p. 10).

¹²⁸ Oxford, Bodleian Library, Woolton Papers (WOOLTON), Box 16, Woolton, ‘The Revival of Peacetime Production and Maintenance of a Due Balance between Production for the Home Market and Export’, 14 Aug 1942, pp. 2 and 7-8.

¹²⁹ TNA, T 230/14, Robinson, ‘The Raw Materials Controls [draft]’, p. 15 and ‘The Problem of Control and De-Control in the Early Post-War Period’, 12 Jan 1942, pp. 1-2.

the questions it had raised.¹³⁰ His final report was no less clear with its appendices referring to licences and allocations – usually classified as negative in that they restricted the working of the price mechanism – as positive controls in so far as they offered new incentives.¹³¹ The question of priorities was also identified as being particularly troublesome. Recognising that ‘thousands of individual applications’ would have to be considered – and without the supposed clarity of objectives provided by the war – it was stressed that a mechanism for further decentralisation would have to be developed.¹³² Nonetheless, the administrative burden of such an apparatus and the nature of the relationship between government, industry and experts formed further points of debate – especially as it was realised that most of the specialist personnel were, by their very nature, in temporary positions.¹³³ Further questions surrounding the timing, sequence and extent of decontrol remained unclear and it was openly admitted by Robinson that much of his thinking over the length of the transition had been a matter of ‘guess work’.¹³⁴ His belief that planning should aim for a more efficient equilibrium was also criticised by Meade who noted that ‘stabilization was not an end in itself’ and called on the EC(S) to pay further attention to defining those positive measures that would be needed in the longer term.¹³⁵

With the practical questions raised by the system continuing to excite attention, Meade’s was not the only voice promoting further theoretical deliberation. In 1942, for instance, Durbin set out to elaborate upon his belief that planning would ‘greatly improve the efficiency of our industry’ in his ‘Case for Socialism’ whilst the *Fabian Quarterly* began to publish a series of short ‘points for planners’ alongside the more detailed work of Joan Robinson and David Worswick. With greater potential significance, the year also saw G.D.H. Cole hold the first in a series of secretive

¹³⁰ TNA, T 230/13, Robinson, ‘The Future of Economic Controls’, 17 Dec 1941, p. 1.

¹³¹ TNA, T 230/14, Robinson, ‘Survey of the Pre-War and War-Time Controls’, pp. 23-25.

¹³² TNA, T 230/14, Robinson, ‘The Raw Materials Controls’, p. 10.

¹³³ Cairncross and Watts, *The Economic Section*, p. 42; TNA, CAB 87/72, ‘Report of the Official Committee on the Machinery of Government’, 15 Nov 1943, p. 10; T 230/13, Durbin, ‘Problems of Reconstruction in the Field of Internal Economic Policy’, 5 Feb 1941, p. 5 and T 230/14, Robinson, ‘The Raw Materials Controls’, p. 5.

¹³⁴ TNA, T 230/14, Robinson, ‘The Raw Materials Controls’, p. 17.

¹³⁵ TNA, T 230/34, Meade, ‘Government Intervention in the Post War Economy’, 8 Apr 1942, p. 7 and ‘The Initial Economic Problems of the Post War Transitional Period’, 4 Jun 1942, p. 11.

conferences on reconstruction under the auspices of Oxford's Nuffield College. Bringing together a wide range of opinion – including Durbin, Beveridge, Robert Boothby, the reformist Conservative MP Quintin Hogg, the industrialist Sam Courtauld, the head of the Trade Unions' Congress (TUC) Walter Citrine and the left leaning economists Thomas Balogh and Nicholas Kaldor – these conferences provided a forum for debates over the nature of Britain's post-war economic future and led to a number of publications including a report on *Employment Policy and the Organisation of Industry* that predated the more famous White Paper bearing part of its name. Interestingly, a number of those involved drew upon wartime experiences to amend an earlier outright opposition to controls.¹³⁶ Such shifts sat alongside broader attempts to elucidate alternative approaches. Balogh's 'Outline of a Plan', which was published in 1944 alongside a collection of essays drawn from the high-brow *World Review*, was one such example and combined its call for selective controls with measures to direct capital investment and promote efficiency.¹³⁷ Not everybody agreed. Indeed, although some industrialists were clear that 'some freedom *must* be sacrificed', 120 others had signed an alternative plan promoting a hierarchy of Trade Associations and a smaller number formed their own pressure group called Aims of Industry to promote a wholly free market approach.¹³⁸ The publication of F.A. Hayek's explicitly philosophical *The Road to Serfdom* in 1944 – a text that was supposedly written on behalf of those like Jewkes and Robbins who had been 'silenced' by their role in government – further stoked the discussion and led directly into the rebuttals from Durbin and Wootton considered in Chapter One.

Many of the ideas being discussed at the Nuffield conferences were reflected in Labour's official policy making channels. Also devoting considerable attention to such questions, they were similarly keen to point out successes within the wartime system but took equal care to stress that a faith in planning did not mean that the

¹³⁶ Daniel Ritschel, *The Politics of Planning: The Debate on Economic Planning in Britain in the 1930s* (Oxford, 1997), pp. 339-40 and Richard Toye, "'The Gentleman in Whitehall' Reconsidered: The Evolution of Douglas Jay's Views on Economic Planning and Consumer Choice', *Labour History Review*, 67:2 (2002), 187-204. For example: Margaret Joseph and Nicholas Kaldor, *Economic Reconstruction after the War* (London, 1943), p. 11.

¹³⁷ Thomas Balogh, 'Outline of a Plan', in *This Changing World*, ed. J.R.M. Brumwell (London, 1944), pp. 130-147 (pp. 141-45).

¹³⁸ Daniel Ritschel, 'The Making of Consensus: The Nuffield College Conferences during the Second World War', *Twentieth Century British History*, 6:3 (1995), 267-301 (pp. 279-80).

party was simply in favour of maintaining existing controls. In another interesting synergy, their faith was encapsulated by Cole in an influential policy statement entitled *The Old World and the New Society* which married a vivid critique of pre-war instability with a call for scientific post-war planning.¹³⁹ Echoing the language of Durbin, Jay and Wootton, the pamphlet attempted to address questions of flexibility and took great care to underline its commitment to democratic choice by invoking the benefits of ‘community planned production’.¹⁴⁰ This emphasis was reiterated by Harold Laski as Labour’s ‘Planned Economic Democracy’ motion was tabled at that year’s conference and, again, in 1944 when Morrison called for a ‘ladder of controls’ that would allow relaxation at lower levels.¹⁴¹ Even the pugnacious Emanuel Shinwell, who was not often associated with flexibility, carefully differentiated between ‘wise planning’ and ‘innumerable forms’.¹⁴² However, like the theorists, the party appeared less clear on exactly those that would be required and its vision of the future was as retrospective as its description of *The Old World*. A short 1944 blueprint, *Full Employment and Financial Policy*, which drew heavily upon the rhetoric of the earlier statement, attempted to offer some clarity with proposals for licensing investment and controls over the location of industry but remained fairly vague.¹⁴³ Instead, its wording, like that of the 1942 planning resolution, caused confusion amongst the wider party and led many to question whether it actually represented a renunciation of their commitment to nationalisation – this was not helped when Hugh Dalton misleadingly described it as a ‘Keynesian’ proposal.¹⁴⁴ With detailed internal memoranda simply failing to define the ‘essential controls’ that they referenced, this all hinted at a more fundamental muddle.¹⁴⁵

Back in the committee rooms of Whitehall, with the drafting of the *White Paper on Employment Policy* well underway, 1944 saw attention refocus on the more practical

¹³⁹ Labour Party, *The Old World and the New Society* (London, 1942), pp. 4-5.

¹⁴⁰ Labour Party, *The Old World*, pp. 8-12 and Brooke, *Labour’s War*, p. 105.

¹⁴¹ Morrison, ‘The State and Industry’, p. 18 and Nick Tiratsoo and Jim Tomlinson, *Industrial Efficiency and State Intervention: Labour, 1939-51* (London, 1993), p. 46.

¹⁴² Labour Party, *Report of the 43rd Annual Conference* (London, 1944), p. 162.

¹⁴³ Labour Party, *Full Employment and Financial Policy* (London, 1944), p. 6.

¹⁴⁴ Peden, *The Treasury and British Public Policy, 1906-1959*, p. 363.

¹⁴⁵ For examples: Labour Party, *The Old World and the New Society* (1942), pp. 3-5 and Christopher Bryant, *Stafford Cripps: The First Modern Chancellor* (London, 1998), p. 344. The exception to this was the control over land use and the location of industry where the party drew heavily on the Uthwatt report. See: LPA, LPRD, RDR 136 and 137, ‘Post War Planning Machinery parts i and ii’, Oct 1942.

problems posed by the detailed apparatus of control legislated under DR55. By this date, an imminent end to hostilities was being widely predicted and a gentle three stage process of transition had begun to be sketched out by the EC(S). Working within these parameters, a short paper on decontrol had also been circulated by Chester in an attempt to promote further discussion about those restrictions that could be removed.¹⁴⁶ In an effort to add further detail to his plans, Woolton's Ministry of Reconstruction was charged with undertaking a new investigation under the aegis of its Organisation of Industry sub-committee (R(OI)) and an informal interdepartmental Committee on Controls. Continuing to be given practical support by the EC(S), this move reflected a new sense of urgency. Nonetheless, their eventual findings also testified to continued uncertainties and an increasingly stringent criticism of the current system. Woolton, in particular, having canvassed views from industry was particularly critical and hoped that a 'jolly good batch' of controls could be removed.¹⁴⁷ Nonetheless, testifying to the confusion, Chester, despite having agreed that many controls would be unworkable in peacetime, believed that Woolton had failed to account for the interrelationship between different measures and had not properly considered departmental needs.¹⁴⁸ This point was important. Indeed, despite Woolton continuing to push for relaxation, not to mention the EC(S)'s own preference for positive measures, it had become increasingly obvious from departmental fact-finding that 'most of the existing controls' would have to be continued.¹⁴⁹ The R(OI)'s 'practicable' interim report – which was partially drafted by Jewkes, who was himself fast becoming a vocal critic – embodied this tension and prefaced its recommendation for the renewal of DR55 with the warning that controls were a 'vexatious interference' that could 'frustrate the whole process of reconstruction'.¹⁵⁰ Even this was not enough for Jewkes, who felt compelled to contradict his official recommendations in a lengthy personal memorandum to Woolton.¹⁵¹

¹⁴⁶ TNA, T 230/16, Chester, 'Government Controls in the Transition', 12 Jan 1944, pp. 4-7.

¹⁴⁷ TNA, CAB 124/682, Woolton to Brook, 11 Sept 1944 and Bodleian Library, WOOLTON, Box 16.

¹⁴⁸ TNA, T 230/34, Chester to Franks, 13 Mar 1944.

¹⁴⁹ TNA, T 230/34, Conclusions of a Meeting, 4 Jul 1944.

¹⁵⁰ TNA, CAB 124/682, R(OI), 'Economic Controls Following the End of Hostilities in Europe', Apr 1943, pp. 3-4.

¹⁵¹ TNA, CAB 124/682, Jewkes to Brook and Woolton, 10 Oct 1944.

Amongst the most interesting issues highlighted by this report were the practical difficulties that had faced those attempting to review a system of autonomous Controls. In fact, despite his continued involvement as an advisor, Chester railed against findings that he unflatteringly described as ‘a collection of departmental observations’ and maintained that ‘Ministers [would] not find a great deal of guidance’ in the committee’s work.¹⁵² Although this was a stringently held interpretation, other admitted that they had been unable to take a holistic view. Norman Brook, for example, who as Woolton’s Permanent Secretary had chaired the R(OI), noted with some despair that individual departments had failed to engage with the process and warned that his terms of reference had been based upon a number of seemingly arbitrary assumptions about the nature of the transition.¹⁵³ Despite further redrafting by the EC(S), these problems ensured that it was not until October 1944 that an amended summary of the R(OI) investigation was presented to Cabinet. There, it was cautiously agreed that there could be no simple relaxation so long as materials were scarce; instead, every control would have to be judged according to its own individual purpose and with regards to the ‘essential contribution which it makes towards the general objective of national policy’.¹⁵⁴ As Woolton had personally informed Churchill in advance of the Cabinet’s meeting, this would mean that 87 Defence Regulations would be immediately relaxed, 27 would be removed soon after the end of hostilities, 21 would be restricted in scope, but at least 175 – including the wide ranging DR55 – would have to be retained for an unspecified amount of time.¹⁵⁵ These recommendations were subsequently delivered to Parliament by Churchill in an account that sought to disassociate controls from more fundamental questions regarding planning and stressed they were just one part of a broader partnership between the government and society.¹⁵⁶ As will be seen in Chapter Four, there was an interesting political motive behind this move. But, for all of its problems, his intervention ensured that the R(OI)’s report would underpin the government’s policy towards controls throughout the long transition period.

¹⁵² TNA, T 230/35, Johnston to Chester, 22 Aug 1944 and Chester to Johnston, 24 Aug 1944.

¹⁵³ It was, for instance, based on the ‘working basis’ that *Stage II* would last for two years. This assumption was seriously questioned by Brook at R(OI)13. See: TNA, CAB 124/682; CAB 66/42, Churchill, ‘War – Transition – Peace’, 19 Oct 1943 and T 230/34, Stafford, ‘Reconstruction Policy’, 13 Mar 1944, p. 1.

¹⁵⁴ TNA, CAB 66/57, Woolton, ‘Economic Controls in the Transition Period’, 31 Oct 1944, fols 1-2.

¹⁵⁵ TNA, PREM 4/88/2, Woolton to Churchill, 25 Sept 1944.

¹⁵⁶ *The Manchester Guardian*, 17 Nov 1944.

That it was able to do so can also be traced to a decision to write a cautious commitment to their retention into later drafts of *Employment Policy* (which, confusingly, the R(OI) then used to justify its recommendations in their final ministerial report). Accepted across the political spectrum, this White Paper embodied much of the thinking that had taken place since 1942. It accepted a degree of planning so as to counter expected inflationary pressure and agreed that many controls would be retained ‘so long as supplies [were] abnormally short’ in order that investment could be focused on essential production and the expansion of exports encouraged.¹⁵⁷ Its recommendations would be reiterated just days before the Wartime Coalition fell apart, with the Cabinet agreeing on 4 May 1945 – despite reservations regarding the timeframe and its preamble – that this would be best achieved by the transfer of emergency legislation into a new Supplies and Services (Transitional Powers) Act.¹⁵⁸ Following an argument developed in detail by Keith Middlemas, the ideas established by *Employment Policy* are also widely regarded as having set out a political framework that would define the post-war period, with the document often invoked as a defining symbol of political consensus.¹⁵⁹ Meade, who drafted the White Paper under Jewkes’ guidance, certainly agreed that it cut across established political boundaries.¹⁶⁰ However, given that he had maintained a deliberate opacity throughout its drafting, the extent to which it provided either of the main parties with anything more than a very broad framework can be brought to question. It was this profound lack of clarity that had led the Labour Party to offer its own views with *Full Employment*. Nonetheless, even as late as April 1945, with Labour ministers pushing the Cabinet to accept the draft Supplies and Services Act, the LPRD was forced to admit that it too had never properly considered those controls that would be

¹⁵⁷ G.D.N. Worswick, ‘Direct Controls’, in *The British Economy 1945-1950*, eds. G.D.N. Worswick and P. Ady (Oxford, 1952), pp. 278-312 (pp. 280-1); HMSO, Cmd 6527, *Employment Policy* (London, 1944), p. 8 and 9; TNA, T 230/7, Chester, ‘Government Controls in Transition’, 12 Feb 1944, p. 3; R.H. Tawney, ‘The Abolition of Economic Controls’, pp. 29-30 and Worswick, ‘The British Economy, 1945-50’, p. 21.

¹⁵⁸ TNA, CAB 65/50, WM(45)58:4, 4 May 1945. This meeting accepted the recommendations set out in CAB 66/64, Morrison, ‘The Legal Basis of Economic Control in the Transition Period’, 6 Apr 1945.

¹⁵⁹ Keith Middlemas, *Power, Competition and the State, Vol I: Britain in Search of Balance, 1940-61* (Basingstoke, 1986), p. 342.

¹⁶⁰ Cairncross and Watts, *The Economic Section*, p. 114.

required and was forced to draw upon a TUC *Interim Report on Post-War Reconstruction* as the only available guide.¹⁶¹

The situation was further complicated by the fact that the Conservatives appeared to be similarly uncertain about the future. Despite offering his own ‘Four Year Plan’ for recovery in 1943, Churchill’s insistence that the immediate war effort should be his government’s primary aim is well-worn within a broader historiography that has also emphasised the winding-up of much of the Conservatives’ policy making machinery after 1939.¹⁶² The role of the party’s Research Department had certainly been limited to the collation of a few press clippings and the endorsement of the London Chamber of Commerce’s assessment that controls should only be used ‘where it can be shown that the object cannot be achieved in a less disturbing way’.¹⁶³ The party was not, however, entirely dormant during this period and its Post-War Policy Consultative Committee (PWPC) did consider the issue of controls as part of an investigation that involved a wide-ranging consultation with industrialists and certain unspecified ‘experts’. Their findings, published in 1944 as a booklet on *The Future of British Industry* would provide a basis for the policy making conducted after 1945. With the primary emphasis placed upon human relations and the need for greater co-operation between the state and private firms, controls – excepting those over the location of industry – were presented as purely transitory measures. They had, in the report’s words, ‘no intrinsic virtue in themselves’. Instead, it was argued, private industry should enjoy the ‘maximum freedom’ within a set of ‘straightforward rules’ that protected societal interests.¹⁶⁴ It was, however, also admitted that this was not a ‘detailed political programme’ and that the broader call for co-operation had not been developed to any depth (except to note that the Board of Trade should be turned into a Ministry for Industry and Commerce).¹⁶⁵ Moreover, as John Ramsden reminds us in his detailed history of the party, the PWPC’s work was never explicitly endorsed

¹⁶¹ LPA, LPRD, RDR 285, ‘Labour Policy for Privately-Owned Industry’, Apr 1945, p. 1.

¹⁶² John Ramsden, *The Age of Churchill and Eden, 1940-57* (London, 1995), p. 38 and Harriet Jones, ‘A Bloodless Counter-Revolution: The Conservatives Party and the Defence of Inequality, 1945-51’, in *The Myth of Consensus: New Views on British History, 1945-1964*, eds H. Jones and M. Kandiah (Basingstoke, 1996), pp. 1-16 (p. 5).

¹⁶³ Oxford, Bodleian Library, Conservative Party Archives (CPA), CRD 2/6/8, ‘Economic Controls’, undated and 2/7/47a.

¹⁶⁴ PWPC, *Looking Ahead. Work: The Future of British Industry* (1944), pp. 36 and 42.

¹⁶⁵ PWPC, *The Future of British Industry* (London, 1944), pp. 1 and 43.

by the leadership, was not included in any manifesto and was not published until late June 1945.¹⁶⁶

That month's election campaign, which will be explored in Chapter Four, symbolised the extent of their uncertainty. Like Labour, the Conservatives' manifesto accepted the recommendations put forward by *Employment Policy* and reminded its readers that some of them had been included in Churchill's own 'Four Year Plan'.¹⁶⁷ Yet, both Churchill and Lyttelton stressed that they were wholly opposed to most controls and, in language that implicitly invoked Hayek's newly-published *The Road to Serfdom*, the party contended that such measures reeked of totalitarianism and risked inflicting a 'bureaucratic torpor' upon the economy.¹⁶⁸ As will be seen later, this would come to define the Conservatives' opposition to controls after 1945. Nonetheless, at this point, with Hayek's conclusions still to reach a truly mass audience, the most overtly hostile activity was confined to the political fringes through the activities of groupings like the National League for Freedom, the Society for Individualists, Aims of Industry and the laissez-faire Progress Trust.¹⁶⁹ Moreover, other Conservatives had taken a much more conciliatory view, with the genial Peter Thorneycroft seeking to engage Meade in an academic discussion about the potential role for flexible planning within a democratic system.¹⁷⁰ Taking a characteristically centrist stance, Anthony Eden maintained that the party was not against all such measures but was adamant that they must remain temporary expedients lest the nation fall 'into a state of mind where [they] are thought good for their own sake'.¹⁷¹ For a post-war generation of 'New Conservatives', this would later be seen as a practical example of their own *Middle Way*.¹⁷² But, slightly more cynically, it could also be seen as evidence of a party that had been left facing in two directions. For Richard Crossman, it was evidence that Eden was literally 'thoughtless' whilst his

¹⁶⁶ Ramsden, *The Age of Churchill*, pp. 40-2.

¹⁶⁷ Martin Gilbert, *Winston S. Churchill Vol. 8 Never Despair 1945-1965* (London, 1988), p. 34.

¹⁶⁸ CCO, *Mr Churchill's Declaration of Policy to the Electors* (London, 1945), p. 11 and Lyttelton quoted in *Onlooker*, July 1945.

¹⁶⁹ Richard Cockett, *Thinking the Unthinkable: Think Tanks and the Economic Counter-Revolution, 1931-83* (London, 1994), p. 80.

¹⁷⁰ Meade, *Cabinet Office Diaries*, p. 79 (13 May 1945).

¹⁷¹ Anthony Eden, *Freedom and Order: Selected Speeches 1939-46* (London, 1947), p. 269.

¹⁷² Conservative Political Centre (CPC), *The New Conservatism* (1955), pp. 71-4.

party ‘floated rudderless under a flapping sail of good intentions’.¹⁷³ Given that even Churchill would refer to a widespread ‘concern within and without the Party at the supposed lack of Conservative policy’, this view was not as extreme as it seemed.¹⁷⁴

-IV-

These shared uncertainties became all the more significant following the unconditional surrender of German forces on Monday 7 May. Popularly celebrated as Victory in Europe (VE) day, this marked – at least for those economists in Whitehall – the start of *Stage II*: the initial period of reconversion that would run until the end of the war in the Pacific and allow the gradual running down of war production. Following the acceptance of the R(OI)’s recommendations, the task of defining the exact controls that would be needed during this stage had passed to an informal Working Party on Economic Controls (EC). Outdoing Woolton’s predictions, they had identified 179 Defence Regulations that were removed overnight. Even so, their subsequent investigation was beset by its own contextual problems. Indeed, somewhat ironically for a working party charged with better defining the ‘transition’, the EC was twice forced to revise its findings when the swift Japanese surrender following the previously inconceivable bombings of Hiroshima and Nagasaki proved that earlier temporal assumptions of a smooth two year readjustment were indeed dramatically wrong.¹⁷⁵ Any understanding of British controls policy in the late 1940s and early 1950s can only be understood when considered within this context. The transition from a global conflict was necessarily determined by the facts and there was certainly no shortage of them.¹⁷⁶ Britain faced a severe excess demand for raw materials, fuel and manpower; its trade figures stood at just a third of the pre-war level; its debts were £3000m higher; its foreign assets had been squeezed and currency and gold reserves depleted; the favourable lend-lease agreement with the USA was terminated just days after the Japanese surrender; and a \$5bn dollar loan granted by Washington in the autumn was secured only after protracted negotiations and was contingent upon a pledge to make sterling fully

¹⁷³ R.H.S. Crossman, *The Charm of Politics and Other Essays in Political Criticism* (London, 1958), pp. 53-5.

¹⁷⁴ CPA, *Harvester Series II: Minutes and Reports*, card 136, Churchill to Colman, 1 May 1946.

¹⁷⁵ TNA, CAB 87/89, ‘Report of the Working Party on Economic Controls’, 4 Sept 1945.

¹⁷⁶ Dow, *The British Economy 1945-60*, p. 6 and Tomlinson, *Democratic Socialism*, p. 23 and 47.

convertible.¹⁷⁷ With this, attaining a balance of payments – particularly to ‘hard’ currency areas – became a preoccupation and it became increasingly obvious that domestic consumption would have to be constrained and exports increased by between 50 and 75 per cent in order to afford vital foodstuffs, raw materials, machinery and plant.¹⁷⁸

This situation would have impeded any government. Nonetheless, when, on 26 July, two and a half months after VE day and three weeks after the majority of electors had cast their vote, Clement Attlee became the Prime Minister of a majority Labour government, the relationship between the apparatus of controls that sought to keep this context in hand and Labour’s commitment to ‘plan from the ground up’ came to the fore once again. For all of their confident rhetoric, it has been shown that many of those uncertainties and debates begun in the 1930s had yet to be fully exorcised.¹⁷⁹ Indeed, assessing the situation from an autobiographical perspective, Cairncross would later recollect that ‘Nobody in Whitehall, whether officials or Ministers, seemed to have much idea of what was to be planned, or how’.¹⁸⁰ Cairncross, who briefly served as a freelance advisor before moving to the Board of Trade in 1946, would continue to battle against this ignorance, but many of his colleagues – including Devons and Jewkes – took this opportunity to return to a more ‘civilised existence’. It is for this reason that Peter Hennessy and Keir Thorpe have both suggested that the steady drift of these young specialists away from Whitehall after 7 May was the main reason for continuing uncertainty.¹⁸¹ The centrality that both place on expertise was, as noted, certainly stressed at the time. Echoing the theorists mentioned in the last chapter, Cripps’ believed specialist knowledge to be a precursor to successful planning whilst discussions between Meade and the Treasury’s Permanent Secretary, Sir Edward Bridges, not to mention the *Employment Policy*

¹⁷⁷ Cairncross, *Years of Recovery*, pp. 4-16 and 43; Austin Robinson, ‘The Economic Problems of the Transition from War to Peace 1945-49’, *Cambridge Journal of Economics*, 10 (1986), 165-185 (p. 169); Tomlinson, *Democratic Socialism*, pp. 47-8 and G.D.N. Worswick, ‘The British Economy, 1945-50’, in *The British Economy 1945-1950*, eds. G.D.N. Worswick and P. Ady (Oxford, 1952), pp. 1-34 (pp. 10 and p. 21).

¹⁷⁸ TNA, T 230/7, Meade and Watts, ‘Post war Balance of Payments’, 10 July 1944, fols 1-2.

¹⁷⁹ See also: Tomlinson, ‘Debates and Policies’, p. 155 and Richard Toye, ‘Gosplanners versus Thermostatists: Whitehall Planning Debates and their Political Consequences, 1945-50’, *Contemporary British History*, 14:4 (2000), 81-106.

¹⁸⁰ Cairncross and Watts, *The Economic Section*, p. 121.

¹⁸¹ See above, p. 29.

white paper, had placed economists at their heart.¹⁸² However, when maintaining a specific focus on controls, rather than on the more nebulous faith in planning, the argument does miss a couple of important points.

Drawing upon distinctions between theory and practice, it must firstly be remembered that the link between planning and controls had never been assured. This was explicitly recognised by *Employment Policy*'s call for 'new techniques' to be found.¹⁸³ Secondly, as has been made evident, many of Hennessy's specialists had felt constrained by their wartime duties and, despite their administrative roles, had been unable to develop a particularly coherent system. An early critique published by Jewkes that sought to highlight a profound lack of clarity amongst his contemporaries certainly casts doubt on whether things would have been any clearer had he and other former colleagues remained.¹⁸⁴ It should also be considered that, although one can detect hints of internal tension – for example within Meade's personal diaries or his successor's open criticism of the 'very poor' inheritance left by the EC(S) – it had *always* been envisaged that many would depart leaving a 'revolving door' of specialists moving between government, industry and academic institutions.¹⁸⁵ In contrast to the related claim that Labour's policies were undermined by a bureaucratic obstinacy, Bridges – who headed the civil service – was also particularly keen that many of the 'younger people' should stay on.¹⁸⁶ A significant number would heed his call with Dow, Nita Watts, Ronnie Tress, Nicholson and Robinson amongst those who joined Cairncross in extending their service. This ensured that those inside the system continued to look beyond its bounds to help clarify their approach. Robinson, for example, continued to edit the *Economic Journal* whilst the highly-enthused Meade continually drew upon a

¹⁸² Cripps, *Shall the Spell be Broken?*, p. 15; *Employment Policy*, p. 26 and TNA, T 230/283, Meade, 'The Post-War Position of the Economic Section', undated draft, fols 1-11. See also: TNA, CAB 87/72, Official Committee on the Machinery of Government, Memoranda and Papers Received, 1943-45.

¹⁸³ *Employment Policy*, p. 26.

¹⁸⁴ John Jewkes, 'Variety Amongst the Planners', *The Manchester School*, 15:1 (1947), 93-111.

¹⁸⁵ Meade, *Cabinet Office Diaries*, p. 114; *The Robert Hall Diaries 1947-1953*, ed. A. Cairncross (London, 1989), p. 35, Cairncross and Watts, *The Economic Section*, p. 138 and Martin Chick, *Industrial Policy in Britain, 1945-51: Economic Planning, Nationalisation and the Labour Governments* (London, 1998), pp. 126-7.

¹⁸⁶ TNA, T 230/18, Bridges to Meade, 22 Aug 1945 and Kevin Theakston, *Leadership in Whitehall* (Basingstoke, 1999), p. 77.

flexible and democratic approach that had been given new weight by the twenty-nine chapters of Abba P. Lerner's intricately technical *The Economics of Control*.¹⁸⁷ The new government, too, consciously referred to academic sources and immediately considered a LPRD memorandum produced by Worswick that drew attention to the need for a degree of relaxation alongside 'a full, authoritative account of the working of ... controls'.¹⁸⁸ Furthermore, despite its overt hostility, even Jewkes' essay is evidence that planning remained academically in vogue.

It would, however, be a mistake to claim that confusion had no impact. Indeed, to give a fairly innocuous example, Robinson spent his first month at the post-war Board of Trade without an office pass due to a series of administrative errors.¹⁸⁹ On a more fundamental level, Worswick's paper obviously rested upon the fact that the system had 'been shrouded in obscurity during the war' and that it was still necessary to define individual controls.¹⁹⁰ The drafting of the Supplies and Services (Transitional Powers) Act – which was the first piece of legislation to be introduced by Labour – provides a further case in point. Echoing the logic of the 1939 Emergency Powers (Defence) Act, it would allow 'the application of certain Defence Regulations for purposes connected with the maintenance [of] control and [the] regulation of supplies and service besides the purposes for which Defence Regulations may be made'.¹⁹¹ In doing so it merely legislated for controls without fully defining what they constituted. Such an outcome had been partly anticipated. Indeed, even in 1941, Robinson had complained that – beyond a minimum level of agreement – questions over retention would ultimately be coloured by the exact aims of a post-war government.¹⁹² Nonetheless, this did not stop the issue becoming the subject of controversy with the draft Bill painted as a blank cheque for

¹⁸⁷ A.P. Lerner, *The Economics of Control* (New York, 1944). Despite describing it as a 'queer' book, the contribution was regarded as so important that Meade wrote an eighteen-page review of it for the *Economic Journal*, see 'Mr Lerner on the Economics of Control', in *The Collected Papers of James Meade Vol. II Value, Distribution and Growth*, eds S. Howson and D. Moggeridge (London, 1988), pp. 32-5.

¹⁸⁸ LPA, LPRD, RD 1, Worswick, 'Labour Policy for Privately-Owned Industry', Sept 1945, p. 7. This call was echoed by G.D.H. Cole, 'From War to Peace in Industry', *Political Quarterly*, 16:3 (1945), 204-213 (p. 213).

¹⁸⁹ Cairncross, *Austin Robinson*, p. 98.

¹⁹⁰ LPA, LPRD, RD 1, Worswick, 'Labour Policy for Privately-Owned Industry', Sept 1945, p. 7.

¹⁹¹ TNA, CAB 66/64, Morrison, 'The Legal Basis of Economic Control: Appendix ii Supplies and Services (Transitional Powers): Draft of a Bill', 6 Apr 1945.

¹⁹² TNA, T 230/13, Robinson, 'Pre-War and War-Time Government Controls', pp. 4-5.

‘totalitarianism’. As will be explored in Chapter Four, the reality was less contentious than sometimes claimed. But it is worth noting here that concerns were raised that a number of Labour members – including Cripps, who had been appointed President of the Board of Trade and was slowly turning the department into a Ministry for Industry whilst pushing for the adoption of a ‘National Plan’ – were fixated with constructing what Meade light-heartedly referred to as a ‘gosplan’.¹⁹³ The very fact that his joking comment was able to become a potent issue highlighted that an exact definition of planning remained elusive.

This situation had not been for want of trying. In fact, even before July’s election result became known, preparations for a comprehensive survey had begun and a group of high level civil servants had met to discuss the problems and possibilities faced.¹⁹⁴ Their recommendations fed into a summer of detailed discussion and – given an additional political impetus by Cripps – eventually led to the creation of an Official Steering Committee on Economic Development (ED).¹⁹⁵ With the decision not to set up any form of distinct National Investment Board (NIB), it was this body that would oversee planning policy from November 1945 until it was gradually superseded in 1947. Much of the work drew upon existing practice. The decision to pursue a long term survey of resources and expenditure was, for example, based on the three stage process set out by Robbins in October 1940 whilst the collation and presentation of statistics continued to draw upon the methods devised by Devons.¹⁹⁶ Cripps, too, recreated at the Board of Trade a number of the innovations he had introduced at the MAP and called for even greater co-operation between the state and both sides of industry.¹⁹⁷ Indeed, despite his ‘gosplan’ tendencies, Cripps had fully accepted Meade’s belief that planning must move beyond ‘negative and restrictive

¹⁹³ Meade, *Cabinet Office Diaries*, pp. 37-8 (28 Jan 1945), pp. 114-5 (28 Aug 1945) and pp. 201-2 (27 Jan 1946). See also: Toye, ‘Gosplanners versus Thermostatists’, pp. 81-106 and TNA, T230/18, Meade, ‘Economic Planning’, Sept 1945, p. 1.

¹⁹⁴ TNA, T 230/17, Chantler, ‘Notes for Economic Survey’, 2 May 1945 and T 273/298, ‘Conclusions of Interdepartmental Committee of Officials’, 29 May 1945 and Meade to Bridges, 29 Aug 1945. This document was later circulated amongst the Lord President’s Committee as TNA, CAB 71/21, Morrison, ‘Survey of the General Economic Position’, 16 Aug 1945.

¹⁹⁵ TNA, T 273/298, Bridges, ‘Planning of Economic Development’, 19 Sept 1945, p. 1; CAB 124/890, ‘Central Planning of Economic Development’ and James Meade, ‘Economic Planning’, pp. 265-74.

¹⁹⁶ TNA, T 230/18, Bridges to Meade, 22 Aug 1945.

¹⁹⁷ Some, like the new Production Efficiency Service, even included the same personnel. See: Jim Tomlinson, ‘Mr Attlee’s Supply-side Socialism’, *Economic History Review*, 46:1 (1993), 1-22 (p. 3).

controls' and had overseen this being written into the memorandum that underpinned the ED.¹⁹⁸ He would even express dismay that the new Supplies and Services Act – which had been set back by the rapid Japanese surrender – was too focused on restrictive controls and might not be suitable for economic planning.¹⁹⁹ This coincided with two important shifts. The first was a move from thinking about Controls as embodied by individual controllers, towards a more impersonal system of agencies 'sponsored' by departments. The second was the beginning of a departmental process of decontrol that saw another 48 Defence Regulations removed by 9 October and included the abolition of almost all controls over the labour market. As Morrison told Parliament, 'where the public interest requires that [controls] should be modified or withdrawn, then we shall modify or withdraw them'.²⁰⁰

This initial flurry of activity set out an approach to planning that would define government policy until 1951.²⁰¹ But, despite seeking to move beyond the wartime system, Meade's proposals had focused upon the role that would be played by his colleagues in the EC(S) and the CSO and was less than clear on the mechanics of implementation. Possibly explained by his preferences for financial restrictions and a lack of first-hand experience in administration, his suggestions regarding controls were, according to the Lord President's Office, remarkably 'unexceptional'.²⁰² As a result, responsibility for the efficient running of the system was instead charged to the Lord President's own Industrial Subcommittee (LP(I)).²⁰³ Also a new body, this replaced the wartime R(OI) and inherited the EC's ill-fated report, which was belatedly considered by an *ad hoc* Cabinet committee in the same week as Meade's planning paper. This report formed the basis of another key memorandum bearing Morrison's signature: a paper boldly entitled 'The Future of Economic Controls' that set out the dual intention that some controls would be used 'deliberately' as

¹⁹⁸ TNA, T 273/298 Bridges to Murrie, 20 Sept 1945.

¹⁹⁹ TNA, CAB 128/1, CM(45)24:2, 20 Aug 1945 and Cripps, 'Supplies and Services (Transitional Powers) Bill: Memorandum by the President of the Board of Trade', 21 Aug 1945.

²⁰⁰ *Hansard*, (H.C.Debs) 5th ser., vol. 419, 28 Feb 1946, c. 2128.

²⁰¹ Keir M. Thorpe, 'The Missing Pillar: Economic Planning and the Machinery of Government during the Labour Administrations 1945-51' (unpublished PhD thesis, University of London, 1999), p. 67.

²⁰² TNA, CAB 124/890, Mayhew to Morrison, 13 Oct 1945.

²⁰³ TNA, CAB 134/186-8, ED: 'Minutes and Memoranda', 1945-7.

instruments of policy whilst others – especially at lower levels – would be relaxed.²⁰⁴ Yet, despite its forward facing title, this was, more accurately, the reflection of an already agreed policy and remained solely focused on the application of wartime controls during the initial transition. Accepted as a guide for the first six months only, it moved, in theoretical terms, little beyond Morrison’s earlier call for a graduated ‘ladder of controls’. The main step forward was, therefore, practical rather than fundamental with the creation of another new body that was given responsibility for keeping the system under constant review. And so, in early winter 1945, the LP(I) set up an interdepartmental Official Committee on Controls (OC) under Nicholson’s chairmanship as a permanent replacement for the informal EC.

Nicholson, who continued to act as the Lord President’s chief advisor, was immediately charged with undertaking an ‘urgent review’ of current controls and asked to provide a forum for lower level relaxations.²⁰⁵ An attempt to modify existing mechanisms, there can be little doubt that Morrison, who had overseen the changes made at the Ministry of Supply, would have recognised the similarity between the OC’s approach and that spearheaded by Macmillan in May 1940. Nevertheless, like the EC and LP(I) before it, the committee was to be short-lived. Wound up within a year of its inauguration, Nicholson later noted that it had succumbed to the continued shroud of obscurity surrounding controls policy.²⁰⁶ This failure exemplifies the inherent difficulties that accompanied the enforced separation of planning and controls policy. On the one hand, responsibility for the long term function of controls had been assumed by the ED. On the other, relaxations towards the base of the ‘ladder’ were never fully co-ordinated with any high-level plan. The initiative remained *within* individual departments. Moreover, in spite of the obvious desire to replace the wartime framework, uncertainty over the future direction of policy meant that many departments were unwilling to give up their individual rungs on the ladder.²⁰⁷ Instead, fundamental questions regarding the suitability of such ‘negative and restrictive’ instruments remained unanswered. This was, it must be stressed, recognised by many of those entrusted with the task of administration. Party

²⁰⁴ TNA, CAB 71/27, Morrison, ‘The Future of Economic Controls’, 7 Sep 1945, p. 15.

²⁰⁵ TNA, CAB 132/58, OC(45)1:1, 10 Dec 1945.

²⁰⁶ TNA, CAB 132/58, Nicholson, ‘Winding Up’, 14 Nov 1946, annex.

²⁰⁷ TNA, CAB 132/58, Nicholson, ‘First Report’, 7 Feb 1946, pp. 7-8.

to discussions in the LP(I), for example, John Maud, a pre-war lecturer in politics who had served in the Ministry of Reconstruction before becoming Morrison's official secretary, remained adamant that – as with the R(OI) – a fundamental point had been missed in discussions where the word 'restriction' had deliberately been avoided but from which no alternative mechanism had emerged.²⁰⁸ Sir John Henry Woods, a senior civil servant working under Cripps at the Board of Trade, similarly questioned whether the controls being employed were suitable for making adjustments 'with the speed and certainty required'.²⁰⁹

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In public it was being claimed that a coherent planning apparatus was rapidly replacing the wartime system. This was, as described by an enthusiastic Kenneth Morgan, an exciting time where 'the Gentleman in Whitehall dominated the collective ethos'.²¹⁰ Speaking at Labour's Annual Conference in June 1946, for instance, Laski used the Chairman's Address to assert that the 'age of Socialist Planning ha[d] arrived'.²¹¹ Four months later, Morrison gave the public a glimpse at its inner workings during a well-received speech to the Institute of Public Administration. Although dismissed by Toye as a 'banality', this speech is notable for the unprecedented level of detail given and was widely regarded by contemporaries as seminal.²¹² Publically explaining the structure and relationship between the various steering committees for the first time, Morrison sketched out a five stage democratic plan that revolved around an empirical survey of resources, the combination of this data with production estimates, the widespread discussion of these forecasts to work out priorities and co-operation with industry to see them realised.²¹³ He admitted that this was a 'very large and complicated business' and

²⁰⁸ TNA, CAB 124/687, Maud to Morrison, 13 Sept 1945. Despite Morrison hoping that he would be given a full time planning role, Maud was promoted to Permanent Secretary of the Board of Education later in 1945 and would be spared further involvement in such matters until he was transferred to the Economic Planning Board in 1952.

²⁰⁹ TNA, CAB 134/186, ED(46)7:2, 8 Oct 1946.

²¹⁰ Morgan, *The People's Peace*, p. 30.

²¹¹ Labour Party, *Report of the 45th Annual Conference* (London, 1946), p. 178.

²¹² For reactions, see: *The Economist*, 26 Oct 1946; *The Times*, 18 Oct 1946 and Jewkes, 'Variety Amongst the Planners', p. 100. For Toye's view, see: *Labour and the Planned Economy*, p. 194.

²¹³ Herbert Morrison, 'Economic Planning', *Public Administration*, 15:1 (1947), 3-9

that it would never be exact. But, emulating Durbin and building on Meade, it was argued that the highlighting of ‘gaps’ would be a useful exercise nevertheless.²¹⁴ Most importantly, Morrison stressed that it was to be a co-operative exercise. He clearly stated that this was not – whatever Morgan would later claim – about ‘control by a few people sitting in Whitehall’.²¹⁵ Instead, his vision was closely aligned with that which had been put forward by the NFRB and is considered further in Chapter Four. In another useful link between ideas and their application, the speech itself was considered in detail by the ED and encapsulated a belief that some level of planning – whether flexible, inflexible, the basis of a *New Society*, or simply a framework to help Britain readjust to peace – was both inevitable and possible.²¹⁶ Yet, as Toye suggests, it also left the questions raised by Woods entirely unanswered.

On the question of alternative mechanisms of control, Morrison drew upon the long series of government reviews outlined above and his own wartime writings to emphasise that negative controls were entirely transitional and that ‘alternative ways’ would be adopted in the longer term.²¹⁷ But the nature of these alternatives remained uncertain and Morrison was unable to develop upon his earlier pledge that ‘good will and resourcefulness’ would replace many of them.²¹⁸ As a result, *The Financial Times* described how a ‘veneer of planning gospel’ seemed to have been laid over ‘a vast deal of higgledy-piggeldy departmental practice’.²¹⁹ Accepting this premise, *The Economist* warned that Morrison was simply in danger of promising too much and contrasted his optimism about the mechanics with less positive forecasts that were released just two days after his address.²²⁰ Planning’s inevitability was brought into even sharper focus three months later when a succession of crises fed into a burgeoning academic critique of the government’s approach. From 21 January 1947, with Morrison bed-ridden by illness, severe snowfall brought many coal mines and a large part of the transport network to a grinding halt. This – exacerbated by an earlier

²¹⁴ Morrison, ‘Economic Planning’, pp. 3 and 8-9.

²¹⁵ Morrison, ‘Economic Planning’, p. 6.

²¹⁶ TNA, CAB 134/189, Proctor and Pimlott, ‘Lord President’s Speech to the Institute of Public Administration’, 23 Oct 1946.

²¹⁷ Morrison, ‘Economic Planning’, p. 7; ‘The State and Industry’, p. 21 and TNA, CAB 132/3, Morrison, ‘The Control of Investment’, 23 Apr 1946, pp. 2-3.

²¹⁸ *Hansard*, (H.C.Debs) 5th ser., vol. 419, 28 Feb 1946, c. 2128.

²¹⁹ *Financial Times*, 4 Nov 1946.

²²⁰ *The Economist*, 20 Oct 1946.

failure to build adequate coal reserves – led to a serious fuel crisis, saw production stall and made two million workers temporarily unemployed.²²¹ In the medium term, the weather led to a fall in exports worth c. £200m and upset the balance of trade. Perhaps more permanently, it dented international confidence in the run up to sterling being made convertible and may have contributed to the flood of investors who would ditch the pound in favour of the dollar when this policy was finally carried through on 15 July. The fact that Morrison's Public Administration address had anticipated that a shortage of miners could lead to factory closures did not make the situation any less damaging.²²² That similar warnings from Jay had been ignored since late 1945 merely added to the sense of confusion.²²³ As Morrison later admitted, it was all evidence of a 'conflict of priorities' within a system that his government had yet to master.²²⁴

A number of those economists who had been involved within the wartime system were keen to offer their personal reflections on this situation. Writing in the *Lloyds Bank Review*, for example, Robbins drew upon his CEIS experience to identify 'defective' planning as the root cause given that demand had been allowed to outstrip supply.²²⁵ He had, with more potential impact, earlier written to *The Times* to complain that any 'competent person' would have seen the crisis as inevitable.²²⁶ Many of his contemporaries agreed. The industrialist Edwin Plowden, who had joined the MAP from the BAC in 1942 and remained the department's Chief Executive after 1945, was adamant that the government had become complacent and overly optimistic about its ability to manage the economy.²²⁷ This was expanded upon by Devons, who pointed out that a pent up inflationary pressure had been

²²¹ Geoffrey Fry, *The Politics of Decline: An Interpretation of British Politics from the 1940s to the 1970s* (Basingstoke, 2005), p. 96 and Alex J. Robertson, *The Bleak Mid-Winter: 1947* (Manchester, 1987), p. 17.

²²² Morrison, 'Economic Planning', p. 4.

²²³ Douglas Jay, *Change and Fortune: A Political Record* (London, 1980), p. 143.

²²⁴ Herbert Morrison, *Government and Parliament: A Survey from the Inside* (London, 1959), pp. 288-9 and 297.

²²⁵ Lionel Robbins, 'Inquest on the Crisis', *Lloyds Bank Review*, 6 (1947), 1-27. This appraisal is corroborated by William Ashworth and Mark Pegg, *The History of the British Coal Industry, Vol V 1946-1982: The Nationalised Industry* (Oxford, 1986), p. 135.

²²⁶ *The Times*, 14 Feb 1947.

²²⁷ Plowden, *An Industrialist in the Treasury*, p. 17.

provoked by the very system of controls designed to suppress it.²²⁸ This argument had been explored in detail by W. Manning Dacey and J.R. Hicks at the height of the financial crisis. Referring primarily to the fuel situation, both criticised the government's continued use of controls for failing to tackle the root causes of inflation whilst fostering an artificial level of demand that led to an accident-prone 'empty economy' and the imposition of further controls.²²⁹ Hugh Gaitskell, working under Shinwell at the Ministry of Fuel and Power (MFP), came to a more personal conclusion when he traced his department's failing back to a Minister whom he characterised as impulsive, over confident, ignorant of statistics and entirely unable to comprehend the system's working. He noted bluntly that, 'As an administrator ... S. is hardly a starter. He has no conception of either organisation or planning'.²³⁰ *The Economist*, in an argument that would form the basis of Rogow and Shore's later critique, was similarly adamant that those at the top had spent very little time considering their actions.²³¹ Perhaps unsurprisingly, Jewkes presented this vicious cycle of ever-increasing inflation, controls, austerity, inflation and controls as a 'classic example of planning in crisis'.²³²

His characteristically acerbic *Ordeal by Planning* provided an important link between these questions and more mundane issues thrown up by the administration of controls. Again, these were well-recognised in Whitehall, with the OC's report including a whole section devoted to 'irksomeness' and the EC(S) having warned that productivity was being 'blocked by controls' since 1945.²³³ As was explained by the Conservative economic spokesperson Oliver Stanley, a one-time member of Macmillan's YMCA and former President of the Board of Trade, during a thoughtful Parliamentary analysis:

²²⁸ Devons, 'Economic Planning in War and Peace', pp. 21-4.

²²⁹ W. Manning Dacey, 'Inflation under Controls', *Lloyds Bank Review*, 4 (1947), 1-8 (pp. 6-7); and J.R. Hicks, 'The Empty Economy', *Lloyds Bank Review*, 5 (1947), 1-13 (p. 3).

²³⁰ *The Diary of Hugh Gaitskell, 1945-1956*, ed. P.M. Williams (London, 1983), p. 30 (12 Aug 1947).

²³¹ *The Economist*, 18 Aug 1947.

²³² John Jewkes, *Ordeal By Planning*, pp. 77 and 182-8.

²³³ TNA, CAB 132/58, OC, 'First Report', 7 Feb 1946, pp. 5-6 and T 230/17, Dennison and Wood, 'Industrial Problems in Transition', 2 May 1945, p. 12. Nicholson even maintained that industries were often unaware of which departments officially sponsored their needs, see TNA, CAB 132/58, OC(45)1:2, 10 Dec 1945.

Everyone knows how it works. Civil Servants in Departments do not add controls and permits simply for the sake of doing so, but when the Minister has given a general directive as to what his objective is, somebody thinks of some way in which that objective can be avoided, and so a new provision has to go in to deal with the evasion ... until in the end ... you get a system which may be far more elaborate, cumbersome and burdensome than the general purposes of the control require.²³⁴

Moreover, with a continued division of responsibility between departments, some materials remained concurrently controlled by separate allocation, production, disposal, export and price controls. With firms still obliged to submit requests for each material required and over one thousand different types of licensing arrangement in operation, it was no wonder that Chester relayed to the readers of *Public Administration* his belief that the system was ‘grossly overloaded’.²³⁵ Nor was it surprising that the Federation of British Industries (FBI) should have accused controls of having ‘sapped initiative’.²³⁶ Indeed, although many of FBI’s members accepted the principle of intervention – with some, like Courtauld, who just happened to be Rab Butler’s father-in-law, even enthusing about the possibilities of ‘planning with a small “p”’ – the inherited system of self-regulation built upon detailed licence requests was rightly seen to be mired in red tape.²³⁷ It was, for instance, often the case that manufacturing firms could find their licence requests accepted by two departments before being rejected by a third. According to Lyttelton, who had joined Stanley on the Conservatives’ front bench, private industry had found itself trapped in a ‘game of battledore and shuttlecock between government departments’.²³⁸

Nowhere was this truer than in the building industry, where poor co-ordination between different government agencies had led to a huge oversupply of building

²³⁴ *Hansard*, (H.C.Debs), 5th Ser., vol. 419, 28 Feb 1946, c. 2144.

²³⁵ D.N. Chester, ‘The Efficiency of the Central Government’, *Public Administration*, 26:1 (1948), 10-15 (p. 12).

²³⁶ Federation of British Industries (FBI), *Interim Statement on the Economic Outlook* (London, 1947), p. 7.

²³⁷ Samuel Courtauld, ‘An Industrialist’s Reflections on the Future Relations of Government and Industry’, *The Economic Journal*, 52:205 (1942), 1-17; CPA, CRD 2/7/47a, Lascelles ‘Industry and the New Britain’, 22 Aug 1946; *Financial Times*, 22 Oct 1946 and PEP, ‘Trade Associations and Government’, *Planning: A Broadsheet by PEP*, 240, 5 Oct 1945, pp. 9-17.

²³⁸ *Hansard*, (H.C.Debs), 5th Ser., vol. 419, 28 Feb 1946, c. 1951. See also: A.A. Rogow and P. Shore, *The Labour Government and British Industry, 1945-1951* (Oxford, 1955), p. 58.

licences during the course of 1946. Operating over demand, rather than supply, the issue of new permits had failed to take either material stocks or the availability of manpower into account. In fact, with Harold Wilson, at this point a junior minister at the Ministry of Works, admitting that:

In spite of the ring fence placed around the building materials industry ...
The rate of wastage ... is nearly 50 per cent of the whole labour force,

the programme had been allowed to proceed at a ratio of one builder per house started.²³⁹ In spite of this, an ambitious new housing programme, calling for the completion of 240 000 new homes within a year, had been published in January 1947. Coinciding with the industrial retrenchment forced by the fuel crisis, it was admitted that ‘it [had] not been possible to arrange for any increased [softwood] supplies’. Yet, even with these estimated to be 25 per cent below target, the Ministry of Works stressed that it was ‘not proposed ... to limit the total housing programme because of uncertainty as to this single factor’.²⁴⁰ This would have disastrous consequences. Indeed, despite the existence of 187 574 incomplete builds, not to mention an additional 100 000 sites that had been given provisional licences, no further action was taken to limit the supply of permits, to encourage co-operation between different construction companies, or to co-ordinate the housing programme with controls over industrial building.²⁴¹ This backlog ensured that the rate of new builds continued to outstrip the number of completed properties in every month before November 1947. With scarce labour and materials pumped into sites that had no hope of being completed, the programme was completed 41 per cent below target. For Nathan Rosenberg, who completed a PhD on the subject under Worswick’s guidance, ‘This [was] a very strange planning’.²⁴²

Such failings fed into a more populist critique. Indeed, so incensed was he by the ensuing crisis, the Oxford economist Roy Harrod would even interrupt his summer holiday – and work on a biographical study of Keynes – to produce a highly-charged

²³⁹ *Hansard*, (H.C. Debs), 5th Ser, Vol 421, 25 Mar 1946, cc. 149-50 and Nathan Rosenberg, *Economic Planning in the British Building Industry, 1945-49* (London, 1960), p. 44.

²⁴⁰ HMSO, Cmd 7021, *Housing Programme for 1947* (London, 1947), p. 6.

²⁴¹ Rosenberg, *Planning in the British Building Industry*, p. 70.

²⁴² Rosenberg, *Planning in the British Building Industry*, p. 65.

account called *Are These Hardships Necessary?* which linked an attack on industrial controls with criticism of more overt consumer regulations.²⁴³ Drawing upon aspects of the ‘empty economy’ thesis, he stressed in a follow-up essay, that it was particularly damning that the government seemed to have ‘no plan at all ... only a multitude of unrelated and uncoordinated restrictions, interferences and controls’.²⁴⁴ Talking to one of his party’s MPs, David Clarke, the head of the Conservative Party’s Research Department, stressed that this was, ‘rather like screwing down the safety valve whilst you go on stoking the boilers’.²⁴⁵ Keen that such arguments should be put to a wider public, he later encapsulated these thoughts in a measured public lecture that took the example of steel allocations, a mechanism which the government had been using as a *de facto* control of investment, to explain how initial attempts to schedule the orders of over 6 000 firms – which meant considering around 20 000 end users – had led an inexperienced staff to grant licences for twenty per cent more steel than was actually available. The scheme was, he noted with relish, eventually scrapped and started again.²⁴⁶ There were a couple of exceptions to this hostile turn. Balogh, for one, maintained that the situation could be explained by inconsistent relaxation and stressed that only stronger controls would avoid ‘curing inflation by inflation’.²⁴⁷ The *Keep Left* group, with whom Balogh would later be aligned, similarly called for ‘a greater sense of urgency’ and tighter controls.²⁴⁸ Nonetheless, with many of the problems rooted in decisions that had been taken as the apparatus had been hastily constructed after August 1939, or when it was hastily adapted six years later, Stanley had been perhaps closest to the mark when he noted in 1946 that it was more important for a wholesale examination of the entire apparatus to be undertaken first.²⁴⁹

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²⁴³ Roy Harrod, *Are these Hardships Necessary?* (London, 1947), p. 26.

²⁴⁴ Roy Harrod, *And So it Goes On: Further Thoughts on our Present Mismanagement* (London, 1951), p. 90.

²⁴⁵ CPA, CRD 2/6/8, Clarke to Williams, 10 Nov 1947.

²⁴⁶ CPA, CRD 2/6/8, Clarke, ‘Controls’, c. Mar 1948, pp. 17-18.

²⁴⁷ T. Balogh, ‘Britain’s Economic Problem’, *Quarterly Journal of Economics*, 63:1 (1949), 32-67 (pp. 35-7).

²⁴⁸ R.H.S. Crossman *et al*, *Keep Left* (London, 1947), pp. 15 and 19.

²⁴⁹ *Hansard*, (H.C.Debs), 5th Ser., vol. 419, 28 Feb 1946, c. 2144.

This chapter has shown that, as Britain moved through the crises of 1947, the relationship between planning and controls continued to beguile. The situation is aptly summarised by a note sent from Ronnie Tress to Alec Cairncross on 21 June. In it, he questioned the whole concept of a transition given that nobody seemed to know where they were transitioning to. Officials, he argued, were being asked to both overcome short term problems and construct a long term plan on the assumption that:

controls are to tide us over ... [that] we must use what machinery we have, we can't have any new controls and it isn't worth rationalising the whole construction.²⁵⁰

Six months later he would raise these fears again during a public address to the Manchester Statistical Society which criticised the 'dangerous and wasteful' practices that he was partially responsible for.²⁵¹ The machinery was, as it had been since August 1939, certainly far from coherent. It was one that operated across a number of levels and was made up of hundreds of individual controls that were each as specific as the materials being controlled and the departments responsible for controlling them. As had been pre-empted by Cripps in the debate over the Supplies and Services Act, the failure to move beyond this blunt, complex and – in many respects – arbitrary conception of planning can, therefore, be regarded as the principal reason for failings before 1947. But to view this simply as an intellectual failure or to blame those who sought to put the policy into practice would be to miss the point. Even without a single blueprint, 'planning' continued to excite much thought. Morrison's 1946 Institute of Public Administration speech was, to give but one example, clearly influenced by a range of theories echoing Durbin's notion of planning as foresight, Meade's liberal-socialism and Jay's emphasis on consumer sovereignty.²⁵² It should also be remembered that this machinery had been something of a success and had enjoyed a far more rational development than had been the case during the First World War.²⁵³

²⁵⁰ TNA, T 230/25, Tress to Cairncross, 21 Jun 1947.

²⁵¹ R.C. Tress, 'The Practice of Economic Planning', *Transactions of the Manchester Statistical Society: 1947-8 Session* (1948), p. 18.

²⁵² Morrison, 'Economic Planning', p. 6.

²⁵³ Hancock and Gowing, *British War Economy*, p. 29.

This was, however, as Tress recognised, a story of improvisation and pragmatism. As Hurstfield's measured account conceded, the apparatus was 'never fashioned into the perfect instrument' because 'the difficulties of fully co-ordinating and directing so diverse and powerful a group of controls proved insuperable'.²⁵⁴ Writing with half a century's hindsight, Toye has presented this as one part of a wider paradox wherein seemingly complementary practical and ideological motives for a degree of planning contradicted each other in practice and were hindered by a belief that planning was already occurring.²⁵⁵ This chapter has shown that his paradox was perhaps even more intractable when viewed from within. Some level of control was obviously necessary, but the complex, decentralised and interlocking nature of the apparatus seemed, to those involved, to have rendered any holistic review impossible. Thus, whereas Toye suggests that the planners failed to fully utilise the controls available, it was perhaps more important that they still struggled to comprehend them and had been unable to resolve Devons' tension between centralisation and devolution. It was in this sense, to return to Morrison's speech, that *The Economist* questioned whether the picture was 'as deliberately planned as Mr Morrison makes out'. Like those in Whitehall, if notably more poetic, it concluded that the system's real impetus lay in 'the outer departmental darkness, away from the planners' fluorescent lights, out where the winds of unplanned economic pressure blow'.²⁵⁶ Whilst the fuel crisis proved this thesis to be broadly correct, it was with industrial controls that the analysis was most apt. Indeed, just weeks after Morrison's triumphant speech, the OC imploded after having failed to integrate departmental procedures and another editorial in *The Economist* asked rhetorically 'Where is the Overall Plan?'.²⁵⁷ To label this as obstruction would be to mistake weariness with hostility.

²⁵⁴ Hurstfield, *The Control of Raw Materials*, pp. 128 and 411.

²⁵⁵ Toye, *Labour and the Planned Economy*, p. 185.

²⁵⁶ *The Economist*, 26 Oct 1946.

²⁵⁷ *The Economist*, 23 Nov 1946.

Chapter Three

The Development of Economic Controls

Rethinking and Reaction, c.1947-1955

There are perhaps two main features of interest in this description. The first is the close resemblance which the basic methods of planning today bear to wartime methods. ... The second striking feature of the economic planning machinery under both recent governments is perhaps the most puzzling. It may be expressed in the form of a question: How does the system manage to work at all?

R.S. Milne, 'Britain's Economic Planning Machinery', *The American Political Science Review*, 46:2 (1952), 406-421 (pp. 420-1).

The last chapter has shown that – despite contrary political opinion – the economic controls originally established by the 1939 Emergency Powers (Defence) Act did not provide a simple framework within which planning could be achieved. Instead, prevalent confusions and differences of opinion ensured that there was no single point of reference for even the most enthusiastic of planners. Nonetheless, even if it is agreed with *The Economist* that the period before 1947 was one of controls without an overall plan, it has also been noted that the years that follow are often portrayed in terms of a definitive retreat from both. Looking back from 1955, the Conservative Chancellor Rab Butler pointed to a 'long march to freedom' in which:

We have burned our identity cards, torn up our ration books, halved the number of snoopers, decimated the number of forms and said good riddance to nearly two-thirds of the remaining war-time regulations.¹

Delivered in the run up to a General Election, Butler was obviously fighting a party-political point and his speech carefully obscured a wider belief that – even by 1950 – Britain had moved inevitably towards rapid decontrol. The last years of Labour's administration are, as noted in Chapter One, often defined in terms of consolidation and retreat. They are years that remain synonymous with Harold Wilson's infamous Bonfires of Controls and Sir Stafford Cripps' statement in 1950 that the Budget was

¹ Conservative Central Office (CCO), *The Campaign Guide: 1955* (London, 1955), p. 68.

now his ‘most important control’.² In contrast to the severe dislocation of the immediate transition, these years – excepting the shock of devaluation and inflationary pressure of the early 1950s – also appear to show remarkably steady progress. Industrial output had improved beyond official expectations, 40 per cent up on 1946 figures by 1950, exports were 75 per cent higher than pre-war figures and balance of payments problems had been put into temporary abeyance by devaluation.³ It is for these reasons that both of David Worswick and Peter Ady’s influential edited collections identified them as a distinct phase in Britain’s economic history – albeit one that was soon challenged by an economic literature that remains dominated by accounts of ‘muddling through’.⁴

The following pages will consider these themes by continuing the overview begun in Chapter Two. The chapter will show that attempts to rationalise the system following the fuel crisis did lead to an increased emphasis on decontrol, with the proportion of materials subject to allocation falling from two thirds in 1948 to a half in 1950 and being almost negligible in 1955.⁵ Yet, it will also demonstrate that the framework of controls provided for by Defence Regulation 55 (DR55) would remain in place throughout this period and that it continued to pose questions even as Britain finally exited its transition to peace. Industrial controls were something of an anomaly within a landscape of progress. To analyse why this should have been the case, the chapter will continue to work within the framework established by Ely Devons in 1952 to examine developments against a background of uncertainty and continued transitional problems. As might be inferred from the phrase ‘muddling through’, confusion over the economy was certainly not constrained by electoral boundaries and Butler has been subjected to as much criticism as Herbert Morrison had before

² Alec Cairncross, *Years of Recovery: British Economic Policy 1945-51* (London, 1985), p. 332; A.A. Rogow and P. Shore, *The Labour Government and British Industry, 1945-1951* (Oxford, 1955), pp. 41-2; Neil Rollings, ‘Poor Mr Butskell: A Short Life, Wrecked by Schizophrenia?’, *Twentieth Century British History*, 5:2 (1994), 183-205 (p. 188); Richard Toye, ‘Gosplanners versus Thermostatists: Whitehall Planning Debates and their Political Consequences, 1945-50’, *Contemporary British History*, 14:4 (2000), 81-106 (pp. 101-2) and Jim Tomlinson, *Democratic Socialism and Economic Policy: The Attlee Years, 1945-51* (Cambridge, 2002), pp. 227-30.

³ HMSO, Cmd 7915, *Economic Survey for 1950* (London, 1950), pp. 5, 8 and 11 and G.D.N. Worswick, ‘The British Economy 1950-1959’, in *The British Economy in the Nineteen Fifties*, eds G.D.N. Worswick and P. Ady (Oxford, 1962), pp. 1-75 (pp. 2-3).

⁴ See above, p. 28.

⁵ J.C.R. Dow, *The Management of the British Economy 1945-60* (Cambridge, 1964), p. 50.

him.⁶ The context, too, and especially the impact of escalating military intervention on the previously obscure Korean peninsula after 27 June 1950, looms large. The growing sense of panic certainly disrupted the transition and, as had been the case in 1939, raw materials prospects overshadowed policy making – forcing a notable extension of controls.⁷ Many of these measures were short-lived, but it would be a mistake to see them simply as temporary expedients. Instead, even within a period that would become defined by the Orwellian-sounding concept of ‘rethinking’, there was a marked degree of continuity. Most importantly, controls continued to raise important questions and were defined by what Christopher Dow, echoing the religious language of Chapter One, described as a ‘primitive faith’.⁸

-I-

Although it is contended that the overall picture of this period would remain framed by uncertainty, it began with two detailed attempts to sketch out the landscape within which economic controls would operate. The first was the result of a programme of work that had been undertaken by the Economic Section (EC(S)) and Central Statistical Office (CSO) in the eighteen months following July 1945. In an answer to the rhetorical question that ended the last chapter, both bodies had sought to adapt their wartime practice of collating quarterly statistical surveys to meet post-war demands and had drafted a broad *Economic Survey for 1946* during the early winter of 1945. As will be seen in Chapter Five, attempts to publish this document were eventually abandoned and it would remain unseen by the public despite calls for ‘maximum publicity’.⁹ Just over a year later, however, at the point the fuel crisis broke in February 1947, an *Economic Survey for 1947* was published. Akin to the work of Jean Monnet in France, it was intended to form the first part of a long-term

⁶ G.C. Peden, *The Treasury and British Public Policy, 1906-1959* (Oxford, 2000), p. 430 and Hugh Pemberton, ‘Affluence, Relative Decline and the Treasury’, in *An Affluent Society? Britain’s Post-War ‘Golden Age’ Revisited*, ed. L. Black and H. Pemberton (Aldershot, 2004), pp. 107-27 (p. 113).

⁷ Kew, The National Archives (TNA), T 237/72 and /73, Overseas Finance: Raw Materials Files, 1950-52 and *The Diary of Hugh Gaitskell, 1945-1956*, ed. P.M. Williams (London, 1983), p. 223 (10 Jan 1951).

⁸ Dow, *The British Economy 1945-60*, pp. 11-12.

⁹ TNA, CAB 134/186, ED(45)1:2, 14 Nov 1945; CAB 129/6, Morrison, ‘Economic Survey for 1946’, 30 Jan 1946, f. 2 and CAB 134/187, ED(46)1:2, 15 Mar 1946. See also: Keir M. Thorpe, “‘Statistical Floodlighting’? The Unpublished Economic Surveys 1946-7”, *Contemporary British History*, 11:4 (1997), 86-111.

plan for both real and financial resources whilst also fostering public engagement in the project.¹⁰ To this end, it was given a preface to clarify the approach taken, debated in the House of Commons, accompanied by a popular version entitled *The Battle for Output*, given a partisan redrafting by Douglas Jay as *Labour's Plan for 1947* and used to underpin Michael Young's *Labour's Plan for Plenty*. Nonetheless, it was the eloquent preface, which promoted a flexible approach that would use 'a number of methods ... to influence the use of resources in the desired direction, without interfering with democratic freedoms', that would become the *Survey's* most lasting legacy.¹¹

Neatly encapsulating an approach that linked the pre-war writings of the New Fabian Research Bureau (NFRB) with the experience gained by wartime specialists, the *Survey* has since become something of a historiographical landmark.¹² Its vision of a flexible and co-operative version of planning crowned the mood of optimism that had existed before 1947 and chimed perfectly with ideas put forward by Sir Oliver Franks in a series of three reflective lectures delivered to the LSE during February and March of that year.¹³ It was, for this reason, welcomed by Hugh Dalton as a 'real start to central planning'.¹⁴ But, alongside the fuel crisis, the *Survey* also provides the historian with further insight into the inherent tensions surrounding this economic ideal. Speaking at a Fabian lecture later in 1947, Douglas Jay set out the *Survey's* rationale in terms of 'plans' and 'priorities'. It was not, he stressed, 'an impossible statistical blueprint for the daily lives of 45 million human beings' but a general statement of aims and guide for their achievement.¹⁵ This may have been so, but as David Champernowne, another economist to have spent the war at the MAP noted in the Oxford Institute of Statistics' *Bulletin*:

A careful reader will find that high priority is given to: Coal, power, transport, steel, other basic industries and services, textiles and other consumption goods

¹⁰ Thorpe, 'Statistical Floodlighting', pp. 93-4.

¹¹ HMSO, Cmd 7046, *Economic Survey for 1947* (London, 1947), pp. 5-6.

¹² Alec Cairncross and Nita Watts, *The Economic Section 1939-1961: A Study in Economic Advising* (London, 1989), p. 177.

¹³ Oliver Franks, *Central Planning and Control in War and Peace* (London, 1947), pp. 37-9.

¹⁴ Cairncross, *Years of Recovery*, p. 452.

¹⁵ Douglas Jay, 'Plans and Priorities', in *The Road to Recovery: Fabian Society Lectures given in the Autumn of 1947* (London, 1948), pp. 9-28 (pp. 13-4).

and services, manufactured goods, export goods and services, raw materials, capital equipment, shipping, shipbuilding, agriculture, building, building materials, defence and public services; and that the following are major objectives: Increase of labour force, increase of output per man-year, redistribution of labour, reduction of costs and prices, maintenance and raising the standard of living, preservation of democratic freedom and free choice, short-term gains and full employment.¹⁶

Not only did this absurd litany of priorities fail to reassure increasingly sceptical commentators, but they also ensured a lack of coherence with an almost unnoticed ‘long-term plan’ that was published later that year.¹⁷ The 1947 *Survey* can, therefore, be seen as embodying a debilitating unwillingness to take difficult decisions.¹⁸

This was particularly evident regarding controls. Indeed, despite its preface, the 1947 *Survey* actually said very little about the instruments that it would use to attain its long list of objectives. Instead, it merely sketched out the system that had been inherited in 1945 whilst noting that such ‘controls cannot by themselves ... make very fine adjustments’.¹⁹ Jay’s Fabian lecture was equally indeterminate, ending with a call for ‘purposive improvisation’, whilst his party-political *Plan for 1947* remained focused entirely on the immediate need for transitional controls.²⁰ So, despite being hailed as a great step forward, Otto Clarke noted that it was a ‘rather peculiar document’ that reminded him of ‘bricks without straw’.²¹ This caught the interest of Devons and John Jewkes who, writing a joint review of the *Survey*, noted that it seemed an ‘uneasy marriage’ between two fundamentally conflicting ideals.²² Devons would further explore the lack of an alternative mechanism during a faculty seminar paper given in Manchester later that year. Reflecting upon his statistical revolution, he noted there that the detailed process of collating facts and producing

¹⁶ D.G. Champernowne, ‘Critique of the Economic Survey’, *Bulletin of the Oxford University Institute of Statistics*, 9:3&4 (1947), 57-73 (pp. 72-3).

¹⁷ Ely Devons, ‘The British Four Year Plan?’, *The Manchester School of Economic and Social Studies (The Manchester School)*, 16:1 (1948), 94-113 (p. 94).

¹⁸ Cairncross and Watts, *The Economic Section*, p. 140; Nathan Rosenberg, *Economic Planning in the British Building Industry, 1945-49* (London, 1960), p. 66 and Richard Toye, *The Labour Party and the Planned Economy, 1931-51* (Woodbridge, 2003), p. 149.

¹⁹ *Economic Survey for 1947*, p. 8.

²⁰ Douglas Jay, *Labour’s Plan for 1947* (London, 1947), p. 8.

²¹ Toye, *Labour and the Planned Economy*, p. 203.

²² John Jewkes and Ely Devons, ‘The Economic Survey for 1947’, *Lloyds Bank Review*, 4 (1947), 1-10 (p. 2).

documents that were privately referred to as plans may have actually exacerbated the problem being faced. ‘It is very easy’, he noted, ‘for those doing the planning to deceive themselves into thinking that they are the masters and that events are conforming to their plans’.²³ This point had not been missed by his former colleagues. Indeed, speaking a year later, David Butt, an experienced members of the EC(S), similarly denounced the ‘sham precision’ of figures that he maintained had emerged ‘like ectoplasm’ from a dangerous process of forecasting he labelled as ‘Numerology’.²⁴ He concluded that ‘plans ... seem to be very much what Cathedrals are to the Church: they have an inspiring effect for the faithful in a wicked world’.²⁵ Ronnie Tress, too, maintained that the ‘possession of facts [was] not enough’.²⁶ Yet, despite such words, later editions were subject to similar strains. In 1948, the second public *Survey* also enjoyed a favourable redrafting; a year later, production and export targets were ‘recast in a more general form’; and, by 1951, the targets had given way to ‘requirements’, ‘prospects’ and ‘estimates’.²⁷

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The second sketch, which was outlined by the Conservative Party’s Research Department (CRD), sought to fill the void left by the government. Indeed, although the momentum of the initial transition – whether positive or negative – had lain with the Labour government, the opposition had not been entirely absent from the story. It had, in fact, spent the years after 1945 seeking to develop an economically sound and politically attractive alternative that reconciled the tension of that year’s election

²³ London, British Library of Political and Economic Science (BLPES), Devons Papers (DEVONS), Box 1, Devons, ‘Aims in Economic Planning’, May 1947, p. 8.

²⁴ TNA, T 230/145, Butt, ‘Numerology’, 11 Jun 1948, pp. 1-2.

²⁵ TNA, T 230/145, Butt, ‘Questions for a Numerologist or a Planner’, 22 Jun 1948, p. 2. See also: Hubert Henderson, *The Uses and Abuses of Economic Planning* (Cambridge, 1947), p. 32.

²⁶ R.C. Tress, ‘The Practice of Economic Planning’, *Transactions of the Manchester Statistical Society: 1947-8 Session* (1948), pp. 19-20.

²⁷ D.N. Chester, ‘The Machinery of Economic Planning’, in *The British Economy 1945-50*, eds G.D.N. Workswick and P. Ady (Oxford, 1952), pp. 336-364 (p. 359); Michael Cunningham, ‘“From the Ground Up”?: The Labour Governments and Economic Planning’, in *Labour’s High Noon: The Government and the Economy*, ed. J. Fyrth (London, 1993), pp. 3-19 (pp. 1 and 11); Ely Devons, ‘Planning by Economic Survey’, *Economica*, 19:75 (1952), 237-253 (p. 252); P.D. Henderson, ‘Forecast and Fact’, *Bulletin of the Oxford University Institute of Statistics*, 12:1&2 (1950), 7-59; HMSO, Cmd 8195, *Economic Survey for 1951* (London, 1951); Andrew Schonfield, *British Economic Policy Since the War* (London, 1958), p. 166 and TNA, CAB 129/32, Cripps, ‘Economic Survey for 1949: Draft Survey and Covering Note by the Chancellor of the Exchequer’, 16 Feb 1949, f. 1.

campaign. The party's stance on industrial issues was seen to be particularly important and it was recognised that a degree of active intervention was now inevitable. Yet, somewhat more politically, and especially when set against the increasingly fraught context of 1947, they were also keen to portray the current system as in desperate need of change. Controls, although not seen to be quite as vital as industrial relations, were particularly important to both strands of this thinking and the issue was implicit within most of the party's discussions. In October 1946, debates surrounding their continuation were central to the formation of a high level Industrial Policy Committee (CIPC) under Rab Butler's chairmanship that would complement the work of a separate Trade and Industry Committee headed by Oliver Lyttelton.²⁸ In a symbolic gesture, the CIPC would never be given definitive terms of reference, but Winston Churchill's Shadow Cabinet was under no illusion that 'the future of controls' would form an important strand of its work.²⁹ The key question it had to resolve was, as explored by John Ramsden, remarkably similar to that which had haunted the party in 1945: namely, the reconciliation of calls for decontrol with the acceptance that some controls would have to be retained.³⁰ As Anthony Eden explained to an audience in Plymouth just days before the CIPC was assembled, 'Conservative industrial policy' meant reconciling a vision of 'freedom with order'.³¹

The exact nature of Eden's vision was considered at greater length by Quintin Hogg in his influential, if slightly disjointed, *The Case for Conservatism* which was written between December 1946 and March 1947. Drawing upon Eden's nascent call for a 'property owning democracy' – a notion that had been put forward by Harold Macmillan, Robert Boothby and other 'capitalist planners' during the 1930s – Hogg used a philosophical opening section to set out a vision wherein economic power

²⁸ Oxford, Bodleian Library, Conservative Party Archive (CPA), CRD 2/7/56, Butler, 'Chairman's Note on Procedure', 29 Oct 1946 and John Ramsden, *The Age of Churchill and Eden, 1940-57* (London, 1995), p. 145.

²⁹ CPA, LCC 1/1/1, 'Industrial Policy', 16 Oct 1946, f. 1.

³⁰ Ramsden, *The Age of Churchill*, p. 143.

³¹ Anthony Eden, *Freedom and Order: Selected Speeches 1939-46* (London, 1947), pp. 425-431. The phrase was borrowed from the title of an article that Eden's speech writer Reginald Maulding had written for *The Spectator*. See: John Ramsden, *The Making of Conservative Party Policy: The Conservative Research Department since 1929* (London, 1980), p. 121.

would be devolved to unleash ‘organic’ enterprise.³² Significantly, however, (and drawing upon the wider acceptance of ‘planning with a small “p”’ outlined at the end of the last chapter) a decentralised ‘Conservative planning’ that would exert influence, ensure general standards and advise on certain objectives was central to Hogg’s vision.³³ In February 1947, as the first public *Economic Survey* was released, this theme was developed even more forcefully when Hogg joined a group of fifty Conservative MPs and candidates who – alongside forty seven Liberals, five National Liberals, two Ulster Unionists and two Independents – organised under the auspices of the Design for Freedom Committee. The group, which published a pamphlet in its own name, offered a distinctly libertarian version of planning that would reconcile ‘the will to plan ahead’ with a ‘spirit of enterprise and adventure’ by setting out a framework for development whilst entrusting the public to deliver. This was, in effect, a return to the idealism of the early democratic planners coupled with a vehement rejection of an approach ‘which seeks to control the situation by granting licences’.³⁴ It was, in this sense, echoed by *The Case for Conservatism*’s own stringent attack on controls, which were presented by Hogg in his book’s polemical second half as an issue that clearly differentiated between ‘socialist’ and Conservative planning.³⁵

The ideas put forward within *Design for Freedom* were a deliberate attempt to change the parameters of debate and – especially as it had also attracted the signatures of the young CRD members Derek Heathcoat-Amery, Reggie Maudling and Peter Thorneycroft – it should come as no surprise that its dual emphasis on planning and freedom fed into the CIPC’s work. On the first point, Thorneycroft himself noted in a draft introductory section that ‘classic “laissez-faire” theory does not ... work satisfactorily in practice’ and floated the term ‘Conservative planning’ to describe his intentions.³⁶ This was continued as the CIPC began to construct a

³² Quintin Hogg, *The Case for Conservatism* (West Drayton, 1947), pp. 63 and 83-90. See also: Matthew Francis, “‘A Crusade to Enfranchise the Many’: Thatcherism and the “Property-Owning Democracy””, *Twentieth Century British History*, 23:2 (2012), 275-297 (pp. 276-280) and Ben Jackson, ‘Revisionism Reconsidered: “Property-owning Democracy” and Egalitarian Strategy in Post-War Britain’, *Twentieth Century British History*, 16:4 (2005), 416-440 (pp. 418-20).

³³ Hogg, *The Case for Conservatism*, p. 165.

³⁴ Design for Freedom Committee, *Design for Freedom* (London, 1947), pp. 3, 6 and 19.

³⁵ Hogg, *The Case for Conservatism*, pp. 306-7.

³⁶ CPA, CRD 2/7/56, Thorneycroft, ‘Industrial Policy: Introduction’, undated, p. 2.

more detailed vision of co-operative planning under the banner of ‘National Housekeeping’.³⁷ And it was here that the second point emerged clearly. Indeed, unlike Labour’s approach in office – which was accused of being ‘made in Whitehall’ – ‘Housekeeping’ was envisaged as a balance between encouragement from the centre and individual initiative. It was, noted Thorneycroft, not simply about making laws but ‘an attitude of mind’.³⁸ Drawing their own parallel with Franks’ lectures, the CIPC was also clearly influenced by past experience and its calls for co-operation were grounded in a priority-based model that echoed the wartime Ministry of Supply.³⁹ These ideas were eventually encapsulated in a weighty policy statement called the *Industrial Charter* and published in May 1947. Calling for the devolution of economic decision making and a spirit of ‘free opportunity, incentives and justice’, this argued that current controls frustrated industry and had a tendency to ‘breed like rabbits’. But, in contrast to the ambiguous stance of 1945, the principle of state intervention was overtly accepted.⁴⁰ As was explained by Butler in a supplementary pamphlet, the word ‘planning’ remained contentious, but ‘The conception of strong Government policy in economic matters [was at] ... the very centre of the Conservative tradition’.⁴¹

Butler’s commitment ensured that the *Industrial Charter* – like the *Economic Survey* before it – would become a landmark.⁴² Although the document itself adopted a measured tone, the emphasis placed on deliberate planning within its press and in supplementary material was certainly striking. David Eccles – who noted that he preferred to ‘call a spade a spade’ – summed up this mood with the assertion that it represented a Conservative ‘experiment in the control of our economic destiny’.⁴³

³⁷ CPA, CRD 2/7/53, ‘National Housekeeping’ and ‘Planning Machinery’, undated.

³⁸ CPA, CRD 2/7/56, Thorneycroft, ‘Industrial Policy’, pp. 2-3 and CRD 2/9/11, Clarke, ‘Notes on the Economic Survey for 1947’, c. Feb 1947, p. 1.

³⁹ Conservative Political Centre (CPC), *What Do You Think? About the Industrial Charter* (London, 1947), p. 14 and CPA, CRD 2/7/57, ‘Economic Machinery of Government’, c. Feb 1947, f. 1.

⁴⁰ CCO, *The Industrial Charter: A Statement of Conservative Industrial Policy* (London, 1947), p. 4.

⁴¹ CPC, *What Do You Think? About the Industrial Charter*, p. 6.

⁴² Brendan Evans and Andrew Taylor, *From Sailsbury to Major: Continuity and Change in Conservative Politics* (Manchester, 1996), pp. 81-5; E.H.H. Green, ‘The Conservative Party, the State and the Electorate, 1945-1964’, in *Party, State and Society: Electoral Behaviour in Britain since 1820*, eds J. Lawrence and M. Taylor (Aldershot, 1997), 176-200 (pp. 179-80); John Ramsden, *The Age of Churchill*, p. 94 and R.A. Butler, *The Art of the Possible: the Memoirs of Lord Butler, K.G., C.H.* (London, 1971), p. 126.

⁴³ David Eccles, *Forward from the Industrial Charter* (London, 1948), p. 1.

The belief that this should represent a ‘true partnership’ was equally significant. So, too, the fact that this commitment saw members of the CIPC embark on a national fact-finding mission and undertake a two month consultation process which culminated in a series of focus groups.⁴⁴ The questions that continued to surround industrial controls were, however, much more familiar. The CIPC’s consultation with industrialists had, in fact, highlighted a range of very practical concerns centred on what Franks’ memorably described as their ‘wooliness, inertia and rigidity’.⁴⁵ A meeting held in London at the end of January set the tone with criticism ‘not of the controls themselves, but of the manner in which they were worked, their complexity, their slowness, the need to consult several departments and the low quality of personnel’.⁴⁶ Echoing the complaints considered at the end of the last chapter, this would feed into Butler’s castigation of the present system as ‘controls without planning’ and Lyttelton’s belief that a new approach would have to ‘do things’ rather than restrict them. But, to employ a familiar phrase, the exact nature of this positive vision was still far from clear and the *Charter’s* picture of collaboration and devolved responsibility remained complicated by its acceptance of the continued need for some of the existing system. It was, Butler later admitted, ‘vague where it might have been specific’.⁴⁷ Of course, it had been hoped that the CIPC would overcome some of these issues. But, with no easy answers found, the committee simply drew upon Oliver Stanley’s earlier suggestion and called for an investigation to be undertaken so that a greater degree of flexibility could be introduced.⁴⁸

It should come as no surprise, therefore, that the *Industrial Charter* did not silence earlier criticism about a lack of a clear policy. Indeed, for all of its apparent significance, the document was not officially adopted for five months and was then notoriously met by Churchill’s assertion that he did ‘not agree with a word’ of its

⁴⁴ Between January and April 1947, meetings were held in London, Bristol, Edinburgh, Newcastle-upon-Tyne, Leeds, Manchester and Cardiff. See: CPA, CRD 2/7/57, Industrial Policy Committee Minutes and Papers, 1947.

⁴⁵ Franks, *Central Planning and Control*, p. 27.

⁴⁶ CPA, CRD 2/7/57, Fraser, ‘Minutes of a Meeting Held with London Industrialists’, 27 Feb 1947.

⁴⁷ Butler, *The Art of the Possible*, p. 145.

⁴⁸ CPA, CRD 2/7/56, Macmillan, ‘The Government and Industry’, 25 Nov 1946, p. 6 and 2/7/57 ‘Controls’, undated, pp. 1-2.

content.⁴⁹ The party's Treasurer, Christopher Holland-Martin, also took a very different line noting that his interpretation of the pledge to maintain controls over 'any necessity of life' was that:

[This] does not cover all controls. With the assistance of a restored price mechanism we believe that this pledge can be fulfilled.⁵⁰

But the problem with any policy for decontrol, David Clarke explained to one Tory MP on the very same day, was that the party risked 'commit[ing] ourselves to taking off particular controls without having full knowledge of the[ir] relative importance and interlocking nature'.⁵¹ With this in mind, it was mooted that the CRD should undertake a 'full-dress examination' of the entire system to isolate 'concrete examples' of those that were either 'unnecessary now ... not justified by their results [or] would be unnecessary if a Conservative Government altered policy in other directions'. This led, in December 1947, to the circulation of lengthy memorandum with the equally lengthy working title of 'Controls or parts of controls which could be removed or amended and examples of the confusion they cause'. The findings were, however, strongly denounced by those who were asked for their comments. In the CRD, Enoch Powell and John Wyndham criticised the haphazard methodology whilst Maudling thought it provided conclusive proof that it was 'impossible to produce [such] a list'.⁵² Indeed, without access to government departments, the examination had been undertaken by simply reviewing newspaper reports and even the party's politically-minded Tactical Committee warned that 'one or two examples [were] quite contrary to known fact'.⁵³

-II-

Back in Whitehall, the weaknesses exposed by the fuel crisis had led to a more practical reassessment of planning practice. At a departmental level, the Ministry of

⁴⁹ Anthony Howard, *Rab: The Life of R.A. Butler* (London, 1987), p. 156; Reginald Maudling, *Memoirs* (London, 1978), p. 45 and Bill Schwarz, 'The Tide of History: the Reconstruction of Conservatism, 1945-51', in *The Attlee Years*, ed. N. Tiratsoo (London, 1991), pp. 147-166 (p. 158).

⁵⁰ CPA, CRD 2/2/9, 'The Treasurer' to Clarke, 21 Nov 1947.

⁵¹ CPA, CRD 2/6/8, Clarke to Williams, 21 Nov 1947.

⁵² CPA, CRD 2/6/8, Maudling to Hoskins, 9 Dec 1947.

⁵³ CPA, CRD 2/6/8, Wills to Clarke, 9 Jan 1948.

Fuel and Power (MFP) tightened its procedures from March 1947, with industrial requirements carefully controlled in relation to individual colliery production figures.⁵⁴ To ensure that this was coherent, a new committee that brought together ministers, officials, controllers and industrial representatives was also set up. Unconsciously emulating the Conservative's calls for delegated planning, this drew clear inspiration from wartime practice and was, Hugh Gaitskell believed, a successful way of avoiding political manoeuvre whilst maintaining political impetus.⁵⁵ Gaitskell himself would replace Emmanuel Shinwell at the top of the MFP in October. A very similar model was adopted at an interdepartmental level with the formation of an advisory Economic Planning Board (EPB) that was designed to provide a link between industry and the various planning departments.⁵⁶ This, alongside the creation of an autonomous Central Economic Planning Staff (CEPS), the appointment of Edwin Plowden as Chief Planner, the replacement of James Meade with Robert Hall and the creation of a Ministry of Economic Affairs under Cripps, has since been regarded as an important attempt to improve co-ordination.⁵⁷ The new bodies took over many of the Official Steering Committee on Economic Development (ED) and Lord President's responsibilities and coincided with a fresh influx of specialists – including the Labour-friendly economists Robin Marris and Kenneth Berrill. This, in turn, led to a renewed interest in long term planning and even saw attempts to undertake a detailed 'level of industry plan' for November 1947.⁵⁸ Such moves were vigorously opposed by Lyttelton who claimed that such centralisation was the 'last refuge of administrative incompetence'.⁵⁹ But, for Austin Robinson, who was appointed the head of the CEPS, it was quite simply the

⁵⁴ William Ashworth and Mark Pegg, *The History of the British Coal Industry. Vol. 5, 1946-1982: The Nationalised Industry* (Oxford, 1986), p. 137.

⁵⁵ *The Diary of Hugh Gaitskell*, p. 38 (14 Oct 1947).

⁵⁶ TNA, T 229/28, EPB(47)1, 21 Jul 1947.

⁵⁷ Cairncross, *Years of Recovery*, pp. 53 and 327; Martin Chick, *Industrial Policy in Britain, 1945-1951: Economic Planning, Nationalisation and the Labour Governments* (London, 1998), p. 7; Jim Tomlinson, 'Mr Attlee's Supply-Side Socialism', *Economic History Review*, 46:1 (1993), 1-22 (p. 13) and Toye, *Labour and the Planned Economy*, p. 207.

⁵⁸ R.S. Barker, 'Civil Service Attitudes and the Economic Planning of the Attlee Government', *Journal of Contemporary History*, 21:3 (1986), 473-486 (p. 481); Alec Cairncross, *Austin Robinson: The Life of an Economic Advisor* (New York, 1993), p. 101; Keir M. Thorpe, 'The Missing Pillar: Economic Planning and the Machinery of Government during the Labour Administrations 1945-51' (unpublished PhD thesis, University of London, 1999), pp. 76-7 and TNA T 229/166, Marris, 'A November Plan', 1 Oct 1947., p. 1.

⁵⁹ CPA, CRD 2/9/22, 'Central Economic Planning Machinery', p. 5.

‘meaningful’ start of planning in Britain.⁶⁰ Supporting both views, not to mention the idea that this was the precursor to a retreat, Keir Thorpe has described these moves as representing ‘the zenith of real planning’.⁶¹

Alongside these organisational changes in personnel, 1947 also saw a real attempt to instigate a positive alternative to the licence-based system of industrial controls that had been adapted in 1945. Indeed, painfully aware that the current apparatus continued to be blighted by a form of permit inflation, high level moves were made to tighten controls higher up the ladder. Thus, drawing upon ideas put forward by Jay, and echoing those interwar calls for a National Investment Board (NIB), the use of steel allocations as a control of investment was gradually reformed and co-ordinated with a system of building licences that would be overseen by a brand new Investment Programmes Committee (IPC).⁶² This process would work in a very similar way to the wartime priority system. The IPC, which was staffed by a number of non-departmental advisors including Plowden, Hall and Alec Cairncross, would assign objectives and a range of subcommittees – including the already existing Capital Issues Committee (CIC) – would be responsible for ensuring that these were met. As in 1940, this would also involve individual departments bidding for permits on behalf of the industries that they sponsored. Unlike its earlier incarnations, however, the IPC hoped to promote growth rather than restrict it. Indeed, it aimed to use a range of physical and fiscal controls to ensure a ‘smoother and more continuous flow of materials’.⁶³ To come back to the link between theory and practice, this was remarkably close to the conscious exchange of information that Durbin had promoted in 1942.⁶⁴ Nonetheless, as both Hall and Plowden would realise, these structural changes may have promoted positive intervention, but they had done little to address a continued reliance upon negative controls. It was for this reason that one of Plowden’s first acts as Chief Planning Officer had been to

⁶⁰ E.A.G Robinson, *Economic Planning in the United Kingdom* (Cambridge, 1967), p. 3.

⁶¹ Thorpe, ‘The Missing Pillar’, pp. 76-78.

⁶² Chick, *Industrial Policy in Britain*, pp. 10-1 and TNA CAB 129/20, Brook, ‘Investment Programmes Committee’, 13 Aug 1947 and CAB 130/27, IPC(47)1, 31 Oct 1947.

⁶³ HMSO, Cmd 7268, *Capital Investment in 1948* (London, 1948), p. 5. See also: Edward Bridges, *Treasury Control* (London, 1950), pp.22-4 and TNA, CAB 134/437-57 and /987-4 for the IPC’s minutes and papers.

⁶⁴ See above, p. 45.

approach the EC(S) with questions about the entire philosophy behind the government's approach.⁶⁵

In a bid to make sense of this, Hall asked the EC(S) to undertake a short survey of the system in an attempt to ascertain the suitability of controls as instruments of planning. It was at this point that Tress – whom Robinson had made responsible for writing the long term plan – wrote to Cairncross with his concern that ‘the machinery’ was increasingly unsuitable. Cairncross agreed that a lack of clarity regarding future policy was the main stumbling block to progress and noted that restrictive controls did nothing ‘to bring [a] controlled item into line with the overall plan’.⁶⁶ Their fears would prove to be well-founded. With no mechanism to promote changes in the labour market, the new system proved to be a fairly inexact way of planning development. Moreover, still reliant upon self-regulated statistical returns and a clumsy set of controls that could be traced back to Defence Regulation 56A, the IPC would struggle to exert much influence over the private sector and estimated in 1953 that 37.8 per cent of all investment remained entirely unaccountable.⁶⁷ Yet, in 1947, the EC(S) as a whole conceded that such controls were the only way to implement an administrative plan in the short term. As their eventual note to Plowden explained, it might be theoretically possible to enforce just one or two strategic controls but the complexity of the apparatus meant that many more had to be kept as ‘insurances’ in practice.⁶⁸ With little immediate room for manoeuvre and no clear answer regarding the fundamental aim of their actions, the government simply renewed a revised Supplies and Services (Extended Powers) Act in August 1947. Worryingly, though, and despite the scepticism of many officials, the IPC's ‘wholly factitious air of exactness’ exacerbated a political belief that planning was being carried out. The government appeared to have fallen into a trap of ‘mystical foreknowledge’ about which Jay had warned in his Fabian Lecture.⁶⁹ The extent to which this represented a great step forward remains open to question as a result.⁷⁰

⁶⁵ TNA, T 230/25, Cairncross to Tress, 19 Jun 1947.

⁶⁶ TNA, T 230/25, Cairncross to Tress, 19 Jun 1947.

⁶⁷ Chick, *Industrial Policy in Britain*, pp. 67-9 and Dow, *The British Economy 1945-60*, p. 149.

⁶⁸ TNA, T 230/319, Butt, ‘Controls’, 22 May 1947, pp. 1 and 8. See also: Cairncross and Watts, *The Economic Section*, p. 183.

⁶⁹ TNA, T 229/237, Muir, ‘Control of Building Investment by Financial Ceilings’, 29 Jul 1949, f.1 and Jay, ‘Plans and Priorities’, p. 18.

⁷⁰ Cunnigham, “‘From the Ground Up’?”, p. 11 and TNA, CAB 128/10, CM(47)60:3, 8 Jul 1947.

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As with his role at the MAP, much has been made of Cripps' importance within this new arrangement. His strong working relationships with Hall and Plowden, and the extent to which shared wartime experiences shaped their approach is certainly significant. So, too, was the political drive that he provided – especially as he also took charge of the Treasury that November.⁷¹ But of more importance to this thesis was Cripps' replacement at the Board of Trade by the thirty one year old former economic advisor Harold Wilson. Wilson, who had gained a reputation as an able administrator, would gain political prominence during late 1948 and early 1949 with the announcement of two self-styled Bonfires of Controls. Described by *The Times* as a significant 'clearing [of] the jungle', these highly visible announcements would consign over one hundred pieces of legislation, the requirement for a million licences, restrictions covering almost 130 different categories of material, and 1300 jobs to ashes.⁷² When read alongside the continued philosophical tension highlighted in the last paragraphs, the apparent lack of an alternative mechanism and increasingly open spats between planners, Wilson's actions have often been interpreted as an important marker of Labour's retreat from planning.⁷³ Coinciding with a passionate debate surrounding the publication of the interim policy statement titled *Labour Believes in Britain* and Morrison's call for the party to prepare for a 'victory of consolidation', Wilson's actions were seen by the *Keep Left* group to have begun an 'epidemic of decontrol'.⁷⁴ It will be shown in Chapters Four and Five that there was certainly a political dimension to his announcements. But, without wanting to delve too deeply into these debates, it is relevant that the accusation of retreat can be countered on a number of levels. Indeed, somewhat paradoxically and in a testament to the density of the jungle's foliage, it is suggested here that it was only when the party embarked on this process that it began to think about the strategic controls required for successful planning.

⁷¹ Peter Clarke, *The Cripps Version: The Life of Sir Stafford Cripps 1889-1952* (London, 2003), pp. 485-92.

⁷² *The Times*, 5 Nov 1948.

⁷³ See above, p. 27.

⁷⁴ R. Acland *et al*, *Keeping Left* (London, 1950), pp. 14-15.

The process that culminated with the first Bonfire began on 5 November 1947. On this date, as plans for the IPC were being finalised, the first meeting of a newly inaugurated Government Organisation Committee (GOC) agreed that, because there was no ‘up to date’ information, an interdepartmental review of controls was vital. After much discussion, their recommendations were consolidated a month later when it was decided that department-led investigations should be conducted within the Board of Trade, Ministry of Supply, Ministry of Food, MFP and Ministry of Agriculture. The Committee – which was chaired by Sir Edward Bridges – called for the appointment of independent Examiners to survey the mechanics of control and set about establishing an official Co-ordinating Committee (CC) under P.D. Proctor to oversee enquiries and a higher-level Controls and Efficiency Committee (CE) to consider any policy issues ‘thrown up’ by the investigations.⁷⁵ In both of the GOC’s meetings, the impetus came from Sir John Henry Woods, the Permanent Secretary of the Board of Trade, whose position was clearly set out in a memorandum circulated in early December. Tacitly drawing upon the context set out at the end of Chapter Two, he sketched out a number of problems inherent within the current system and drew attention to overlapping restrictions, wasted manpower and a ‘widespread feeling that many controls ... create hampering frictions and delays’.⁷⁶ In line with those who have identified obstinate officials as the main barriers to reform, this intervention has led many historians – for instance Bernard Alford, Rodney Lowe and Neil Rollings in their guide to Labour’s post war planning policy – to attribute the Bonfires to a combination of administrative overload and traditional *laissez-faire* attitudes within the department.⁷⁷ Such a view is understandable, especially given that Woods’ would even speak publically about the difficulties faced: he admitted during an address to the Institute for Public Administration that the current system left little time to plan ahead or even ‘examine in the necessary detail the many controls [administered]’.⁷⁸ Yet, despite his indictments, Woods’ was clear that the drive for decontrol had come, not from within the department, but from its new President.

⁷⁵ TNA, T 222/636, Bridges, ‘Review of Controls’, 15 Jan 1948, p. 4.

⁷⁶ TNA, T 222/213, Woods, ‘Review of Controls’, 9 Dec 1947, p. 1.

⁷⁷ Bernard Alford, Rodney Lowe and Neil Rollings, *Economic Planning 1943-1951: A Guide to Documents in the Public Records Office* (London, 1992), p. 989.

⁷⁸ Sir John Woods, ‘Administrative Problems of the Board of Trade’, *Public Administration*, 26 (1948), 85-91.

Like Plowden, Wilson had, in fact, questioned his department's 'philosophy of control' immediately after taking up his position and had discussed the need to streamline the system with the Chancellor before the GOC made its initial recommendations.⁷⁹ Indeed, far from pushing the issue, Woods' would even complain to Bridges that he was 'being very severely heckled by the President, who is most anxious to press on'.⁸⁰ His initial reasons for doing so were economic and reflected the reality of planning within the Board of Trade. Wilson, it should be noted, had already gained first-hand knowledge of the system's intricacies whilst working as a Junior Minister at the Board. Moreover, he had been confronted with a damning twenty two page report into its 'gaps and faults' within weeks of his promotion. This showed, to take just one example, that the production of electric fires – controlled by both licence and material allocation – had stalled as, although 309 000 fires were licensed by the Ministry of Supply in January and February 1947, no materials had been allocated by the Board for their manufacture.⁸¹ For Cairncross, who had collected the examples during a series of telephone calls, this was indicative of a system that had never been defined and within which 'none of the instruments [work] properly'.⁸² Such irrationalities would have been almost laughable were it not for the fact that – as explained in Chapter Two – they were also seen to have hindered the attempts to expand export production and tended to discourage innovation by sheltering inefficient firms from competition.⁸³ It was in this context that the Board discussed the possibility of opening formal channels of communication with industrial groups to consider specific proposals for decontrol and suggested that an independent 'Inspector General of Controls' could be appointed to review the entire apparatus. The similarities between this and the approach earlier recommended by Stanley remain striking.

⁷⁹ Oxford, Bodleian Library, Castle papers (CASTLE), c. 228, Cairncross, 'President's Morning Meeting (Home) Review of Controls', 3 Nov 1948 and TNA, T 222/213, Bridges to Gilbert, Proctor and Simpson, 30 Oct 1947.

⁸⁰ TNA, T 222/213, Woods to Bridges, 4 Dec 1947.

⁸¹ TNA, T 222/213, Cairncross, 'Export Promotion and "Controls"', 8 Oct 1947, p. 14.

⁸² TNA, T 222/213, Cairncross, "'Controls'", p. 1.

⁸³ TNA, T 222/213, Cairncross, "'Controls'", p. 18.

The investigation undertaken by Lawrence Merriam – a former Plastics Controller appointed to examine the system – during the course of 1948 highlighted the need for continued reform. Like Cairncross’ initial summary, and David Clarke’s later critique, his examination of the Board’s complex licensing procedures drew attention to a number of inconsistencies and the increasingly anachronistic use of wartime legislation. In June 1948, speaking at a special Nuffield Conference devoted to ‘Government Controls of Industry and Trade’, Merriam admitted that he did not think that there was anyone at the Board who actually knew what the department controlled and decried the ‘rigour mortis’ of a system that was privately referred to as a ‘standstill’ measure.⁸⁴ Like those industrialists interviewed by the CIPC, and in a link back to Devons’ belief that it was often the simplest things that mattered, he paid particular attention to the staffing and co-ordination of the system.⁸⁵ This focus was continued into a later investigation by Morrison and echoed the findings of a 1945 review into the civil service that had concluded that ‘sloppiness in detail [was] much more inconvenient ... than the proper use of “red tape”’.⁸⁶ Interestingly, though, despite the fact that much criticism of this sloppiness had come from business, or a business-orientated perspective, Merriam also identified a number of more systemic issues. With responsibility for the system’s application still resting with industry, the quota-based licensing scheme was now found to be ‘featherbedding’ many producers from competition by establishing priority decisions on pre-war production figures. This made it almost impossible for new firms to compete for priority decisions. Even more troublingly, even the most inefficient firm was then guaranteed profits due to the statutory fixing of costs on a price-maxima basis. With many established companies even lobbying Wilson for the system’s retention, it was not particularly surprising that Merriam was ‘appalled to find out how much industry likes control’.⁸⁷ With these examples in mind, Wilson, too, would become an outspoken critic of a system that he later described as being little more than state-endorsed cartelism.⁸⁸

⁸⁴ Chick, *Industrial Policy in Britain*, pp. 198-200.

⁸⁵ TNA, T 230/319, Merriam, ‘Final Report on the Examination of Controls’, 23 Feb 1950, pp. 1-3.

⁸⁶ TNA, CAB 132/15, Morrison, ‘Government Controls and the Public’, 8 May 1950, f. 5 and W.J.M. Mackenzie and J.W. Grove, *Central Administration in Britain* (London, 1957), p. 450.

⁸⁷ Chick, *Industrial Policy in Britain*, p. 199; TNA, CAB 134/89, Woods, ‘Memorandum by Sir John Woods’, c. Apr 1948, p. 2 and T 229/266, JB to Le Maitre, c. Oct 1947.

⁸⁸ Oxford, Bodleian Library, Wilson papers (WILSON), c. 1098, Speech to Federation of Curriers, Light Leather Tanners and Dressers, 15 Mar 1949.

Unfortunately for Merriam, however, the Bonfires did not represent a simple rationalisation and were beset by their own administrative difficulties. A particularly vivid example of this can be found in his discovery that the continued licensing of vacuum flasks – an industry dominated by the Thermos company – necessitated the issue of 125 000 licences *per annum*, cost the Board of Trade over £10 000 to administer and involved a grand total of 131 staff whilst failing to meet any of its objectives.⁸⁹ It will be shown in Chapter Five that this example would come back to haunt Wilson. Nonetheless, given that the Ministry of Agriculture forced the Board to delay any decontrol for six months whilst an alternative mechanism was devised, it also testifies to some of the difficulties Merriam faced. As *The Economist* satirically noted, the fact that it had taken ‘an official examiner to find out that the permit scheme for the distribution of thermos flasks had become a complete farce’ suggested that controllers were often the last people to realise that they were superfluous to requirement.⁹⁰ This was not the only difficulty. Indeed, the sheer scale of Merriam’s task ensured that his focus was limited only to the ‘dry wood that made easy burning’ whilst his investigation did little to consider the relationship between controls and planning.⁹¹ Moreover, as with the vacuum flasks, many of the statutory regulations he removed were merely replaced by voluntary agreements, or so-called ‘persuasive’ controls.⁹² Hopes that independent examination would allow for an overarching view to be ascertained – Cairncross had even hoped it could lead to the creation of a definitive ‘Dictionary of Controls’ – were also dashed in a process that struggled to achieve any degree of co-ordination. As the CC conceded in the weeks before the first Bonfire, the system simply remained too complex for its examination to have made ‘any very great contribution’.⁹³ In decontrol, as in control, the tension of devolved responsibility remained. It was for this reason that Cripps would later complain that the progress made had been ‘satisfactory’ at best.⁹⁴

⁸⁹ TNA, BT 64/4298, ‘Note on Interdepartmental Meeting’, 22 Dec 1948 and Merriam to Helmore, 14 Jun 1948.

⁹⁰ *The Economist*, 13 Nov 1948.

⁹¹ TNA, T 228/304, Merriam, ‘First Term Report on the Examination of Controls’, 15 Mar 1949, p. 1.

⁹² TNA, CAB 129/32, *Economic Report. Appendix Relaxations in Economic Controls*, 17 Jan 1949, fols 1-2.

⁹³ TNA, T 222/37, Proctor, ‘Controls’, 4 Oct 1948, p. 1 and Proctor to Gilbert, 4 Oct 1948.

⁹⁴ TNA, CAB 195/7, Confidential notes from CM(49)5, 20 Jan 1949.

In spite of this it would be wrong to suggest that the independent examiners' efforts were entirely wasted. Not only did their hard work help to reduce the proportion of materials being controlled from two thirds to one half by 1950 but it had also offered a chance to clarify objectives. At a party level, Wilson joined Durbin and the young Peter Shore on a new Privately Owned Industry subcommittee which met for the first time in early spring 1948 to discuss ideas that would become *Labour Believes in Britain* and eventually formed the backbone of the party's 1950 manifesto. This group would, in October 1948, produce the Labour Party Research Department (LPRD)'s first reference paper on control but, returning to the theme active co-operation, its first action had been to consider a memorandum that called on government to 'regard industry not as a very small boy who must be told sharply what to do and how not to do it, but as a grown up partner'.⁹⁵ This was symbolic of a broader shift in emphasis and a greater realisation that successful planning was dependent upon more than the nominal control provided by the current apparatus. With the encouragement of Michael Young – the head of the LPRD and a former secretary of Political and Economic Planning (PEP) – this theme was continued into the autumn and encapsulated in a paper that keenly sought to stimulate thoughts regarding alternative measures of control.⁹⁶ This process of rethinking continued to draw upon academic sources, with the sympathetic Worswick offering his professional view in a series of detailed papers that urged the party to prioritise planning over ownership, to promote efficiency and to begin thinking of industry as a coherent whole.⁹⁷ This mood was continued into government with a working group set up to consider the effectiveness of the IPC accepting that its future role would have to be conceived in terms of influence rather than wholesale control.⁹⁸ The new climate even led the Ministry of Supply to conduct a series of internal histories in a bid to understand how the wartime system had worked in practice.⁹⁹

⁹⁵ Manchester, Labour Party Archives (LPA), LPRD, RD 69, Miller, 'Socialism and Private Enterprise', Oct 1947, p. 7 and RD 170, 'Draft: Controls', Oct 1948.

⁹⁶ LPA, LPRD, RD 147, Young, 'Policy for Private Ownership', Sept 1948, pp. 1-4.

⁹⁷ LPA, LPRD, RD 167, Worswick, 'A Policy for Private Enterprise', Oct 1948, p. 2.

⁹⁸ TNA, T 229/237, Proctor, 'Final Report of the Committee on the Control of Investment', 5 Sept 1949, pp. 3 and 16 and Tomlinson, *Democratic Socialism and Economic Policy*, p. 84.

⁹⁹ For examples: TNA, AVIA 12/85, Charles, 'History of the Non-Ferrous Metals Control 1st September 1939-31st August 1945', 1947 and AVIA 12/8, 'Central Control of Supply: Methods and Procedures Used', 1949.

It is, then, somewhat ironic that these changes in tone should have tended to be examined in relation to retreat. Indeed, although the calls to embrace an ‘effective partnership between Government and industry’ led to a minor revolt amongst the rank-and-file, with twelve MPs putting their name to *Keeping Left*, Martin Francis has shown that the reality was far less contentious.¹⁰⁰ In fact, with a loosely-defined notion of ‘planning’ remaining at the heart of the party’s vision, the idea that existing controls could be made unnecessary was really not that different to the line taken by Durbin and Jay before the war. Moreover, rather than expressing outright opposition, early sections of *Keeping Left* were rather more conciliatory. Written by Thomas Balogh and informed by Barbara Castle, who had witnessed the irrationality of present arrangements first hand as Wilson’s Parliamentary Secretary, their work actually praised the rationalisation that had taken place within departments and called for further reform lest controls ‘be operated in such a way as to weaken the forces of competition’.¹⁰¹ Richard Crossman agreed and actually wrote to Morrison congratulating him on his consolidation speech, noting that it was ‘a *positive* process’ that would help match ‘*basic equality and freedom for initiative*’.¹⁰² Even Nye Bevan’s famous ‘Socialism is the language of priorities’ speech at Labour’s 1949 Annual Conference called for the ‘setting free’ of investment.¹⁰³ It would, though, still be a mistake to view these arguably more realistic appraisals as marking a great step forward. Indeed, the proposals never extended beyond the retention of building licences, the control of foreign trade and an ill-defined call for Development Councils as a means of fostering positive control through co-operation.¹⁰⁴ As Morrison noted, this would, just like the IPC, continue to be based upon the Supplies and Services Act. Thus, despite the repeated attempts to establish a new framework and calls for a ‘fresh’, ‘persuasive’ and ‘bold’ policy towards private industry,

¹⁰⁰ Labour Party, *Labour Believes in Britain* (London, 1949), p. 6 and Martin Francis, ‘Economics and Ethics: The Nature of Labour’s Socialism, 1945-51’, *Twentieth Century British History*, 61:2 (1995), 220-43.

¹⁰¹ Bodleian Library, CASTLE, c. 229, Balogh, ‘The Problem of Planning’, 15 Dec 1949, pp. 10-12. This position was, however, complicated by the belief that decontrol risked ‘wast[ing] productive capacity’.

¹⁰² London, BLPES, Morrison Papers (MORRISON), 1/10, Crossman to Morrison, 8 Jun 1948 [emphasis in original].

¹⁰³ Labour Party, *Report of the 48th Annual Conference* (London, 1949), pp. 171-2.

¹⁰⁴ LPA, LPRD, RD 170, ‘Draft: Controls’, p. 2 and RD 236, ‘Report to the Policy Committee of Sub-Committee on Privately Owned Industry’, Dec 1948, pp. 5-6.

Labour Believes provides a further example of a failure to move away from the wartime system of controls and actually begin planning.¹⁰⁵

-III-

The Labour government's troubles continued to be exacerbated by an economic situation that had forced – in the words of the CEPS' Robin Marris – a 'hectic pre-occupation with daily problems'.¹⁰⁶ The European Recovery Programme, negotiated during early 1948, may have helped to calm fears surrounding Britain's balance of payments, but it had not removed the need to significantly raise exports and production. Drawing on his continued links with those inside the apparatus, Norman Chester would note in 1952 that this had left 'many of the leading people ... worn out and much less fit than when they started'.¹⁰⁷ It was darkly fitting that Cripps, who was still seen to embody planning, was himself hospitalised with the illness that would eventually lead to his death. Against this frantic background, Plowden again questioned his colleagues' entire approach. Despite continued moves towards the relaxation of materials licences, he was particularly sceptical about the faith being placed in the control of building and capital given that he felt the IPC and CEPS had failed to make use of 'improved statistical material' and did 'not even know the [current] volume of investment'.¹⁰⁸ Though taking place off centre stage, such inconsistencies were picked up by professional commentators and *The Economist* chastised Labour's approach following the publication of *Labour Believes* for being contrived and composed 'largely of wind'.¹⁰⁹ It was, however, only with the imminent expiration of the transitional powers that attention was focused on the need to harness these gusts. Thus, on 20 July 1949, nine months after the LPRD had called for renewed action, well after the last Bonfire had been extinguished, and a full four years after initial investigations had begun, Sir Bernard Gilbert chaired the first meeting of a new Committee on Economic Controls (CEC) that aimed to finally

¹⁰⁵ LPA, LPRD, R 3, 'Summary of Discussions at Dorking', Jun 1950, pp. 2-3.

¹⁰⁶ TNA, T 229/166, Marris, 'Long Term Planning [draft]', c. 20 Sept 1947, p. 1. See also: T.E.M. McKitterick, 'Public Planning and Private Industry', *Political Quarterly*, 23:2 (1952), 155-62 (p. 162).

¹⁰⁷ D.N. Chester, 'The Machinery of Economic Planning', p. 362.

¹⁰⁸ TNA, T 230/323, Plowden, 'Have We Got a Plan?', 21 Apr 1948, p. 3. See also: Rosenberg, *Planning in the British Building Industry*, pp. 117-8.

¹⁰⁹ *The Economist*, 25 Apr 1949.

define an alternative to the constant renewal of emergency legislation. This began a process that would manifest itself in the proposal for, and the eventual abandonment of, an Economic Planning Bill – the history of which has been traced in detail by Rollings and will be briefly considered below.¹¹⁰

Gilbert's new committee had, in essence, inherited the policy-forming functions of the CE – which he had also chaired – and assumed *de facto* responsibility for the more practical work of the CC. Its initial aim appeared simple. It would finally define what constituted a control and work out which measures would be needed in the longer term.¹¹¹ This task proved far from easy. In fact, after struggling to liaise with recalcitrant departments, the committee's cautious final report, which was considered by Morrison and Attlee at the beginning of March 1950 but not passed to the Cabinet, merely recommended that future powers would need to be 'broadly similar' to those currently employed whilst overtly questioning their efficacy.¹¹² Like those academics who castigated the system from without, Gilbert, who would become responsible for overall economic policy in 1953, has since been characterised as something of a cynic. George Peden, for instance, in an appraisal that rekindled Samuel Brittan's infamous critique, has claimed that he was symbolic of the outdated 'Treasury' mind-set that afflicted many officials of his generation.¹¹³ In private, questions were certainly raised about his failure to co-ordinate the CEC's interdepartmental approach, its 'superficial findings' and the extent to which he had remained 'wholly defeatist'. Yet Gilbert's pessimism should not be confused with outright opposition. Instead, it arguably reflected the understandable exasperation of a man who had effectively been responsible for the Treasury's policy towards controls since 1944 and had continually struggled to make sense of a system that still

¹¹⁰ Neil Rollings, "'The Reichstag Method of Governing'? The Attlee Government and Permanent Economic Controls', in *Labour Governments and Private Industry*, eds H. Mercer, N. Rollings and J. Tomlinson (Edinburgh, 1992), pp. 15-37.

¹¹¹ TNA, CAB 134/95, CEC(49)1, 20 July 1949 [Replicated in: T 222/221].

¹¹² TNA, T 222/222, CEC, 'Report of the Committee on Economic Controls', 3 Mar 1950, p. 21 and CAB 129/38, Morrison, 'Future of Emergency Powers: Economic Controls – Long Term Powers', 27 Mar 1950, fols 1-2. For overview: TNA, CAB 134/95, CEC(50)1, 13 Jan 1950. For detail: T 222/225 and /226, Working Group on Production Controls: Papers and Correspondence, 1949-50.

¹¹³ Peden, *The Treasury and British Public Policy*, pp. 531 and Samuel Brittan, *The Treasury Under the Tories, 1951-1964* (Harmondsworth, 1964), chs 1-2. See also: Evan Durbin, 'Government Administration and Efficiency', in *Problems of Economic Planning: Papers on Planning and Economics*, ed. E. Durbin (London, 1949), pp. 107-126.

defied rational analysis. Indeed, it should be remembered that the situation was, in the words of the former chair of the CC, ‘rather a muddle’.¹¹⁴

On 30 March 1950, with current legislation due to expire on the 10 December and against the uncertain Parliamentary backdrop that followed that year’s General Election, the Cabinet finally considered the issue when Morrison tabled proposals for what he billed as a permanent ‘Economic Controls Bill’. As in 1945, this raised serious political questions but Morrison was adamant that the alternative – a continued reliance on the renewal of emergency legislation – would continue to exacerbate planning’s uncertainties.¹¹⁵ In an attempt to push matters forward, Morrison had already launched a further investigation by appointing a committee of officials to consider those ‘long-term powers’ that should be passed to the Emergency Legislation Committee (ELC).¹¹⁶ Despite this new energy, however, the process continued to be headed by Gilbert and much of it drew directly upon the muddle left by the CEC (their renamed final report was eventually adopted on 21 April). Thus, the ELC were instructed to draw up a new Bill that would permanently legislate for a range of powers that were ‘the same as present’ whilst also pursuing a temporary Act that would renew exactly the same legislation for a limited period.¹¹⁷ The outcome of the first process, confidently entitled ‘A Bill for Economic Planning and Full Employment’, was finally presented to Cabinet on 25 July. It was, in spite of Gilbert’s earlier indictment that such an ‘apparatus would not be effective’, entirely based upon those controls ‘of a negative and restrictive character’ that were already being employed.¹¹⁸ It was also, as Morrison conceded, liable to the criticism of being a ‘transitional measure under the cloak of a permanent [one]’.¹¹⁹ This was certainly the view of, a still less-than-impressed, Gilbert who noted that the problem

¹¹⁴ TNA, T 228/196, Johnston to Bridges, 16 Jan 1950; T 222/221, CEC(50)1, 13 Jan 1949 and T 228/304, Procter, ‘Co-ordination of Measures of Decontrol’, 14 Dec 1949.

¹¹⁵ TNA, CAB 128/17, CM(50)16:4, 30 Mar 1950 and CAB 195/7, Confidential notes from CM(50)16, 30 Mar 1950.

¹¹⁶ TNA, CAB 129/38, Morrison, ‘Future of Emergency Powers: Economic Controls – Long Term Powers’, 27 Mar 1950, fols 1-2.

¹¹⁷ TNA, CAB 132/14, LP(50)4:2, 21 Apr 1950.

¹¹⁸ TNA, CAB 132/16, Morrison, ‘Permanent Economic Powers’, 25 Jul 1950, pp. 1-2.

¹¹⁹ TNA, CAB 129/41, Morrison, ‘Renewal of Emergency Powers’, 7 Jul 1950, f. 1.

was ‘more than a difficulty or imperfection in drafting’ but symbolic of a fundamental lack of understanding.¹²⁰

Again, however, such failings were not for a want of trying, with proposals for a positive alternative to the current system exciting the attention of a number of thinkers. Evan Durbin’s incomplete *The Economics of Democratic Socialism* – which Brooke has used to contest the idea that planning was an intellectual failure – provides the most famous example of this continued theoretical attention. But even after his untimely death in 1948, other attempts were made. The clearest was, in fact, published a year later by the Manchester economist Arthur Lewis. Drawing on the Hayekian critique of allocations, and a preference for – to coin Robbins – ‘overall financial planning’, Lewis’ detailed text set out a process of defining objectives, surveying, identifying problems, publicity and enactment solely through budgetary controls.¹²¹ From a more explicitly socialist perspective, Young would call on his colleagues to ‘plan the instruments of control’ whilst Austen Albu (who had taken Durbin’s seat in Edmonton) and Joan Mitchell both continued to consider how planning might practically manage investment within the private sector.¹²² These ideas would become quietly influential during the 1950s. As noted above, even *Keep Left* had sought to embrace less physical methods of control. Despite having earlier claimed that controls were needed to ‘enforce efficiency’, Balogh, who reviewed Lewis’ *Principles of Economic Planning* for the group, was clearly influenced by this possibility and maintained that lessons had to be learnt from the difficulties in administering the current system.¹²³ In government, too, Gaitskell, who was increasingly deputising for the terminally ill Cripps, had begun to push for more attention to be paid to what he later termed the ‘boosting demand type’ of control.¹²⁴ Indeed, seeking to adopt a more holistic view of the subject, he returned to those questions surrounding the ‘philosophy of controls’ and called on the EC(S) to begin a new round of thinking lest the government allow criticism of specific examples lead

¹²⁰ TNA, T 228/241, Gilbert, ‘Permanent Economic Powers, 25 Jul 1950, f. 1.

¹²¹ W.A. Lewis, *The Principles of Economic Planning* (London, 1949), p. 20.

¹²² LPA, LPRD, RD 353, Young, ‘A Plea for the Restatement of Socialism’, Apr 1950, f. 1; Austen Albu and Norman Hewett, *The Anatomy of Private Industry: A Socialist Policy for the Future of the Joint Stock Company* (London, 1951) and Joan Mitchell, *The Future of Private Industry* (London, 1952).

¹²³ Bodleian Library, CASTLE, c. 229, Balogh, ‘Principles of Economic Planning’, 25 Nov 1949, p. 3.

¹²⁴ TNA, T 228/242, Gaitskell, ‘Economic Planning and Full Employment Bill’, 9 Nov 1950, f. 2.

it to ignore broader themes.¹²⁵ It was even suggested that they should consider drafting a replacement for the 1944 *White Paper on Employment Policy*.¹²⁶

In spite of what the CEC termed his ‘Bonfire-mindedness’, Wilson made his own intervention into the debate around positive controls through the promotion of a frankly written call-to-action entitled ‘The State and Private Industry’ in May 1950. Based on his experience at the Board of Trade, this paper was a clear articulation of the problems that continued to surround economic planning. It virulently attacked existing forms of control, criticised those associated with *Keeping Left* and lamented past failures to put something more suitable in their place.¹²⁷ Even so, Wilson remained adamant that there were more efficient ways to plan and sought to answer some of the questions earlier highlighted by the LPRD by offering constructive proposals for a multifaceted approach that would enable greater co-operation with private industry.¹²⁸ Adopting a number of ideas that Hogg had included in his *Case for Conservatism*, this was seen to require a Lewis-like approach to ensure a suitable economic context; the identification of the few hundred ‘key firms’ that drove the wider economy; a greater use of Development Councils and interaction in the boardroom to maintain influence; consultation with, and protection of, consumers interests; selective nationalisation; and the intelligent use of ‘basic’ controls over investment, the location of industry, imports, foreign exchange and monopolies.¹²⁹ Although these recommendations were considered in detail by the government and a separate party consultation set up at Attlee’s request, they were never fully adopted and have remained somewhat overlooked by historians who have tended to focus on his diagnosis that its subject was a ‘vacuum of socialist thought’, rather than the remedies he put forward.¹³⁰ The proposal that Development Councils could act as positive controls was certainly optimistic. Only four such bodies were ever created

¹²⁵ TNA, T 230/319, Hall to Dow, 12 Jul 1950.

¹²⁶ TNA, T 230/319, Hall ‘A Memo’, 16 Jan 1950, p. 1; T 230/295, Hall to Gaitskell, 16 Feb 1950 and T 230/339, Butt to Hall, 15 Nov 1950.

¹²⁷ TNA, CAB 124/1200, Wilson, ‘Covering Note to the Memorandum: The State and Private Industry’, May 1950, p. 2.

¹²⁸ TNA, CAB 124/1200, Wilson, ‘The State and Private Industry’, pp. 6-7 and 10-14.

¹²⁹ TNA, CAB 124/1200, Wilson, ‘The State and Private Industry’, pp. 6-7 and 10-14.

¹³⁰ LPA, General Secretaries Papers (GS), IND/70, Correspondence on ‘The State and Private Industry’, i –viii and Jim Tomlinson, ‘Planning: Debates and Policy in the 1940s’, *Twentieth Century British History*, 3:2 (1992), 154-174 (p. 161).

and even the Board of Trade questioned whether they would actually be able to exert influence.¹³¹ Nonetheless, even with these faults, ‘The State and Private Industry’ remains an apt piece of self-reflection, and one that would go on to define the controls debate throughout the 1950s.¹³²

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Since the publication of their *Industrial Charter*, the Conservatives, too, had been confronted with continued calls for clarification. For sceptical commentators like Victor Weisz, better known as the *News Chronicle* cartoonist ‘Vicky’, the party’s future plans still represented something of a blank canvas.¹³³ Such accusations led to a growing belief amongst party members that their supposed lack of policy had held back electoral progress.¹³⁴ Indeed, despite vigorous campaigning and a dramatic swing against Albu in the Edmonton poll forced by Durbin’s death, the party failed to usurp Labour in any of the spate of by-elections that took place during late 1948 and early 1949. Abortive campaigns in South Hammersmith and Sowerby Bridge brought sentiments to a head and saw the letters pages of *The Times* and *Daily Mail* become forums of debate regarding the very essence of Conservatism.¹³⁵ Apparently pushed onto the defensive, a sense of desperation emerges clearly from impassioned letters that urged policy-makers to clarify their position or risk becoming electorally extraneous.¹³⁶ These outbursts were the public face of pressures that had been building since the attempt to isolate specific examples of controls that could be removed had been abandoned in late 1947. They also coincided with a notable shift in rhetoric as the party moved away from ‘planning with a small “p”’ and positioned itself around a call to ‘set the people free’. It will be shown in later chapters that this shift was as much the result of political manoeuvring as it was of any real economic rethinking.¹³⁷ Even so, it also drew upon the monetarist critique of the ‘empty economy’ explored in the last chapter and arguments put forward by the neo-liberal

¹³¹ See below, p. 131.

¹³² Tomlinson, ‘Debates and Policy’, p. 161.

¹³³ *News Chronicle*, 29 Sept 1947.

¹³⁴ CPA, *Harvester Series II: Minutes and Reports*, card 1947, Churchill to Colman, 1 May 1946 and Ramsden, *The Age of Churchill and Eden*, p. 160.

¹³⁵ Schwarz, ‘The Reconstruction of Conservatism’, p. 157.

¹³⁶ For example: ‘Conservative Policy’, *The Times*, 14 Mar 1949.

¹³⁷ See below, pp. 184-7.

pressure group Aims of Industry (which met with the CRD to provide ‘concrete’ examples of controls that could be removed in March 1948).¹³⁸

The influence of such ideas would have important consequences for the party’s policy making. In spite of his own culpability in the system’s establishment, Lyttelton, who took up a chairmanship with the Institute of Directors in 1948, now began to call privately for ‘a complete reversal of our economic policy’ and urged for more attention to be placed on incentives.¹³⁹ With this he hoped to provide a stark contrast with controls. These, Churchill asserted, publically following Lyttelton’s line of argument, had created an ‘artificial world’ of hidden inflationary pressure which had forced devaluation, damaged British prestige and hindered the balance of payments.¹⁴⁰ This shift was borne out in 1949 policy statement *The Right Road for Britain*. Drafted by Hogg, this document would provide the basis for the Conservative Party’s 1950 election manifesto – which was given the related title *This is the Road* – and would subsequently define their approach throughout the 1950s. As demonstrated at the outset of Chapter One, the statement was highly critical of the ‘restrictive and negative’ socialist approach to planning and the ‘cumbersome and inefficient’ system of controls it was seen to have imposed.¹⁴¹ Adopting an increasingly Hayekian language, decontrol was presented as being a positive alternative to the current system. With this, the tone was markedly less conciliatory than the tentative voice adopted by the CIPC. It was for this reason that Nigel Harris, in an early history of the Conservatives’ post-war industrial policy, concluded that the *Industrial Charter* had represented the end – rather than the beginning – of a distinct phase.¹⁴² Nevertheless, like Merriam’s investigation for the government, the extent of the change should not be overstated.

To start with a fairly anecdotal example, radical proposals for decontrol put forward by Anthony Fisher – a Sussex chicken farmer who published his own *Case for*

¹³⁸ CPA, CRD 2/7/47b, Meeting with Aims of Industry, 23 Mar 1948.

¹³⁹ Scott Kelly, ‘Ministers Matter: Gaitskell and Butler at Odds over Convertibility, 1950-52’, *Contemporary British History*, 14:4 (2000), 27-53 (p. 39).

¹⁴⁰ Ramsden, *The Age of Churchill and Eden*, p. 168.

¹⁴¹ CCO, *The Right Road for Britain: The Conservative Party’s Statement of Policy* (London, 1949), pp. 7-8.

¹⁴² Nigel Harris, *Competition and the Corporate Society: British Conservatives, the State and Industry, 1945-1964* (London, 1972), p. 77.

Freedom in 1948 and later founded the Institute for Economic Affairs (IEA) – were politely dismissed by CRD for failing to consider their social consequences.¹⁴³ The most important limit to such a policy being adopted was, however, an on-going lack of clarity about what would actually be removed.¹⁴⁴ Indeed, like his *Case for Conservatism* and Eden’s ‘freedom with order’ speech, Hogg had continued to balance a call for greater liberty with a belief in the principle of limited intervention. As such, the abolition of controls was portrayed as a means of restoring incentives for the whole of society and not a return to predatory pre-war practices. However, the detail remained scant, with little information on which controls would actually be removed and – despite the more aggressive language – continued assurances that some would be maintained over essentials. The private clarification that this would equate to the ‘streamlining [of] those controls that remain necessary and the actual elimination of others which are merely trifling and petty’ was little changed from 1947.¹⁴⁵ Indeed, despite the repeated calls for action, Hogg would later concede that he had essentially been forced to create a policy from nothing and that the strong emphasis on ‘freedom’ had emerged as something of an afterthought.¹⁴⁶ With remarkable similarity to the public criticism being levelled at Labour’s concurrent drafting of *Labour Believes in Britain*, he maintained that the process had done little more than to have ‘impregnated [it] with bromides’.¹⁴⁷

-IV-

The continued ambiguity that surrounded both Conservative and Labour policies towards controls during the late 1940s was brought into sharp focus on the 27 June 1950 when, two days after Kim Il Sung’s forces had stormed across the 38th Parallel, the Cabinet agreed to military intervention in Korea. The exact reasons for accepting such a distant obligation have remained somewhat contentious but, as noted at the

¹⁴³ CPA, CRD 2/9/9, Fisher to Clarke, 8 Jan 1948 and Clarke to Fisher, 15 Jan 1948.

¹⁴⁴ CPA, LCC 1/1/3, ‘Conclusions’, 5 May 1948.

¹⁴⁵ CPA, CCO 4/4/159, ‘Controls’, 25 Feb 1948, *Appendix A* and Harriet Jones, ‘A Bloodless Counter-Revolution: The Conservatives Party and the Defence of Inequality, 1945-51’, in *The Myth of Consensus: a New View on British History, 1945-1964*, eds H. Jones and M. Kandiah (Basingstoke, 1996), pp. 1-16 (pp. 7-9).

¹⁴⁶ Ramsden, *The Age of Churchill and Eden*, p. 161.

¹⁴⁷ Ramsden, *The Conservative Research Department*, p. 137.

outset of this chapter, the impact on the evolution of controls seemed clear.¹⁴⁸ Under American pressure and determined to safeguard commitments made to the UN, the British government pledged to uphold a £4700m rearmament programme that would focus upon the relatively high-value production of aircraft, radios, radar and military vehicles. This programme, coupled with existing external materials shortages, led to a spike in inflationary pressure, risked precipitating a serious balance of payments crisis and was matched by the reintroduction of numerous industrial controls and industrial ‘guidance’.¹⁴⁹ The need for such drastic action had been well anticipated. It was for this reason that Labour sought to temporarily repackage the Supplies and Services Act as a Defence Purposes Bill and would use the government’s Production Committee to enforce a moratorium on ‘further relaxation’ after 21 July 1950.¹⁵⁰ These measures were extended after November 1951, with a temporary freeze on all new non-domestic building; the striking of ‘voluntary agreements’ with manufacturers to limit supplies to the domestic market; the tightening of exchange controls; and the reintroduction of steel licensing from January 1952. It was not until 1953 that the process of decontrol began again in earnest. By that point, allocation controls had been extended to cover two thirds of all raw materials and regular reports on those enforced were being produced by the Economic Section for the consideration of a new Economic Steering Committee in London and policy-makers in the United States.¹⁵¹ It was in this light that Labour’s tentative negotiations around positive control were fiercely criticised by *The Times* and *The Economist* for being almost entirely irrelevant.¹⁵²

The practical implications of the Korean crisis appear, thus, relatively easy to trace. But, much like the events of 1947, or the situation in 1945, its significance can only be fully understood when this context is related back to the lack of clarity that had

¹⁴⁸ Sean Greenwood, ‘“A War We Don’t Want”: Another Look at the British Labour Government’s Commitment in Korea, 1950-1’, *Contemporary British History*, 17:4 (2003), 1-24 and Anthony Farrer-Hockley, *The British Part in the Korean War. Vol. 1: A Distant Obligation* (London, 1990), ch. 1.

¹⁴⁹ Dow, *The British Economy 1945-60*, p. 57; *Economic Survey for 1951*, p. 8 and TNA, T 229/267, Economic Information Unit, ‘Papers on Production: No. 2 Controls’, Mar 1950, f. 1.

¹⁵⁰ TNA, CAB 134/684, PC(50)14:2, 21 Jul 1950.

¹⁵¹ Dow, *The British Economy 1945-60*, p. 158 and CAB 134/264, /265 and /266, ‘Reports on the Development of Economic Controls’, 1951-1952.

¹⁵² *The Times*, 2 Oct 1950 and *The Economist*, 14 Oct 1950.

inflicted controls policy throughout. The process of ‘recontrol’ was – like those before it – certainly far from rational. The blanket ban on decontrol was, for instance, pursued even though many restrictions could still have been removed. Private correspondence amongst officials even went so far as to suggest that the rationale was never economic, but could be explained by the fact Washington tended to ‘judge the degree of effort being made in defence matters by the number of controls being imposed’.¹⁵³ The decision may have served an important political end but it also frustrated on-going attempts at clarification. Most obviously, a newly inaugurated Working Party on Government Purchases and Controls (GPC), set up to replace the CEC as a practical forum for decontrol after Gaitskell’s plea for a more rational approach, was left entirely unsure of its function.¹⁵⁴ Wilson, who would famously resign a year later during a debate with Gaitskell over spending priorities, confused the situation further by announcing that he would continue to take action to remove controls over timber at the very Production Committee meeting that had announced the ban.¹⁵⁵ For Maurice Webb, the Minister of Food, this was all evidence that a ‘protracted’ interdepartmental structure could never offer the necessary leadership but merely added an additional layer of bureaucracy to a process where initiative remained devolved.¹⁵⁶ This failure ensured that the raw materials situation remained Whitehall’s ‘blind spot’ well into the autumn.¹⁵⁷ Yet, even when one turns away from the Korean recontrols, it is clear that a failure to fully co-ordinate individual actions hindered other mechanisms for review that were developed towards the end of Labour’s period in office.

Unconnected to the GPC, a separate Economic Organisation Working Group (EOWG) had, in fact, been set up in the summer of 1950 to examine the ‘outward-looking’ activities of government and the internal administration of controls. This was the latest part of a process that had begun with the GOC’s interdepartmental examinations and represented one of the most coherent attempts to understand the practicalities of the system to date. Between August 1950 and October 1951, it

¹⁵³ TNA, T 229/267, Plowden, ‘Reports on the Developments of Economic Controls’ [undated draft] and Henley to Hall, 20 Feb 1951.

¹⁵⁴ TNA, T 230/195, Dow, ‘Economic Controls’, 20 Jul 1950, pp. 1 and 4 and GPC(50)1, 5 Sept 1950.

¹⁵⁵ TNA, CAB 134/684, PC(50)14:2, 21 Jul 1950.

¹⁵⁶ TNA, T 230/195, Webb, ‘Ministry of Food Controls’, 20 Jun 1950.

¹⁵⁷ TNA, T 237/72, Clarke to Brittain, 24 Oct 1950.

embarked on an ambitious programme of research, conducting a detailed examination of the Treasury and collating various factual reports from other departments.¹⁵⁸ The method was very familiar. But, in a deliberate attempt to avoid enforcing a ‘Treasury view’, and unlike the earlier reviews undertaken by the CE and CEC, it consciously avoided providing a set framework for responses. This symbolised the degree of faith invested in the process, but it was soon admitted by the EOWG’s chairman, Louis Petch, to have also led to ‘a wide variation’ that was ‘not much use to anybody ... [and] more likely to create confusion than to remove it’.¹⁵⁹ The relationship between departments would, in fact, become a source of constant contention for Petch and led him to express ‘despair of ever getting the members of the Working Group to accept and follow the general approach’.¹⁶⁰ Nonetheless, the example also provides further evidence that the sheer complexity and scale of the system was as important a reason for failings. Indeed, the EOWG even struggled to review the Treasury’s own processes and ‘realised (with some shame)’ that their investigation had missed out the entire Overseas Finance division of the department.¹⁶¹ Given this, it was perhaps unsurprising that the group’s eventual conclusions – which, reflecting a pre-Korean reality, sketched out recent shifts towards ‘persuasive controls’ – were relegated to a ‘miserable collection of obvious and elemental remarks’.¹⁶² With these difficulties in mind, the Korean crisis is perhaps best viewed as having exacerbated an underlying weakness: evidence that the transition to peace had yet to be completed, not the reason for it.¹⁶³

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The evolution, and eventual abandonment, of the Economic Planning and Full Employment Bill provides a similarly useful example and highlights the difficulties faced by both the Labour and Conservative parties. Used by Rollings as evidence

¹⁵⁸ TNA, T 222/334, Petch, ‘Economic Organisation Working Group: Note by the Chairman’, 26 Sept 1950. For examples: T 222/332, ‘Major Responsibilities of Departments in Economic Affairs’, 1950-1 and /338, ‘Major Responsibilities of the Treasury in Economic Affairs’, 1950-1.

¹⁵⁹ TNA, T 222/332, Petch to Simpson, 16 Aug 1950.

¹⁶⁰ TNA, T 222/336, Petch to Simpson, 29 Nov 1950.

¹⁶¹ TNA, T 222/332, Petch to Simpson, 13 Oct 1950.

¹⁶² TNA, T 222/336, Petch, ‘Contacts between Government Departments and Industry and Business’ and Petch to Simpson, 21 Mar 1951.

¹⁶³ Tomlinson, *Democratic Socialism and Economic Policy*, p. 288.

that there was no simple drift towards decontrol, the attempt to pursue permanent legislation was eventually abandoned on 15 February 1951. It appeared to have been a casualty of the Korean War. Such a Bill had been, according to the Cabinet, simply inappropriate to pursue ‘in present circumstances’.¹⁶⁴ Nonetheless, to fully understand the reasons behind the government’s decision, it is necessary to return to the decision to pursue a framework built upon the Supplies and Services Act and a reality that remained misunderstood. Indeed, building upon Rollings’ view, the decision to abandon the Bill can actually be traced back to Gaitskell’s earlier attempt to set out a ‘philosophy of controls’ in January 1950 and his pressing of the EC(S) to delineate a positive alternative to those currently enforced. His intervention – which described controls as ‘the defining feature of British socialism’ – was subjected to a fairly hostile response from the government’s economic advisors. Hall, for example, thought that the account was overly sentimental, Otto Clarke believed that it ‘confused the substance of control with the shadow’ and Dow noted that Gaitskell was probably a ‘little late’ if he wanted to devise an entirely new policy by the end of the year.¹⁶⁵ It was, nevertheless, also regarded as a ‘real attempt’ to set out a policy and did lead to a renewed interest in the subject. As Hall noted, if some controls were seen as essential, it was now necessary to decide which they should be.¹⁶⁶ Thus, running in parallel to the wide-ranging EOWG, the EC(S) began to undertake its own investigation in an attempt to draw up a definitive ‘reference paper’ that would distinguish between controls and planning.

The need for additional clarification was increased by Morrison’s decision to push forward with his draft legislation before it lapsed on the 10 December in the hope that ‘it might be practicable to import some more positive powers into the [Bill] at a later stage’.¹⁶⁷ In a bid to do so, responsibility was transferred to a new Economic Powers and Full Employment Committee in October 1950, with Gilbert maintaining his ‘general charge’.¹⁶⁸ This was designed to give greater semblance to the drafting

¹⁶⁴ TNA, CAB 128/19, CM(52)14:6, 15 Feb 1951 and Rollings, ‘The Reichstag Method’, pp. 25-6.

¹⁶⁵ TNA, T 230/319, Hall to Plowden, 4 Jan 1950; Clarke, ‘Economic Planning and Liberalisation’, 10 Jan 1950, p. 2 and Dow to Hall, July 1950.

¹⁶⁶ TNA, T 230/319, Hall to Plowden, 4 Jan 1950 and Hall, ‘Economic Planning and Liberalisation’, 16 Jan 1950, p. 5.

¹⁶⁷ TNA, CAB 128/18, CM(50)51:3, 27 Jul 1950.

¹⁶⁸ TNA, T 273/321, Brook to Morrison, 1 Nov 1950.

process and the shift in emphasis was certainly in line with those proposals put forward by Gaitskell and Wilson. The desire to ‘knit together positive and negative powers into a coherent whole’ was also supported by a number of officials, including Bridges, who criticised the earlier Supplies and Services based approach for having maintained ‘steamrollers ... so long as there were nuts to crack’.¹⁶⁹ Yet, beyond the semantic shift from ‘planning’ to ‘powers’, and a related debate over changing the Bill’s name to simply read ‘Full Employment’, the new committee was unable to make any substantive progress and remained bound by the fact that a positive system was simply no better understood than the negative one already in place. The Board of Trade, for example, which sought to use ‘The State and Private Industry’ as a basis for discussion, admitted that nothing in the current draft would have any bearing on his proposals. After a protracted consultation process, it eventually came to the unsatisfactory conclusion that the positive controls needed would depend entirely on the negative one included.¹⁷⁰ As Gilbert continued to protest, the whole concept of economic planning now seemed a misnomer. Moreover, sitting alongside the EC(S)’s nascent review, a continued interest in bulk purchase as a means of positive control being pursued by the GPC and individual departmental investigations, it can also be seen to have added an additional layer of bureaucratic complexity.

The imminent expiration of the Supplies and Services Act also focused Conservative attention on the need to flesh out their commitment to decontrol. Building on *The Right Road*, Churchill had opened his party’s election campaign in February 1950 with the pledge to ‘restore ... to our citizens their full personal freedom and power of initiative’.¹⁷¹ Nonetheless, as before, the detail had been scant and electoral defeat was matched by renewed calls for detail. For this reason, the party launched its own attempt to survey the government’s machinery of economic planning and set up a separate Advisory Committee on the ‘Liberties of the Subject’ in an attempt to finally work out which controls could and could not be removed.¹⁷² Chaired by David Maxwell Fyfe, a lawyer and close friend of Boothby who had completed a

¹⁶⁹ TNA, T 228/241, Bridges to Armstrong, 26 Oct 1950.

¹⁷⁰ TNA, BT 64/743, ‘Positive Economic Controls’, f.1 and T 229/267, BT, ‘Positive Directions to Industry’, 27 Jan 1951, f. 3.

¹⁷¹ CCO, *This is the Road: The Conservative and Unionist Party’s Policy* (London, 1950), p. 1.

¹⁷² CPA, CRD 2/9/22, Douglas to Shepherd, 20 Feb 1951 and Shepherd, ‘Central Government Planning Machinery’, c. Apr 1951 and Ramsden, *The Conservative Research Department*, p. 153.

famous report on party organisation in 1949, this committee would produce two separate reports and was later reconvened to brief speakers in the Parliamentary debate over the Defence Purposes Bill. Although somewhat legalistic, Maxwell Fyfe's conclusions echoed the broader libertarian shift that the Conservatives had undertaken since 1947. The Supplies and Services Act was seen to 'bestow upon the Executive the widest legislative power it has enjoyed in peace-time for at least three centuries'; there was, in short, 'no greater menace to the liberty of the subject'.¹⁷³ Yet, in its detail, the report was remarkably similar to those undertaken in Whitehall. Indeed, invoking both Morrison and Bridges, it concluded that the powers provided by the Act were entirely disproportionate to the actual needs of the apparatus. Furthermore, the report also acknowledged that a number of the existing controls within this apparatus would need to be retained – even without the additional pressures exerted by the Korean War.¹⁷⁴ This conclusion was also implicit within the CRD's broader survey of current practice.¹⁷⁵ It was, therefore, proposed that a future Conservative government should enact a specific Scarce Materials and Provisions Bill to permanently legislate for those still required whilst the overarching framework of the present Act was removed. This would, noted Maxwell Fyfe, be a substantial commitment but would provide a useful opportunity for further 'pruning'.¹⁷⁶

It is another historical irony that that the government's attempt to follow a remarkably similar course of action fell victim to a political climate that was increasingly hostile to controls. Morrison, whose approach will be further explored in the following chapters, explained the rationale for the Bill's abandonment in purely political terms. It was, he informed Cabinet, an attempt to avoid the 'considerable [potential for] confusion if permanent powers of economic control were being taken for peace-time purposes while wider and overlapping powers of control, including economic controls, were being continued on a year-to-year basis' and the damaging

¹⁷³ CPA, ACP 3/1, Maxwell Fyfe, 'The Control of Executive Power', 1 Jun 1950, p. 1 and 'Supplies and Services Acts', 1 Aug 1950, p. 1.

¹⁷⁴ CPA, CRD 2/52/12, Goldman to Clarke and Fraser 31 Jul 1950.

¹⁷⁵ CPA, CRD 2/9/22, Shepherd, 'Central Government Planning Machinery', c. Apr 1951 and 'Development Councils and Other Organisations for Self-Government in Industry', c. Apr 1951.

¹⁷⁶ CPA, ACP 3/1, Maxwell Fyfe, 'Supplies and Services Acts', 1 Aug 1950, pp. 1-2 and CRD 2/52/12, Goldman to Clarke and Fraser, 31 Jul 1950.

prospective that those legislated ‘in the name of full employment’ might indirectly lead to jobs being lost as supplies were transferred from inessential work.¹⁷⁷ Although overshadowed by Korea, controls would continue to raise political questions during the 1951 General Election and remained prominent within a successful Conservative campaign that had centred on a manifesto entitled *Britain Strong and Free*.¹⁷⁸ Such questions had also continued to exert an impact upon the presentation of broader economic policy. The *Economic Survey for 1951* had, for example, as with its earlier incarnations, continued to struggle with the implicit tensions of democratic planning and was admitted to have ‘played down’ a serious coal shortage.¹⁷⁹ Nonetheless, with their broad commitment to restore ‘freedom’, the incoming Conservative administration found itself faced by a similar tension. In the fortnight before losing office, Attlee had warned their pledge reflected ‘the depth of their own inexperience’ and even Hall – a figure who had grown increasingly critical of Labour’s ‘woolly mindedness’ – struggled to see how the new government could ‘avoid breaking most of its electoral pledges’.¹⁸⁰ Halls’ fears were, of course, realised during the new government’s first five months in office when a variety of new restrictions on raw materials were introduced. The need for such action was quite obviously related to rearmament. Once again, though, the process also drew attention to the practical uncertainties, inconsistencies and problems thrown up by the system itself.

-V-

The period between the abandonment of the Economic Planning and Full Employment Bill and the Conservatives’ extension of raw materials controls was certainly more than an interlude. Alongside those periodic surveys produced for Washington, the latest in the long line of other reviews were also completed at this time. This had begun, in January, with the circulation of the EC(S)’s ‘reference paper’, was continued by a report of the Treasury’s Information Division in March, included the CRD survey into planning noted above, and ended with the release of

¹⁷⁷ TNA, CAB 129/44, Morrison, ‘Full Employment Bill’, 13 Feb 1951, pp. 1-2.

¹⁷⁸ Kevin Jefferys, *Retreat from New Jerusalem: British politics, 1951-64* (Basingstoke, 1997), p. 11.

¹⁷⁹ TNA, T 230/340, ‘Economists Opinions about Economic Surveys’, 2 Jul 1951, p. 1.

¹⁸⁰ *The Times*, 12 Oct 1951; Peden, *The Treasury and British Public Policy*, p. 432 and *The Robert Hall Diaries 1947-1953*, ed. A. Cairncross (London, 1989), p. 177 (31 Oct 1951).

the ill-fated EOWG report in October 1951. The style, tone and approach of each document were very different and each reflected the purpose for which it had been designed. Nonetheless, taken as a whole, they offer further insight into the reality of controls at this crucial moment in Britain's transition to peace. They described a system that had evolved iteratively and was, in the words of the Conservatives' survey, 'a very long way' from that described by the interwar theorists.¹⁸¹ It also seemed to be a long way from that which had emerged in 1939. As noted by Butt, who had been entrusted with the EC(S) reference paper following his complaints that Labour was 'floundering about', the gradual tightening of investment control had allowed many physical controls to be 'done away with'.¹⁸² Yet, it was a system that continued – as the EOWG had been forcefully reminded – to be dogged by administrative failings and a sense of uncertainty that left it without any 'obvious definition'.¹⁸³ As one industrial spokesperson put it during a textiles trade conference, all involved need to 'learn how to control controls and make order out of orders'.¹⁸⁴ This was, when viewed from the outside, almost inevitable; the system's scale, noted the Conservatives in a further religious reference, was 'immeasurably greater than any met in any other walk of life, except perhaps the Roman Catholic Church'. The problem was that the Church '[did] not mind waiting a century or two to make a major decision'.¹⁸⁵ The need for reform remained as clear as it had in 1947.

It is, therefore, surprising that many commentators would identify the shift in government with a sense of administrative inertia. Peter Hennessy and Anthony Seldon, for instance, see no great change to the 'swollen' civil service and point to high-level dissatisfaction surrounding the inability to close 'ridiculous' departments.¹⁸⁶ Other areas, too, seemed to enjoy a notable degree of continuity with

¹⁸¹ CPA, CRD 2/9/22, Shepherd, 'Central Government Planning Machinery', c. Apr 1951, p. 10.

¹⁸² TNA, T 230/319, Butt, Untitled Note, 22 Jul 1950 and T 230/340, Butt, 'Controls in the United Kingdom', 17 Jan 1951, pp. 1-2. See also: T 229/267, Rowan, 'Economic Controls: A Reference Paper', Mar 1951, p. 18.

¹⁸³ TNA, T 230/340, Butt, 'Controls in the United Kingdom', pp. 1 and 8.

¹⁸⁴ Rogow and Shore, *The Labour Government and British Industry*, p. 70.

¹⁸⁵ CPA, CRD 2/9/22, Shepherd, 'Central Government Planning Machinery', c. Apr 1951, p. 15.

¹⁸⁶ Anthony Seldon, 'The Churchill Administration, 1951-1955', in *Ruling Performance: British Governments from Attlee to Thatcher*, eds P. Hennessy and A. Seldon (Oxford, 1987), pp. 63-97 (p. 78).

the Bristol-based academic R.S. Milne pointing to a shared acceptance of the post-1947 structural changes.¹⁸⁷ Although he did not know it, the secretive IPC was also maintained until 1953 at the request of senior civil servants.¹⁸⁸ A similar continuity was evident within departments. For example, at the Board of Trade, Thorneycroft avoided radically altering the balance between government and industry and instead adapted an advisory committee model pioneered by Wilson.¹⁸⁹ Despite a virulent opposition from some ministers, the *Economic Surveys* were also retained. The Conservatives' approach to these symbolic documents has been given some notable historical attention and Butler's insistence that they should avoid 'forecasts, prophecies and targets' has often been taken as evidence of a conscious repudiation of past practice.¹⁹⁰ Nevertheless, it should again be stressed that the *Surveys* were always intended as one stage of a much broader process – quite consciously a 'survey' from which to define priorities. Furthermore, a decision taken to remove certain statistics was primarily political and did not mean that the figures were no longer being collected. Indeed, Butler would continue to invoke the *Surveys* and maintained that his Budgets were built upon their findings. For Devons, who did see this in terms of a retreat, it was still a clear continuation of past practice and part of the same 'process of learning' that had begun in 1947-8.¹⁹¹ It is also significant that, despite all of the anti-planning rhetoric, Plowden was retained as Chief Planning Officer until he was replaced by the EC(S) when it was brought into the Treasury as an 'Economic and Planning Division' in 1953. The CEPS did wither with his departure, but the Section were already engaged in preparations for a new 'long term plan' of investment.¹⁹²

¹⁸⁷ R.S. Milne, 'Britain's Economic Planning Machinery', *The American Political Science Review*, 46:2 (1952), 406-21 and 'Labour and the Planning Organization', *Political Quarterly*, 23:2 (1952), 147-54.

¹⁸⁸ Chick, *Industrial Policy in Britain*, p. 205.

¹⁸⁹ Anthony Seldon, *Churchill's Indian Summer: The Conservative Government, 1951-55* (London, 1981), p. 184. See also: Jim Tomlinson, *Government and the Enterprise since 1900: The Changing Problem of Efficiency* (Oxford, 1994), pp. 227-8 and 234-5 and P.D. Henderson, 'Government and Industry', in *The British Economy in the Nineteen-Fifties*, eds. G.D.N. Worswick and P. Ady (Oxford, 1962), pp.326-77 (pp. 372-7).

¹⁹⁰ TNA, CAB 134/884, ES(52)2, 13 Mar 1951; Devons, 'Planning by Economic Survey', p. 252 and Peden, *The Treasury and British Public Policy*, p. 441.

¹⁹¹ Devons, 'Planning by Economic Survey', pp. 252-3.

¹⁹² Seldon, *Churchill's Indian Summer*, pp. 163-4 and TNA, T 230/328, Jukes, 'Long Term Planning', 17 Jun 1954, pp. 1-4.

Although many later accounts have portrayed the Conservative's commitment to decontrol as something of an anomaly within this narrative, a closer inspection of developments within the system suggests the need to adopt a slightly different view. There was a slight reorganisation of high level responsibility in November 1951 as a new Ministerial Economic Policy Committee was appointed to oversee policy. This body – which adopted a similar approach to the 1945 Steering Committee on Economic Development – would be responsible for implementing the post-1951 recontrols but paid little attention to developments within individual departments. Moreover, in contrast to the spate of reviews that had been undertaken after 1947, the EOWG report was not followed up and the periodic surveys produced for the USA were abandoned in November 1952 after it was noted that 'no new restrictions had been imposed'.¹⁹³ Even those investigations that did take place – like an early attempt to determine Britain's 'Urgent Economic Problems' – continued to be hindered by a departmental reluctance to provide adequate detail.¹⁹⁴ These were not entirely new problems, but they would ensure that the impetus for decontrol remained incoherent and focused upon visible consumer restrictions; it was, as Butler later exclaimed, about identity cards and ration books. As a result, the system continued to operate within the Supplies and Services framework and was open to the same criticism that had been levelled at it during the 1940s. Duncan Sandys, for example, whose department sponsored the recontrol of steel, admitted that any quota system based upon past consumption was inherently 'unfair'. However, he was also forced to concede that the very nature of the system meant that there was little scope for reform and called instead on the government to explain why it was not as 'arbitrary' as presumed.¹⁹⁵ As P.D. Henderson summed up in his contribution to Worswick's edited collection, it was 'not difficult to find instances where the Government was prepared ... to maintain controls which were found irksome'.¹⁹⁶ It was not until 1953, the point at which most recontrols lapsed, that a new round of investigations would begin.

¹⁹³ TNA, CAB 134/884, ES(52)11&16. See also: Dow, *The British Economy 1945-60*, p. 158.

¹⁹⁴ TNA, T 230/323, Butt to Marshall, 11 Feb 1952 and 13 Mar 1952.

¹⁹⁵ TNA, CAB 128/24, CC(52)1:4, 3 Jan 1952.

¹⁹⁶ Henderson, 'Government and Industry', p. 335.

This lack of change must, like Labour's abandonment of the Economic Planning and Full Employment Bill, be considered in relation to the strain imposed by Korea. But, like that Bill, it can also be argued that the Conservatives were simply unsure about the alternatives. Reading as little more than a progress report, the party's 1952 policy statement *We Shall Win Through* (the fourth full-length document in four years) testified to continued uncertainty.¹⁹⁷ So, too, did the symbolic shift towards monetary methods embodied by the decision to raise the bank rate in November 1951. Indeed, although this action clearly separated Churchill's administration from Attlee's, most contemporary economists were adamant that it was neither that well understood nor particularly inventive. The EC(S), for example, satirically described it as the 'New Old Monetary Policy' whilst Dow would later point to an 'undercurrent of doubt'.¹⁹⁸ And, in an interesting parallel with physical controls, Richard Kahn, an economist who more usually advised Labour but had worked with Lyttelton during the war and was asked to assess the government's approach as part of the Radcliffe Committee on the Working of the Monetary System, noted that such matters appeared to have been based solely upon their 'mystique'.¹⁹⁹ The impact of the shift can also be questioned given that many physical restrictions were retained whilst others were replaced by persuasive controls. In some cases, the remnants of the former Trade Associations earlier integrated into the wartime system were even reformed so as to oversee the new 'deregulated' system. The abolition of steel allocations in spring 1953 was, to give a particularly apt example, accompanied by the creation of a new Iron and Steel Board and saw price restrictions, voluntary agreements and physical controls over steel plate and tin maintained.²⁰⁰ For Worswick, this amounted to a policy of hiding, rather than relinquishing, restrictions; he even regarded the alternatives, most obviously restrictions over credit, as industrial controls 'by another

¹⁹⁷ Ramsden, *The Age of Churchill and Eden*, p. 236.

¹⁹⁸ HMSO, *Committee on the Working of the Monetary System. Principal Memoranda of Evidence Vol. III* (London, 1960), p. 79; TNA, T 230/340, Hall 'The New-Old Monetary Policy', 17 Nov 1951, pp. 1-7 and Cairncross and Watts, *The Economic Section*, p. 220.

¹⁹⁹ HMSO, *Monetary System. Memoranda Vol. III*, p. 138. See also: Charles Kennedy, 'Monetary Policy, in *The British Economy in the Nineteen-Fifties*, eds. G.D.N. Worswick and P. Ady (Oxford, 1962), pp. 301-325 (p. 323).

²⁰⁰ Peter Oppenheimer, 'Muddling Through: The Economy, 1951-64', in *The Age of Affluence, 1951-64*, eds Bogdanor and Skidelsky (London, 1970), pp. 117-167 (p. 158) and TNA, T 230/323, Plowden 'Economic Planning', 10 Jun 1953, p. 5.

name'.²⁰¹ Certainly, the distinction between physical and monetary means was not black and white and both drew upon past practice.²⁰²

This is not to argue that there were no differences, or that this period was marked by some blunt form of 'consensus'. Such an approach would miss the clear rhetorical distinctions and be quite out of place in a study focused upon such technical controls. Nor is this to argue that the Conservative approach represented anything more of an intellectual failure than had Labour's. With both Robbins and Harrod being brought back into advisory roles, the issue had, in fact, continued to focus cerebral energies in and beyond Westminster.²⁰³ Further reflecting an emphasis on alternatives to control, arguably the most interesting intervention was the publication of Richard Law's powerful *Return from Utopia*. Law, an old friend of Lyttelton and Macmillan's, but otherwise the fairly indistinguished youngest son of the twentieth century's shortest-serving Prime Minister, used this overtly philosophical text to combine a Hayekian scepticism with more practical arguments surrounding the 'empty economy'.²⁰⁴ Considered in more detail in Chapter Four, his approach also offered a positive vision of the price mechanism as an unobtrusive automatic regulator that resonated with Lyttelton and others who were anxious to avoid falling back on a wholly negative critique of the current system.²⁰⁵ Thus, although Law – who accepted a peerage in 1954 – was never at the heart of government, his views helped to foster a distinct intellectual climate defined by its hostility to physical methods of control. This climate informed the symbolic rekindling of monetary methods and fed into controversial discussions over convertibility, embodied by the memorably titled Operation ROBOT in early 1952. The plan, which would have 'freed the pound' so as to expunge hidden inflationary pressure, was clearly indicative of a desire to find a

²⁰¹ Worswick, 'The British Economy, 1950-59', p. 72.

²⁰² The use of Hire Purchase restrictions as an alternative to direct controls had been promoted by Dow in early 1951, see: Cairncross and Watts, *The Economic Section*, p. 217.

²⁰³ Peden, *The Treasury and British Public Policy*, p. 439.

²⁰⁴ Simon Ball, *The Guardsmen: Harold Macmillan, Three Friends, and the World they Built* (London, 2005), pp. 228 and 270 and Richard Law, *Return from Utopia* (London, 1950), p. 69.

²⁰⁵ Law, *Return from Utopia*, p. 189; E.H.H. Green, *Ideologies of Conservatism: Conservative Political Ideas in the Twentieth Century* (Oxford, 2002), p. 221; Kelly, 'Ministers Matter', p. 40 and Harriet Jones, 'A Bloodless Counter-Revolution? The Conservative Party and the Defence of Inequality, 1945-1951', in *The Myth of Consensus: New Views on British History, 1945-64*, eds H. Jones and M. Kandiah (Basingstoke, 1996), pp. 1-16 (pp. 9-10).

new approach.²⁰⁶ Nonetheless, as it was never implemented, it also remains symbolic of ambiguities surrounding economic policy at this time and the continued difficulties faced in turning a theoretical vision into a practical reality.

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These difficulties would come to a head in 1953 and 1954 when the government attempted to rationalise the department-led process of decontrol and finally remove the ‘socialist detritus’ left by the Supplies and Services Act. The continued legislation for ‘the control of ... any property or undertaking’ through DR55, was an obvious point of contention for a government that had pledged controls ‘should not exceed ... the demands of the present’ and continued to invoke ‘Conservative Freedom’.²⁰⁷ It was for this reason that Maxwell Fyfe, who had been made Home Secretary, set up an ELC Working Party on Economic Controls (EL(EC)) to launch a further investigation into the overall framework. Although it began life slowly, the investigation took a similarly broad approach to that promoted by Morrison four years before and – in a move that symbolised continuing procedural weaknesses – began by instructing departments to provide information about their current use of controls and the relaxations made since the last review. Interestingly the aim was, like that of the earlier EOWG, not to identify controls that could be removed, but to ‘outlin[e] legislation which would be required to establish permanent powers of economic control’.²⁰⁸ From the EC(S), Hall suggested that the chance could be used to redraft the Bill so as to permanently legislate for credit restrictions.²⁰⁹ Yet, as had been the case in earlier investigations, including that undertaken by Maxwell Fyfe’s Advisory Committee, the very nature of the system remained an important limitation. On the one hand, it was recognised that any permanent ‘Emergency Powers’ would be unable to cover *all* eventualities without merely replicating those currently employed. On the other, the wholesale removal of any such powers would be

²⁰⁶ Kelly, ‘Ministers Matter’, p. 39.

²⁰⁷ ‘Conservative Freedom Works’ became the key poster message in the 1955 General Election, see: CPA, Poster Collection, Posters 1954 – 04, 06, 08, 10, 12, 14, 18
<http://bodley30.bodley.ox.ac.uk:8180/luna/servlet/view/all/when/1954?os=0&pgs=50&sort=Shelfmark%2Csort_order>.

²⁰⁸ TNA, T 228/472, Collier to Crombie, 30 Oct 1954.

²⁰⁹ Cairncross and Watts, *The Economic Section*, p. 220.

impossible whilst specific controls were still being used. The only option was seen to be the permanent legislation of specific controls. This point had, in fact, been recognised from the outset with the EL(EC)'s chairman informed that 'It may be that in the end this task will be impossible, or at least impossible in a way which is acceptable to the present Government'.²¹⁰

With no chance of immediate decontrol, the EL(EC) suggested that the current system should be continued until the end of the Parliament with any firm decision regarding the removal, or extension, of legislation delayed until after that point.²¹¹ Their recommendations were passed to Maxwell Fyfe who, in one of his last acts as Home Secretary before taking a seat in the House of Lords, somewhat reluctantly submitted them for the Cabinet's consideration. Instead of seeking to repeal the Supplies and Services Act, he suggested that the government should manipulate the powers it provided to put forward an Order in Council that set out parameters for its future use. Not only would this serve as a 'formal declaration of intent', but, he continued, it would 'make it awkward for a future Government to put the clock back'.²¹² Politically, the latter point was most pressing with the Act widely regarded in Conservative circles as having the potential to allow socialist planning to be brought in 'by the flick of a switch'.²¹³ Although acknowledged that it would not avoid 'political controversy', Maxwell Fyfe's plan was accepted by the Cabinet on 28 October and a White Paper regarding the *Continuation of Emergency Legislation* was put forward the following week.²¹⁴ On 15 November, the new Home Secretary, Gwilym Lloyd-George, put the government's case to the House, noted that twelve further Defence Regulations – including those over building – were being removed and set out his intention to define 'in precise terms' the possible uses of DR55.²¹⁵ Even so, with 69 separate Defence Regulations remaining and the Order on DR55 able to be overturned without a fresh Act, this was arguably a symbolic move. The

²¹⁰ TNA, T 228/472, Collier to Crombie, 30 Oct 1954.

²¹¹ TNA, T 228/472, 'Draft Interim Report to Emergency Legislation Committee', c. 16 Feb 1954 and CAB 129/71, Maxwell Fyfe, 'Legislation to Replace Emergency Powers', 15 Oct 1954, p. 1.

²¹² TNA, CAB 129/71, Maxwell-Fyfe, 'Legislation to replace Emergency Powers', pp. 1-2.

²¹³ *The Times*, 15 Mar 1958; *The Economist*, 12 Apr 1958 and Scott Kelly, *The Myth of Mr Butskell: The Politics of British Economic Policy, 1950-55* (Aldershot, 2002), p. 110.

²¹⁴ HMSO, Cmd 9309, *Continuance of Emergency Legislation* (London, 1954) and TNA, CAB 128/27, CC(54)71:1, 28 Oct 1954.

²¹⁵ *Hansard*, (House of Commons Parliamentary Debates) 5th Ser., vol. 533, 15 Nov 1954, c. 134.

switch remained there to be flicked and, like Morrison in 1951, the Conservatives found themselves stuck with a steamroller that they neither desired nor could fully explain. This sense of impotence fed into the founding of the IEA and led some of those sitting on the government's benches, most famously Powell and the One Nation group, to push for a similarly radical change.²¹⁶

-VI-

If the Conservatives' 'march to freedom' was longer and more arduous than had been anticipated, so too were Labour's attempts to re-interpret democratic planning in opposition. It was for this reason that the party would be famously criticised by a generation of left-leaning commentators for having wasted its years in opposition discussing old problems whilst being unable to offer an alternative.²¹⁷ More recently, Tomlinson has concluded that the party remained unable to tie its vision into a framework for modernisation and – falling into an introspective debate on nationalisation – was unable to grasp the importance of the state's relationship with private industry.²¹⁸ In stark contrast to the optimism of 1945, a number of MPs, advisors and former Ministers certainly offered a far gloomier perspective on their time in office after 1951. The assertions could be quite damning. The NEC member Joseph Reeves, for example, believed that the party had ended up 'temporarily sterile' whilst Marris noted in a Fabian research publication that his experience at the CEPS suggested a lack of both 'system and foresight'.²¹⁹ This was agreed by the young Roy Jenkins, who, drawing upon his first-hand experience of public sector investment planning, conceded that the focus had been on 'corrective' rather than 'purposive' control.²²⁰ Gaitskell, with whom Jenkins remained close, agreed and

²¹⁶ Enoch Powell *et al*, *Change is our Ally* (London, 1954), pp. 96-9 and John Charmley, *A History of Conservative Politics since 1830* (Basingstoke, 2008), p. 164.

²¹⁷ Mark Abrams and Richard Rose, *Must Labour Lose?* (Harmondsworth, 1960); Vernon Bogdanor, 'The Labour Party in Opposition, 1951-1964', in *The Age of Affluence, 1951-64*, eds Bogdanor and Skidelsky (London, 1970), pp. 78-117; C.A.R. Crosland, *The Conservative Enemy: A Programme of Radical Reform for the 1960s* (London, 1962), chs 8-10 and Ralph Miliband, *Parliamentary Socialism: A Study in the Politics of Labour* (London, 1972), ch. 10.

²¹⁸ Jim Tomlinson, 'The Labour Party and the Capitalist Firm, c. 1950-1970', *The Historical Journal*, 47:3 (2004), 685-708 (p. 694).

²¹⁹ LPA, R 74, Reeves, 'The Future Policy of the Labour Party', Nov 1951, p. 1 and Robin Marris, *The Machinery of Economic Policy* (London, 1954), p. 9.

²²⁰ Labour Party, *Report of the 51st Annual Conference* (London, 1952), p. 106.

included a number of stinging attacks on negative controls in an essay written for a special edition of the *Political Quarterly*.²²¹ Despite his success in promoting the IPC, Jay similarly conceded that reform had been ‘started several times’ but was ‘never completed’ during a review of progress for the LPRD.²²² The mood was perhaps best captured by Crossman’s oft-quoted *New Fabian Essays*: a volume which suggested the reforms of 1945-51 had seen the successful implementation of a ‘statist’ system but had failed to create ‘a socialist democracy’. The essayists’ prognosis was that the party needed to redefine its socialism, undergo a qualitative shift and again reformulate economic planning as a positive policy.

A conscious attempt by a younger generation to restate Labour’s vision, the *Essays* encompassed a broad range of topics and tended – like Crossman – towards the abstract. Nonetheless, as Attlee noted in the volume’s preface, a landmark essay written by Albu also went some way towards answering the very practical question of ‘where do we go from here?’²²³ The essay, some of which was explored further in a Fabian research publication, promoted a less direct approach based around co-operation: throwing planning’s focus onto capital investment and replacing controls with workplace representation, the state ownership of shares and close collaboration with the directors of ‘key firms’.²²⁴ These suggestions clearly drew upon interwar ideas about planning as foresight and reiterated the distinction between ownership and control that had been so central to Durbin’s *Politics of Democratic Socialism* (this was itself reissued in 1954 with a foreword from Gaitskell). The essay also invoked Albu’s experience as an industrial manager and many of the practical innovations pioneered by Cripps at the MAP. However, despite later animosity between the two, the content, with its emphasis on ‘key firms’, efficiency and deregulation so as to allow a ‘steady stream of new entrants’, was perhaps closest to Wilson’s unpublished ‘The State and Private Industry’. Indeed, Wilson, who served as Albu’s deputy on the Fabian Society’s executive during 1954, would similarly

²²¹ Hugh Gaitskell, ‘The Economic Aims of the Labour Party’, *Political Quarterly*, 24:1 (1953), 5-18 (pp. 13-4).

²²² LPA, R 185, Jay, ‘Planning and Economic Development: Five Year Plan’, Dec 1952, p. 1.

²²³ Clement Attlee, ‘Preface’, in *New Fabian Essays*, ed. R.H.S. Crossman (London, 1952), pp. vii—viii.

²²⁴ Austen Albu, ‘The Organisation of Industry’, in *New Fabian Essays*, ed. R.H.S. Crossman (London, 1952), pp. 121-142 and *Anatomy of Private Industry*, pp. 31-8.

extol the need for ‘ingenuity’ and a framework built upon ‘partnership’.²²⁵ Once again, though, the bid for clarity caught Labour in a paradox as it was concurrently argued that planning – from a ‘statist’ perspective – had been achieved. As a result, the questions raised by the essayists returned to an abstract definition of ends and became subsumed in renewed debates over nationalisation; the issue of controls was mostly missed.²²⁶ Thus, in 1954, whilst reflecting upon his time as Lord President in a study of governance that had been sparked by a conversation held with Norman Chester, Morrison was forced to admit that questions about how best to use the ‘skeleton’ of controls provided by *Supplies and Services* remained.²²⁷ This may not have been an intellectual failure, but questions that had been unresolved since 1939 remained so.

Within Labour’s intricate web of policy subcommittees, a concurrent process of rethinking sought to take a more practical approach.²²⁸ In late 1952, a new Privately Owned Industry group was set up to reconsider ‘The State and Private Industry’; a Financial and Economic Policy Subcommittee was convened to address an area of policy that was seen to have been little changed since 1944’s *Full Employment and Financial Policy*; and Douglas Jay was put in charge of drafting a new ‘five year plan’.²²⁹ This work clearly drew upon the intellectual climate and, especially, the *New Fabian Essays*. Here, too, it was noted that government had allowed the party little time for reflection and that:

Little thought had been given to the machinery of central planning. The structure which was developed during the war and under the Labour Government was in many ways a rather rough excrescent growth imposed on an existing departmental system and left to battle with it about plans,

²²⁵ Harold Wilson, ‘The Limits of State and Private Enterprise’, *Future*, 9:1 (1954), 26-30 (pp. 29-30).

²²⁶ R.H.S. Crossman, ‘Towards a Philosophy of Socialism’, in *New Fabian Essays* (London, 1952), pp. 1-32. It should be noted that debates surrounding nationalisation also missed the distinction between ownership and control, see: D.N. Chester, *The Nationalisation of British Industry, 1945-51* (London, 1975), pp. 981 and 1025; Catherine Ellis, ‘Letting it Slip: The Labour Party and the “Mystical Halo” of Nationalisation, 1951-64’, *Contemporary British History*, 26:1 (2012), 47-71 and Tudor Jones, “‘Taking Genesis out of the Bible’: Hugh Gaitskell, Clause IV and Labour’s Socialist Myth”, *Contemporary British History*, 11:2 (1997), 1-23.

²²⁷ Herbert Morrison, *Government and Parliament: A Survey from the Inside* (London, 1959), p. 297.

²²⁸ LPA, LPRD, R 169, ‘Policy Formation’, Nov 1952 and R 278, Marris, ‘The Machinery of Central Economic Planning’, Apr 1953, pp. i and iv.

²²⁹ LPA, LPRD, R 169, ‘Policy Formation’, Nov 1952; R 171, Jay, ‘Draft Economic Plan for the Next 5 or 10 Years’, Nov 1952 and R 173, ‘Membership of Policy Sub-Committees’, Nov 1952.

priorities and their implementation. Much frustration and failure resulted from this.²³⁰

Like the essayists, a more realistic approach to private industry was seen to be the necessary solution and attention returned to the importance of investment. James Griffith, for example, now chairing Labour's Policy Committee, repeated *Let Us Face the Future's* call that it should be a servant and not the master to any future plan.²³¹ For Albu, who was charged with submitting a paper at the Privately Owned Industry group's first meeting, this would only be achieved if efforts were focused on those five hundred or so 'key firms' that drove the economy.²³² Thus, as in his published essay, he called on Labour to internalise sub-aggregate control through government share ownership and co-operation to ensure that priorities were positively enforced. There was, he explained, no point in obtaining a 'large number of legislative controls if the statistical techniques for determining what to do with them [were] inadequate', or if those applying them had 'no industrial experience' of their own.²³³

These ideas culminated with the publication of *Challenge to Britain* in 1953. Like *Labour Believes* before it, this document stressed the need for stable economic expansion and was highly critical of the Conservatives' poor record of economic management and 'back-to-normal' mentality.²³⁴ In private, the authors' accepted that 'negative controls ... [were] inadequate for planning purposes and proposed that 'a controlling interest' could instead be gained in investment-intensive sectors.²³⁵ According to accompanying notes distributed to party activists and MPs, this would clearly reinforce that Labour was 'the party of planning'. Yet, in public, the focus was kept quite deliberately vague.²³⁶ Moreover, with the statement based upon a 1952 pamphlet that had dealt explicitly with that year's worsening balance of payments position, an argument about the 'reckless' dismantling of wartime controls

²³⁰ LPA, LPRD, R 195, 'Long-Term Research on Economic Planning', Jan 1953, p. 1.

²³¹ Labour Party, *Report of the 52nd Annual Conference* (London, 1953), p. 89.

²³² LPA, LPRD, R 167, Albu, 'Policy for Private Industry', Oct 1952, p. 4.

²³³ LPA, LPRD, R 167, Albu, 'Policy for Private Industry', pp. 4-5.

²³⁴ Labour Party, *Challenge to Britain* (London, 1953), p. 3.

²³⁵ London, BLPEs, Shore Papers (SHORE), 3/19, Shore, 'Chemicals', undated and LPA, LPRD, R 271, 'Chemicals Working Party Report and Recommendations', Mar 1953, pp. 2 and 4.

²³⁶ LPA, LPRD, R 296, 'Challenge to Britain – Notes for Speakers', Jul 1953, p. 1 and R 471, 'Challenge to Britain and the Present Economic Outlook', Feb 1955, pp. 3-4.

remained.²³⁷ This, for *The Economist*, was a disappointingly poor outcome for such a well-publicised process of rethinking. Their appraisal was not helped when the ever-frank Maurice Webb criticised the statement for being ‘bleak, unimaginative and uninspired’.²³⁸ Though less overt, it was more worrying that both Arthur Lewis and Austin Robinson would later show that its economic modelling was also inherently flawed.²³⁹ For all of their attempted rethinking, Kahn also drew attention to the continued conflation of planning with physical controls within a statement full of ‘clichés and dogma’ in an essay written for a projected second volume of *New Fabian Essays*.²⁴⁰ The inability to move away from ‘ideas bred by conditions of war’ could perhaps be explained by the fact that neither the party’s Financial and Economic Policy Subcommittee or its Privately Owned Industry group were able to discuss the future of such controls in the time that had been made available.²⁴¹ Yet it remains ironic that that an official delegation of Wilson and Gaitskell, sent by the party to a 1955 ‘Economic Experts’ Conference on the Technique of Government Planning’ organised by the Socialist International, would warn others that ‘it would be unfortunate if [wartime controls] were to become identified with ... long-term economic planning’.²⁴²

-VII-

As can be inferred from Butler’s ‘long march to freedom’, controls continued to raise political questions during the 1955 General Election. In contrast to 1950 and 51, however, this campaign can be seen to have signified a real demarcation point as the long transition from war – finally – arrived at a new normality.²⁴³ The year represented something of a political watershed with the Conservatives extending

²³⁷ Labour Party, *Let Us Face the Facts* (London, 1952), p. 7 and *Challenge to Britain*, p. 11.

²³⁸ *The Times*, 28 Sept 1953.

²³⁹ LPA, LPRD, R 459, ‘Letter from W.A. Lewis on the Economic Section of Challenge to Britain’, Jan 1955 and R 465, ‘Letter from E.A.G. Robinson on the Economic Section of Challenge to Britain’, Jan 1955. See also: R 394, ‘Challenge to Britain – the Cost’, Jul 1954 and R 463, ‘Propaganda Themes’, Jan 1955.

²⁴⁰ LPA, LPRD, R 497, Kahn, ‘Physical Controls’, Mar 1955, p. 1.

²⁴¹ LPA, LPRD, R 131, POI, ‘Draft Interim Policy Statement’, Jun 1952, p. 4; R 326, ‘Draft Plan of Works’, Dec 1953, p. 2 and R 417, ‘Programme of Work’, Nov 1954.

²⁴² LPA, LPRD, R 478, ‘Technique of Government Economic Planning [draft notes]’, Feb 1955, p. 5.

²⁴³ Jefferys, *Retreat from New Jerusalem*, p. 9 and Ina Zweiniger-Bargielowska, *Austerity in Britain: Rationing, Controls and Consumption, 1939-1955* (Oxford, 2000), p. 264.

their majority under the new leadership of Anthony Eden and Attlee stepping aside in the wake of defeat. He was joined on the backbenches by Morrison whilst the likes of Lyttelton and Hogg joined Law in the Lords. This political reshuffling was matched by similar changes at the top of the civil service, with both Bridges and Gilbert stepping down a year later.²⁴⁴ The economic questions facing their successors, and the social context against which they were considered, had also changed markedly, with the focus no longer confined to shortages of real resources. In this context, the government began to slowly remove, or transfer into permanent legislation, a number of the regulations provided for by the Supplies and Services Act. By 1958, the number of Defence Regulations had been cut to 42 and a new Emergency Laws Repeal Bill was being floated with the aim to strip away the ‘statutory undercarriage’ of the earlier framework. Having entered another cycle of rethinking, Labour would publish two bold statements called *Industry and Society* and *Plan for Progress* during the course of 1957-8. Renewing its faith, but more explicitly aligned with Albu’s ideas, these stressed that planning would focus on aggregate decisions and that priorities would be promoted through co-operation with ‘big firms’, efforts to increase productivity, board room control, an expansion of targeted public investment and the reintroduction of building licences.²⁴⁵ Presenting both statements to his party’s Annual Conferences, Wilson stressed that this was finally a ‘comprehensive policy’ to match a ‘new analysis of contemporary capitalism’.²⁴⁶ Nonetheless, with neither process a simple one, it is worth briefly considering both as a conclusion to this first section of the thesis.

Although many activists saw Labour’s new approach as further ‘departing from the principles of socialism’, it remains of more importance to this account that the ideas were not that new.²⁴⁷ Indeed, as Tony Crosland had informed conference delegates in 1951, it has been seen that the Attlee government had made much use of voluntary collaboration to plan developments in ‘key firms’.²⁴⁸ Even Albu’s share ownership

²⁴⁴ Rollings, ‘Butskellism, the Postwar Consensus and the Managed Economy’, p. 101.

²⁴⁵ Labour Party, *Plan for Progress: Labour’s Policy for Britain’s Economic Expansion* (London, 1958), pp. 9, and 14-17 and *Industry and Society* (London, 1957), pp. 43-5 and 9.

²⁴⁶ Labour Party, *Report of the 56th Annual Conference* (London, 1957), p. 129.

²⁴⁷ For example: Labour Party, *Report of the 56th Annual Conference*, pp. 128-60. Following the release of *Plan for Progress*, thirty two Labour MPs signed a letter expressing their dismay whilst Morrison publically declared the policy as ‘baffling’, see: *The Times*, 29 Jul and 30 Aug 1958.

²⁴⁸ Labour Party, *Report of the 52nd Annual Conference*, p. 117.

proposal, which hoped to provide a radical break with past practice, can be traced back to suggestions made by Sam Courtauld in 1942 and was already possible under Defence Regulations 55CA and 78.²⁴⁹ As a dismissive article in the *Times* noted, ‘no one possessing a normal memory or normal scepticism’ would be easily convinced by claims that “this time it will work”.²⁵⁰ Though the Conservative Party was similarly committed to a radical break, their moves towards an Emergency Laws Repeal Bill were also hindered by the tenacity of the wartime system. Indeed, with Gilbert delegating yet another enquiry to Petch (the despairing former head of the EOWG) whilst simultaneously reviewing the findings of the earlier CEC and EPFEC, the situation at the Treasury was remarkably similar to that of 1950.²⁵¹ The fact that many controls still appeared necessary – and that the 1954 Order in Council had already been amended to allow for an extension of control in the wake of the Suez debacle – merely added to the continued confusion.²⁵² Hence, still unable to fully adapt the wartime system, the 1959 Emergency Laws Repeal Act offered a distinctly familiar way out. Despite continued criticism from industrialists about the administrative burden imposed, it maintained the power to enforce the return of information whilst removing a subsection of the Supplies and Services Act and setting out new parameters for its use. Far from removing the earlier Act, the Repeal Bill actually renewed a modified DR55 and its ability to control any article ‘of any description essential to the wellbeing of the community’ for a further five years. Industrial controls, noted a dramatically written article in *The Economist*, had proven themselves to be the economic equivalent of the ‘nine rivers of hell’.²⁵³

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²⁴⁹ LPA, LPRD, RD 188, Wilson, ‘Powers of the Board of Trade Exercised under the Supplies and Services (Transitional Powers) Act, 1945’, Nov 1948 and Samuel Courtauld, ‘An Industrialist’s Reflections on the Future Relations of Government and Industry’, *The Economic Journal*, 52:205 (1942), 1-17 (p. 5). See also: Ben Jackson, ‘Revisionism Reconsidered: “Property-Owning Democracy” and Egalitarian Strategy in Post-War Britain’, *Twentieth Century British History*, 16:4 (2005), 416-440 (p. 431) and Richard Toye, ‘The Forgotten Revisionist: Douglas Jay and Britain’s Transition to Affluence, 1951-64’, in *An Affluent Society? Britain’s Economic Golden Age Revisited*, eds L. Black and H. Pemberton (Aldershot, 2004), pp. 53-67 (pp. 58-9).

²⁵⁰ *The Times*, 4 Oct 1958.

²⁵¹ TNA, T 230/322, Gilbert, ‘Economic Controls’, Apr 1956 and T 234/108, Gilbert, ‘Economic Powers Bill’, 26 Sept 1956, ff. 1-2.

²⁵² CPA, CRD 2/8/5, [?] to Wheatley, 21 July 1956 and Seldon, *Churchill’s Indian Summer*, p. 416.

²⁵³ *The Economist*, 12 Apr 1958.

As Britain finally moved beyond its long transition to peace, the economic and administrative history of controls was, then, one that remained mired in misunderstanding and bound by a wartime framework that all involved had hoped to replace. Despite having focused upon the many attempts that were undertaken to rationalise the system, this chapter has shown that the history of controls after 1947 was not simply one of retreat. Instead, like those years before it, this was a history of improvisation, adaptation and a realisation of just how hard it would be to attain a theoretical vision of planning – or, for similar reasons, freedom – in practice. The apparatus which remained reflected this history. Rooted in a vision of persuasive planning and the democratic ideals of interwar theorists, it had been shaped by wartime expediency, departmental practices, post-war academic debate and political reactions. Even with the clear shift towards decontrol, it remained multi-layered, decentralised and – especially after the move towards voluntary agreements – hidden from view. As had been the case before 1945, individual controls remained ‘small cogs in a great and complicated machine’.²⁵⁴ Moreover, echoing a point made by Devons in 1947, their relationship with planning remained ill-defined and their application entirely dependent upon a misplaced belief that they provided control.²⁵⁵ When viewed from such a perspective, the history of controls appears to be one of confusion and muddle. Such a conclusion would, however, ignore the fact that such measures were never simply an economic or administrative issue. Indeed, for all of its obvious arbitrariness, both chapters have also shown that the system – if, indeed, it can be viewed as a system at all – was widely perceived to be significant. To better understand this gap between illusion and reality, it is now necessary to move beyond the administrative focus of the last chapters and return to the political issues first noted in Chapter One. It is, therefore, the continued intangibility of controls that provides a link between this section and the next.

²⁵⁴ Joel Hurstfield, *The Control of Raw Materials* (London, 1953), p. 404.

²⁵⁵ Ely Devons, ‘Economic Planning in War and Peace’, *The Manchester School*, 16:1(1948), 1-28 (pp. 24-5).

Chapter Four

The Politics of Controls and Freedom

It is also disturbing that, in their controversy, the planners and anti-planners dispute over one point but are really concerned about something else more vital. They dispute as to whether an economic system run by the State would make us richer or poorer than one operated in a free society, where each man can choose his occupation and use his capital as he wishes. But the disputants have at the back of their minds a deeper question: what kind of society will go along with the planned economy?

John Jewkes, *Ordeal by Planning* (London, 1948), p. 4.

Whilst the last chapters have shown a remarkable degree of administrative continuity within an apparatus of industrial controls that was never fully understood, the next will explore the relationship between these developments and the system's political history. This will open up the analysis quite significantly. Indeed, although it will be argued that 'the controversy' was more contrived than he cared to admit, this chapter will show that John Jewkes was right to draw a link between the economic history of controls and more fundamental questions regarding the relationship between the state and society. It was for this reason that Edwin Plowden, addressing the question from a less impassioned perspective during a 1953 Political Economy Club lecture, would admit that the entire subject had been 'charged with emotion'.¹ The overall aim of this chapter is to understand the disparity between this assumed importance and the reality described in Chapters Two and Three. Though it will end by briefly expanding upon the views set out by Plowden and Jewkes, this chapter will primarily address two issues. Firstly, it will return to the rhetorical linkage between planning and controls outlined in Chapter One, to explain how an ostensibly narrow economic issue was linked to fundamental questions regarding freedom. Secondly, it will place these developments into a history of the growth of opinion polling and political sociology, to show why this link was seen to be politically relevant. The extent to which it was effective will be explored in Chapter Five. As has been the case so far, both of these politically-orientated chapters will trace developments across the long transition period and seek to understand the developments as they would have been

¹ Kew, The National Archives (TNA), T 230/323, Plowden, 'Economic Planning', 10 Jun 1953, p. 1.

understood at the time. Nevertheless, like Chapter One, this chapter begins at the 1950 General Election – a notable highpoint in the debate.

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According to Herbert Nicholas, a lecturer and former Ministry of Information (MOI) specialist who had been entrusted to provide a second instalment to Nuffield College's seminal Election Studies series, the General Election of 23 February 1950 was something of a failure. With Labour holding onto a slim five seat majority in the face of a 3.7 per cent swing towards the Conservatives, he saw that neither side had been given a particularly clear mandate and feared that the government returned would not be able to serve a full term.² His pessimism was well founded. After all, the British public would revisit the polls within eighteen months. The 1950 contest was, nevertheless, an important marker in twentieth century political history. Indeed, after having successfully interpreted the nation's mood in 1945, the British Institute for Public Opinion (BIPO) went head to head with the *Daily Express* Public Opinion Centre and the recently founded Research Services Ltd in an attempt to forecast the outcome; the idiosyncratic Mass Observation (M-O) offered its own brand of anthropological analysis after the event.³ Although the accuracy of such research remained fairly contested, their findings were widely reported in the popular press and, as will be seen, were beginning to have an impact at a party level. A number of academic psephologists also paid particularly attention to the contest. Nicholas' broad survey was, thus, complemented by a handful of constituency-level studies, including an intensive analysis of voting behaviour in Greenwich undertaken by a team of political sociologists from the LSE.⁴ Their findings – which suggested that the result had fallen neatly along class lines – heralded a start to a period of

² H.G. Nicholas, *The British General Election of 1950* (London, 1951), p. 303.

³ Gallup's last poll was conducted on 19 February 1950 and predicted that Labour would achieve 45 per cent of the popular vote and the Conservatives 42.5 per cent; Research Services predicted the result as 44.6 and 43.0 and the *Daily Express* 44.0 and 44.5. The actual result was Labour on 46.1 and the Conservatives 43.4. See also: Sussex and Online, Mass Observation Archive (M-O), *Voters' Choice*, 1950.

⁴ This study was eventually published as Mark Benney, R.H. Pear and A.P. Gray, *How People Vote: A Study of Electoral Behaviour in Greenwich* (London, 1956) but its findings were first published as Mark Benney and Phyllis Green, 'Social Class and Politics in Greenwich', *British Journal of Sociology*, 1:4 (1950), 310-327.

‘alignment voting’ and would shape the way that politics was perceived for a generation.⁵ All of which makes the 1950 election very interesting for the historian.

For many contemporary observers, however, the two and a half weeks between Parliament’s dissolution and polling day appeared relatively dull. This was, as noted at the outset of Chapter One, the culmination of an election campaign which had effectively begun with the publication of *Labour Believes in Britain* in April 1949 and the Conservative’s *The Right Road for Britain* that July. These extended policy statements set the tone for both parties’ manifestoes and the debates which followed. Given the emphasis that each of the originals placed on either a loosely-defined planning or a loosely-defined freedom, it should come as no surprise that both subjects became recurrent themes within the campaign. In the broadcast which launched the Conservative manifesto, for instance, Winston Churchill expressed his disgust at the sheer number of controls enforced – which the Conservatives estimated at 25 000 – and argued that this bureaucratic version of socialism had led Britain towards a drab ‘Queuetopia’.⁶ In the second most popular of his party’s broadcasts, Dr Charles Hill, who had risen to fame during the Second World War as the BBC’s ‘radio doctor’, continued this theme with a homely abandon. ‘It’s a grand world for the planners’, he exclaimed, ‘But it’s no good, is it, if you are one of the planned, one of the bits and pieces which are moved about’.⁷ For Lord Woolton, whose broadcast linked a pledge to increase home building with a reference to Douglas Jay’s *The Socialist Case*, so-called ‘planned controls’ were evidence of Labour’s belief that ‘the gentleman in Whitehall really does know better’. Turning to the listener directly, he asked rhetorically, ‘How do you like that? Isn’t it monstrous?’⁸ In response, Clement Attlee, adopting a pragmatic approach that was symbolic of a campaign in which he and his wife toured the nation in their family car, joked that most voters

⁵ The concept of two party ‘alignment voting’ was founded upon an understanding that two thirds of the working class would consistently vote for Labour and two thirds of the middle class for the Conservatives. See: Jon Lawrence and Miles Taylor, ‘Electoral Sociology and the Historians’, in *Party, State and Society: Electoral Behaviour in Britain since 1820* (Aldershot, 1997), pp. 1-26 (pp. 2-6).

⁶ Joe Moran, ‘Queuing up in Post-War Britain’, *Twentieth Century British History*, 16 (2005), 283-305 (p. 287) and Ina Zweiniger-Bargielowska, ‘Rationing, Austerity and the Conservative Party Recovery after 1945’, *The Historical Journal*, 37:1 (1994), 173-197 (p. 187).

⁷ Conservative Political Centre (CPC), *The New Conservatism: An Anthology of Post-War Thought* (London, 1955), p. 54.

⁸ *The Times*, 13 Feb 1950.

‘would like to keep ... control of Mr Churchill’ whilst stressing that his party had ‘shown that orderly planning and freedom are not incompatible’.⁹

Such arguments were continued at a local level. Douglas Jay fighting for re-election in Battersea, used a local meeting to demand an apology from Woolton; unfortunately for him, this was met with a pithy retort about not having read his own book and simply served to exacerbate the issue.¹⁰ A few miles north, in the marginal seat of Edmonton, similar themes were being repeated in a battle between Edwin Hubbard and Austen Albu. Hubbard, a local accountant who had only narrowly been beaten in the 1948 by-election, called on the electorate to arise in ‘the battle for freedom’ whilst Albu stressed that full employment had actually provided a ‘new freedom from insecurity’.¹¹ Like Hubbard, four hundred and fifty or so other Conservative candidates would include a statement on freedom from controls in their election addresses.¹² Their language consciously invoked a call to ‘set the people free’ that had been adopted by Churchill in 1947 and echoed many activists. Writing to the Conservative Party’s Central Office (CCO), Frederick Dench, for example, a party member from Forest Hill who was hoping for the defeat of Herbert Morrison in the newly formed Lewisham South constituency, suggested that the choice could be expressed simply as being between ‘State Slavery [and] Freedom’.¹³ His suggestions for the campaign – which also included the slogan ‘Cancel Controls: Vote Conservative’ – were just some of those received during the winter and symbolised a contest that was described by Hubbard as the ‘last chance’ to avoid ‘Socialist Regimentation’.¹⁴ When the ballots were counted, however, it became clear that this was a chance that the majority of voters had missed. A high turnout – 84.5 per cent in Edmonton – had helped Albu extend his majority to eleven and a half thousand.¹⁵ This defeat signalled Hubbard’s last attempt to stand for office. But with Labour’s

⁹ David Kynaston, *Austerity Britain, 1945-51* (London, 2007), p. 386 and Nicholas, *The British General Election of 1950*, pp. 93-6.

¹⁰ *The Times*, 16 Feb 1950.

¹¹ Cambridge, Churchill Archive Centre (CAC), Albu Papers (ALBU), Box 24, Hubbard, ‘A Message to You’, 1950 and Albu, ‘This is my Faith’, 1950.

¹² Nicholas, *The British General Election of 1950*, p. 221.

¹³ Oxford, Bodleian Library, Conservative Party Archive (CPA), CCO 4/3/239, Dench to Woolton, 16 Jan 1950.

¹⁴ CAC, ALBU, Box 24, Hubbard, ‘A Message to You’.

¹⁵ F.W.S. Craig, *British Parliamentary Election Results, 1950-1970* (Chichester, 1971), p. 138.

small national majority widely expected to necessitate a further election, the result did little to dampen either party's rhetoric.

Eight months after the election, on 31 October 1950, Labour's intention to pursue permanent 'powers to regulate production, distribution and consumption' was set out by King George VI.¹⁶ Launching one of the first debates to take place in a House of Commons' chamber that had had only reopened the previous Friday, after having been destroyed by a Luftwaffe bomb in 1941, this was a reference to the proposed Economic Planning and Full Employment Bill mentioned in the last chapter. The argument that it sparked, like the green benches from which it occurred, was comfortably familiar. From the government's perspective the aim was simply to use controls to avoid a 'mad scramble' for resources.¹⁷ For Churchill, however, echoing an argument that had been heard throughout the transition, the proposed Bill's:

vague language for giving all kinds of tremendous powers to the Executive ... goes further than anything I have seen before. This is not planned economy. This is a blank cheque.¹⁸

It was during this debate that Rab Butler made his comments about Labour imposing a 'Reichstag method of government'.¹⁹ It was not, he assured those opposite, that he thought the party was consciously fascist, but that their approach was leading 'precisely in that direction'. Indeed, quoting from Oswald Mosley's *Fascism: 100 Questions Asked and Answered*, he noted that it was inevitable that 'The first Act of a Fascist majority will be to confer ... the power to act by Order'.²⁰ Against a background dominated by the situation in Korea, these arguments were overshadowed during a 1951 election campaign which lacked much real detail. Nonetheless, when they were discussed, the language had become even more libertarian. As Churchill stressed in a famous broadcast that sketched out the difference between 'the ladder and the queue', controls and planning had become a 'snapshot of a large controversy'.²¹ 'A worthwhile society', declared their latest

¹⁶ *Hansard*, (House of Commons Parliamentary Debates) 5th ser., vol. 480, 31 Oct 1950, c. 7.

¹⁷ Labour Party, *Talking Points: The Future of Controls* (London, 1950), pp. 4-5.

¹⁸ *Hansard*, (H.C.Debs) 5th ser., vol. 480, 31 Oct 1950, cc. 21-2.

¹⁹ See above, p. 21.

²⁰ *Hansard*, (H.C.Debs) 5th ser., vol. 480, 1 Nov 1950, c. 174.

²¹ Martin Gilbert, *Winston S. Churchill Vol. 8 Never Despair 1945-1965* (London, 1988), pp. 643-644.

manifesto, 'cannot be established by Acts of Parliament'.²² As argued by John Ramsden, it did not matter that their own policy suggestions seemed underdeveloped; freedom was an issue upon which the Conservatives felt secure.²³

The eventual result of the 1951 General Election was slightly less comfortable. For the youthful David Butler, who had assumed responsibility for the Nuffield studies with which he would become synonymous, the result was most notable for its similarity to 1950 and for its highlighting of the vagaries of Britain's first-past-the-post system.²⁴ The Conservatives may have won a seventeen seat majority, but Labour had gained a greater share of the popular vote and it was widely held that the result was best explained by the effective collapse of the old Liberal Party as a political force.²⁵ The outcome, argued the *News Chronicle*, suggested that the electorate had swapped a 'party it does not want in favour of one it does not trust'.²⁶ As will be seen later, this 'moral defeat' would haunt Churchill's new government throughout the early 1950s and arguably contributed to a lack of clarity in office (of which the inability to remove the Supplies and Services Act could be seen as one part).²⁷ However, such failings did not inhibit a continued campaign against controls. In October 1952, for example, the party released a sober progress report entitled *We Shall Win Through* that blamed Labour for having 'distorted our economy' through its manipulation of a 'vast paraphernalia of State control'. The new administration, by contrast, claimed to have 'sought every opportunity' to remove such 'impediments'.²⁸ This theme defined the party's political message. Its monthly colour publication, *Tory Challenge*, which included a range of articles designed to appeal to the grass roots, continually stressed that Churchill's government were starting from scratch. This gathered a pace in early 1953 when it declared that the

²² Conservative Central Office (CCO), *Britain Strong and Free* (London, 1951), p. 5.

²³ John Ramsden, *The Age of Churchill and Eden, 1940-57* (London, 1995), pp. 219-222 and *The Making of Conservative Party Policy: The Conservative Research Department since 1929* (London, 1980), p. 142.

²⁴ D.E. Butler, *The British General Election of 1951* (London, 1952), p. 240.

²⁵ Butler, *The British General Election of 1951*, p. 267; *The Economist*, 3 Nov 1951 and *The Times*, 26 Oct 1951.

²⁶ *News Chronicle* cited in Kevin Jefferys, *Retreat from New Jerusalem: British Politics, 1951-64* (Basingstoke, 1997), p. 12.

²⁷ Anthony Seldon, *Churchill's Indian Summer: The Conservative Government, 1951-55* (London, 1981), pp. 54-5.

²⁸ CCO, *We Shall Win Through* (London, 1952), pp. 2 and 10.

‘march to freedom [had] gone forward with ever-lengthening strides’. Seeking to trace this progress back to the pledge to ‘set the people free’, *Challenge* proudly noted that ‘the promise is, indeed, being kept’.²⁹ By November 1954, it claimed that ‘the vast structure of Socialist restrictions and allocations [had] been abolished’.³⁰

Such assertions would, as they had previously, also play an important role in the build up to 1955 General Election. As was shown in Chapter Three, this began with Rab Butler adopting *Tory Challenge*’s metaphor of a ‘march to freedom’. His party’s *Campaign Guide*, produced by the CCO for candidates and agents, similarly emphasised this message with chapters devoted to ‘The Growth of Economic Freedom’ and ‘The Citizen and the State’.³¹ The message was again carried into the constituencies with a study carried out in Bristol North East certain that controls were mentioned more in 1955 than they had been four years’ earlier.³² They certainly provided a notable element of colour to a campaign that was described by David Butler as being marked by apathy and lacking in ‘any great issues’.³³ Playing upon a poster that warned the electorate not to risk a return of controls by voting Labour – a contention that had been raised by Reggie Maudling in a Parliamentary debate over the Budget and in the ephemeral pamphlet ‘Socialists Impose Controls’ – one local Conservative Association even began to distribute fake permits and ration books bearing the Labour Party’s name.³⁴ The fruits of their efforts were decried by Attlee as being among ‘the dirtiest things ever put out’ and even led to a lawsuit. Nonetheless, drawing upon the same logic as Rab Butler’s earlier ‘Reichstag’ comments, Anthony Eden, who had replaced the ailing Churchill in April 1955, was adamant that – although Labour might not intend to take such actions – ‘experience of the past has shown that Socialist governments [do] a lot of things they never intend to do’.³⁵ Despite his insistence to the contrary, the episode was merely symbolic of an official campaign that had always claimed, ‘The Socialists offer the

²⁹ *Tory Challenge*, Mar 1953.

³⁰ CCO, *Three Years’ Work* (London, 1954), p. 39.

³¹ CCO, *The Campaign Guide 1955* (London, 1955), p. 1.

³² R.S. Milne and H.C. Mackenzie, *Marginal Seat, 1955* (London, 1958), p. 34.

³³ D.E. Butler, *The British General Election of 1955* (London, 1955), p. 17.

³⁴ Butler, *The British General Election of 1955*, p. 83. See also: Ina Zweiniger-Bargielowska, *Austerity in Britain: Rationing, Controls and Consumption, 1939-1955* (Oxford, 2000), pp. 240-1.

³⁵ Butler, *The British General Election of 1955*, p. 83.

gruesome prospect of a return to the wartime system of drastic economic controls'.³⁶ It was an argument that was obviously believed to hold some electoral resonance.

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It would be easy to dismiss much of the above as examples of errant political manoeuvre. Many contemporary commentators, and later historians, working within a framework defined by consensus, have done just that. *The Times*, to give one example, castigated the Conservative Party's approach in 1955 for offering 'a maximum of rhetoric and a minimum of program'.³⁷ This was not entirely unfounded, but, for many within the political establishment, the broad issues raised were much more important. Indeed, just as their relationship with planning had helped Labour to define the framework of debate in 1945, controls were at the heart of Conservative attempts to define a new political identity in the years that followed. The clearest attempt to do so was made with the publication of *The New Conservatism* in October 1955. Carefully edited by Peter Goldman and introduced by Butler, this anthology of extracts from speeches and pamphlets was a deliberate attempt to encapsulate the very essence of their faith following a decade in which the party had been forced to 're-think our philosophy and re-form our ranks'.³⁸ It is unsurprising, therefore, that the text has since become as important an historiographical marker as the earlier *Industrial Charter*. Martin Francis and Harriet Jones, for instance, have both argued that its deliberate stress on modernity reinforced a stereotypical view of interwar inaction.³⁹ This can be seen to have contributed to a wider narrative that sought to portray 1945 as a distinct point of change.⁴⁰ However, by focusing upon the construction of a socially compassionate

³⁶ CCO, *The Campaign Guide 1955*, p. 483.

³⁷ *The Times*, 30 Apr 1955.

³⁸ CCO, *The New Conservatism*, p. 7.

³⁹ Martin Francis, "'Set the People Free"? Conservatives the State, 1920-1960', in *The Conservatives and British Society, 1880-1990*, eds M. Francis and I. Zweiniger-Bargielowska (Cardiff, 1996), pp. 58-77 (p. 60) and Harriet Jones, "'New Conservatism"? The Industrial Charter, Modernity and the Reconstruction of British Conservatism after the War', in *Moments of Modernity: Reconstructing Britain 1945-1964*, eds B. Conekin, F. Mort and C. Waters (London, 1999), pp. 171-188 (p. 171).

⁴⁰ John Charmley, *A History of Conservative Politics since 1830* (Basingstoke, 2008), p. 147; Harriet Jones, 'A Bloodless Counter-Revolution: The Conservative Party and the Defence of Inequality, 1945-51', in *The Myth of Consensus: New Views on British History, 1945-64*, eds H. Jones and M. Kandiah (Basingstoke, 1996), pp. 1-18 (pp. 1-2) and Ramsden, *The Age of Churchill and Eden*, p. 94.

Conservative identity, such work has arguably detracted attention from the strong emphasis that *The New Conservatism* placed upon economic and personal freedom. The very first extract included was, in fact, taken from a 1947 speech in which Eden had identified ‘liberty of the individual’ as the ‘core of Conservatism’.⁴¹ Indeed, at the risk of appearing counterintuitive, the Labour Party’s decision to publish a pamphlet on *Personal Freedom* as the first of its own post-1955 policy statements testifies to the importance of the issue.⁴²

As was hinted by *The New Conservatism*, these attempts at political rethinking drew upon a long lineage. David Clarke, for example, the Director of the Conservative Research Department (CRD) and author of *The Conservative Faith in the Modern Age*, sought to place an opposition to industrial controls within a framework bound by a ‘deep sense of those traditions which have persisted ... from generation to generation’. Drawing upon the work of the eighteenth century political theorist Edmund Burke, Clarke maintained that controls risked upsetting the natural development of society. The question, he stressed, was ‘whether man will [be able to] master the machine of modern industry or whether the machine in the hands of an oligarchy will stifle man’.⁴³ This point was expanded by Quintin Hogg. His *Case for Conservatism*, which was considered briefly at the beginning of Chapter Three, also drew upon Burke to place its political faith within a rich historical context. Contrasting his vision of organic and decentralised ‘Conservative planning’ with ‘the absolutist dreams of the modern Socialist State’, he wholly rejected Labour’s claim that the removal of controls would lead to chaos by noting that ‘history records no examples of a fixed political theory ... which does not appear wrong, and even ridiculous, in the eyes of succeeding generations’.⁴⁴ Decontrol, it was stressed, was a matter of common sense and not of doctrine. It was, for Clarke, best understood as the difference between a garden within which ‘an army of gardeners ... [trim] every tree and bush into a distorted formality’ and one which ‘brings out the natural

⁴¹ CCO, *The New Conservatism*, p. 11.

⁴² Labour Party, *Personal Freedom* (London, 1956). The first step in an attempt to redefine the relationship between the ‘Individual and Society’ this was spurred by a desire to counter ‘anxiety, however misguided, that socialism is a philosophy in which the interests of the individual are subordinated to those of the State and particularly the bureaucracy’, see: Manchester, Labour Party Archives (LPA), LPRD, Re. 15, ‘The Individual and Society’, Dec 1955, p. 1.

⁴³ David Clarke, *The Conservative Faith in the Modern Age* (London, 1947), pp. 10 and 37.

⁴⁴ Quintin Hogg, *The Case for Conservatism* (West Dayton, 1947), pp. 13-14.

beauties and encourages those plants which have been shown by generations that it is their natural environment'.⁴⁵ Yet, by promoting a particular understanding of freedom, one which is considered in greater detail below, the issue was also one that remained inherently political.

These attempts were, as shown in Chapters Two and Three, not solely theoretical. Indeed, returning briefly to David Maxwell Fyfe's Advisory Committee on the 'Liberties of the Subject', it is clear that libertarian rhetoric was matched by very practical fears about the impact of controls on society. By enforcing powers that were disproportionate to needs, Maxwell Fyfe was adamant that the Supplies and Services Act posed a real 'constitutional danger'. His committee's suggestions for decontrol were, thus, seen to represent the 'legal safeguards of liberty'.⁴⁶ In this sense, the populist accusations of totalitarianism made by Churchill in October 1950 can be traced back to the legalistic findings of an individual who had been a prosecutor at the Nuremburg trials before joining the Conservative front bench.⁴⁷ Butler, too, had been keen to set out his rationale for opposing any extension of the controls apparatus. In a confidential paper on Conservative principles that was motivated by Maxwell Fyfe's initial conclusions, he warned of 'the paralysing grip of the State machine' and stressed that:

Personal initiative and enterprise, personal property and personal rights and liberties must be preserved from an exaggerated and partisan conception of the functions of the State, which, if continued will bring us very near to the full Communist or Socialist State, where none are free, even the Commissars.⁴⁸

This was an impassioned – and fairly inarticulate – critique from a man who has tended to be remembered for his 'progressive' outlook.⁴⁹ It was, however, symbolic of a party which placed freedom at its core. In fact, in an article written for the *Political Quarterly* six months earlier, Butler had described the Conservative Party's primary objective as being the defence of liberty against an 'omnicompetent and

⁴⁵ CPA, CRD 2/50/11a, Clarke, 'The Conservative Faith in the Modern World [draft]', p. 70.

⁴⁶ CPA, ACP 3/1, Maxwell Fyfe, 'The Control of Executive Power', 1 Jun 1950, p. 1.

⁴⁷ Simon Ball, *The Guardsmen: Harold Macmillan, Three Friends, and the World they Made* (London, 2004), p. 282.

⁴⁸ CPA, ACP 3/1, Butler, 'Principles', 24 Jul 1950, p. 3.

⁴⁹ Anthony Howard, *Rab: The Life of R.A. Butler* (London, 1987), p. 149.

centralised state'.⁵⁰ The fact that his vision was notably underdeveloped does not detract from its significance.

Although they had clearly defined the parameters of this debate, such thoughts were not limited to the Conservative Party. Indeed, as demonstrated in Chapter Three, attempts to define a 'philosophy of controls' had also been undertaken by a Labour government that was committed to maintaining 'the maximum possible freedom of choice'.⁵¹ Like their opponents, this tended to converge around the proposed transfer of the Supplies and Services Act into permanent legislation. Certainly, the belief – as expressed by Sir Edward Bridges and Sir Bernard Gilbert – that such powers were disproportionate represented an inherent political difficulty.⁵² In fact, their appraisals help to explain why departments were asked to take particular care in announcing decontrol lest they consolidate a perception that controls were indeed somehow totalitarian.⁵³ With Morrison's initial plans for an Economic Controls Bill put forward just one month after the 1950 election, these fears were exacerbated by the precarious parliamentary situation and a fear that Churchill would use the issue to push for the government's resignation.⁵⁴ This was heightened by a growing disdain for many of the controls currently enforced. Morrison, in particular, had become increasingly exasperated by 'a particularly tiresome building control case' and feared that such examples would bring the entire system into disrepute.⁵⁵ This became a common theme. In fact, once initial drafts had been considered, it was noted that the now renamed Economic Planning and Full Employment Bill was still open to the allegation that it would '[encroach] upon the legislative functions of Parliament' and risked drawing attention to 'the powers which the Government were already exercising'.⁵⁶ It was for this reason that Morrison urged his colleagues to deliberately play down the importance of the Supplies and Services Act in an attempt to distinguish between it and the proposal for permanent powers.⁵⁷ By 1950, then,

⁵⁰ R.A. Butler, 'Conservative Policy', *Political Quarterly*, 20:4 (1949), 318-326 (p. 326).

⁵¹ HMSO, Cmd 7046, *Economic Survey for 1947* (London, 1947), p. 5.

⁵² See above, p. 131.

⁵³ TNA, CAB 128/15 CM(49)41:3, 20 Jun 1949 and CAB 128/17, CM(50)16:4, 30 Mar 1950.

⁵⁴ TNA, CAB 128/17, CM(50)16:1&4, 30 Mar 1950 and CAB 195/7, Confidential notes from CM(16)50, 30 Mar 1950.

⁵⁵ TNA, CAB 132/15, Morrison, 'Government Controls and the Public', 8 May 1950, p. 1.

⁵⁶ TNA, CAB 128/18, CM(50)51:3, 27 Jul 1950.

⁵⁷ TNA, CAB 128/12, CM(50)65:2, 19 Oct 1950.

controls had become identified with a negative vision of planning that was seen to be a potential threat to civil liberties. Moreover, both Labour and the Conservatives believed that they were electorally potent. It is for the rest of this chapter to explain why this should have been the case.

-II-

In keeping with this thesis' approach, it must be noted that an attempt to consider this very question had been made by Richard Law in *Return from Utopia*. Published in November 1950 and included on Faber and Faber's 'Christmas List', this engaging account of the economic and political landscape was motivated by a moral pessimism that resonated with Hogg's *Case for Conservatism*. Identifying a 'collapse of all absolute moral values', attempts to manage the economy were seen as examples of 'pragmatism run riot' in so far as they presented something essentially arbitrary as an end in itself.⁵⁸ Although Law based aspects of his argument upon an applied critique of Labour's approach – stressing that 'the most elementary economic facts' had been obscured – the thrust was notably more abstract.⁵⁹ Planning's practicalities, he contended, reduced each individual to the level of 'a cog in a vast and impersonal machine'. Moreover, in doing so, any ability for them to lead a virtuous life was removed.⁶⁰ Arguing that a rejection of planning represented 'the beginning of hope', Law stressed that:

It is to hold out once again the prospect of society in which man is free to be good because he is free to choose. Freedom is the first condition of human virtue, and Utopia is incompatible with freedom.⁶¹

Extending this point in absolute terms, *Return from Utopia* declared that planning could never be reconciled with democracy because somebody, somewhere, would have to impose decisions that could never be truly representative.⁶² As noted in the last chapter, and despite being described by Ewen Green as 'over logical', this strong emphasis on choice – and belief that the price mechanism was the only way to avoid

⁵⁸ Richard Law, *Return from Utopia* (London, 1950), p. 29.

⁵⁹ Law, *Return from Utopia*, pp. 68 and 85.

⁶⁰ Law, *Return from Utopia*, pp. 121 and 181.

⁶¹ Law, *Return from Utopia*, p. 9.

⁶² Law, *Return from Utopia*, pp. 82-3 and 185.

unrepresentative political interference – contributed to an intellectual climate that was increasingly moving towards decontrol.⁶³ In fact, by portraying the market as a plebiscite that was more democratic than a political system, it even pre-empted a number of more famous neo-liberal interventions.⁶⁴ Crucially, though, a number of Law's conclusions echoed those made at the opposite end of the political spectrum.

Eighteen months before Law's book was published, Michael Young, at this point still the Labour Party Research Department (LPRD)'s director, had offered his own thoughts on the relationship between planning and the individual in a short pamphlet called *Small Man, Big World*. His intervention coincided with internal discussions over future policy and was, for *The Times Literary Supplement (TLS)*, the outcome of a political system that had become 'unwontedly self-conscious' but only rarely took time to consider 'what it [was] really trying to do'.⁶⁵ Like Law, Young also argued that planning had to pay more attention to the individual if it were to be truly democratic. But, in contrast to the former's belief that religion provided the only framework within which humanity could be truly free, it was stressed that political engagement and liberty would flourish if the state adopted a model based upon familial relationships rather than centralised controls.⁶⁶ This argument was based upon Young's growing interest in applied sociology as a tool for political and economic reform. It was an interest that would, after 1951, with Young dejected by Labour's perceived inability to grasp the issue, see him leave the LPRD to undertake a doctoral dissertation into communities and housing at LSE.⁶⁷ But, in 1949-50, during the period of re-thinking that sparked the *New Fabian Essays*, it was one that

⁶³ E.H.H. Green, 'The Conservative Party, the State and the Electorate', in *Party State and Society: Electoral Behaviour in Britain since 1820*, eds J. Lawrence and M. Taylor (Aldershot, 1997), pp. 176-200 (pp. 182-3).

⁶⁴ Andrew Gamble, *The Free Economy and the Strong State: The Politics of Thatcherism* (Basingstoke, 1994), pp. 55-60.

⁶⁵ LPA, LPRD, RD 353, Young, 'Plea for the Restatement of Socialism', Apr 1950, f. 1 and *The Times Literary Supplement*, 7 Apr 1949.

⁶⁶ Law, *Return from Utopia*, pp. 194-200 and Michael Young, *Small Man, Big World: A Discussion of Socialist Democracy* (London, 1949), pp. 3-4.

⁶⁷ A.H. Halsey, 'Young, Michael Dunlop, Baron Young of Dartington (1915–2002)', *Oxford Dictionary of National Biography*, online edn, May 2006 [<http://www.oxforddnb.com.wam.leeds.ac.uk/view/article/76682>, accessed 20 Jun 2012].

seemed full of potential.⁶⁸ This was especially true for Albu, who, in an attempt to shape the discussion, helped to organise a series of Fabian lectures in political philosophy that autumn. His own paper, delivered on 20 October, a month before the publication of *Return from Utopia*, offered a wide ranging history of ideas that culminated with an analysis of what he termed a ‘New Sociology’. Building upon Young’s foundations and invoking Graham Wallas, the founding father of British political science and an original Fabian essayist, Albu contended that – if it was accepted that family relationships were socially constructed – it would be theoretically possible to replicate them on a national level, so long as the incentives were planned properly.⁶⁹

Although these philosophical works consciously drew upon their context, their exploration of the relationship between controls, planning and freedom was not all that surprising. It was, after all, noted very early in Chapter One that – regardless of the chosen method for attainment or an agreement over the principle of intervention – any definition of objectives necessarily involves making certain value judgements. This point had lain at the heart of those debates undertaken in the 1930s. Then, the growth of Trade Associations and ‘piecemeal planning’ raised questions about the undermining of individual choice and seemed, to commentators as diverse as Douglas Jay and F.A. Hayek, to prove that ‘bigness’ was inherent in the British economy.⁷⁰ Moreover, as Harold Macmillan stressed in *The Middle Way*, against an uncertain international backdrop, questions surrounding freedom were ‘by no means academic’.⁷¹ The diagnoses were, however, far from harmonious. Unlike Hayek, who is considered below, Jay and his New Fabian colleagues rejected the absolutism that would later underpin *Return from Utopia* and sought to distinguish between types of freedom. Drawing upon the same corpus of ideas as Albu in 1950, Barbara Wootton proposed that those which described interactions within the economy should not be

⁶⁸ Martin Francis, ‘Economics and Ethics: The Nature of Labour’s Socialism, 1945-1951’, *Twentieth Century British History*, 6:2 (1995), 220-43 (p. 235) and Michael Young, ‘What Might Have Been’, *New Society*, 22:526 (1972), 262-4.

⁶⁹ Austen Albu, *Socialism and the Study of Man* (London, 1951), pp. 17-20.

⁷⁰ Douglas Jay, *The Socialist Case* (London, 1947), chs 10 and 12 and F.A. Hayek, ‘The Nature and History of the Problem’, in *Collectivist Economic Planning*, ed. F.A. Hayek (London, 1935), pp. 1-40 (p. 24).

⁷¹ Harold Macmillan, *The Middle Way: A Study of the Problem of Economic and Social Progress in a Free and Democratic Society* (London, 1938), p. 92.

seen as sacrosanct because they were a human construct.⁷² This point was expanded by Albu who contended that capitalism had actually served to negate more concrete freedoms by imposing ‘invisible compulsions’.⁷³ The solution proposed was, as already noted, to expand the sphere of intervention. A democratic form of planning, claimed Evan Durbin, was a positive way of preventing ‘one man’s freedom from destroying another’s’.⁷⁴ In fact, by drawing upon a sociologically-informed understanding of society, protecting Parliamentary democracy and devolving responsibility, it was hoped that it could actually *increase* the freedoms enjoyed by both and ensure that any limits – i.e. the controls – were visible, equal and fully understood.⁷⁵ In extending the ‘activity of society’, and not just the role of the state, this ideal seemed, for H.D. Dickinson, to represent a form of ‘libertarian socialism’.⁷⁶

Similar contentions were, in keeping with the open outlook of the discussion, shared across the political spectrum. Macmillan and Robert Boothby’s *Industry and the State*, for example, similarly identified the questions raised by planning as being practical and ‘not, like those of religion and politics, metaphysical’.⁷⁷ That the same point would be made by both the Next Five Years (NFY) group and the Trade Unions’ Congress (TUC) speaks volumes.⁷⁸ But, although the democratic planners were adamant that they had rejected a blunt Utopianism for a more realistic approach, their conclusions continued to raise philosophical questions. As has probably been guessed, this was particularly true for Professor Hayek. As noted in Chapter One, his belief that planning equated to central direction stemmed from a deep conviction that it would be impossible to reconcile planning and democracy outside of a market-based system. Extending beyond the technical critique set out

⁷² Barbara Wootton, ‘Freedom Under Planning’, in *Can Planning be Democratic?* (London, 1944), pp. 37-54 (pp. 41-3).

⁷³ CAC, ALBU, Box 17, Albu, ‘What do We Mean by Democratic Planning?’, 17 Aug 1941, p. 1.

⁷⁴ Evan Durbin, ‘Professor Hayek on Economic Planning’, in *Problems of Economic Planning: Papers on Planning and Economics*, ed. E. Durbin (London, 1949), pp. 91-106 (p. 92).

⁷⁵ CAC, ALBU, Box 17, Albu, ‘Democratic Planning?’ p. 2; Evan Durbin, ‘The Importance of Planning’, in *Problems of Economic Planning: Papers on Planning and Economics*, ed. E. Durbin (London, 1949), pp. 41-57 (p. 45); Harold Laski, *Will Planning Restrict Freedom?* (Cheam, 1944), p. 16 and Karl Mannheim, ‘Democratic Planning and the New Science of Society’, in *This Changing World*, ed. J.R.M. Brumwell (London, 1944), pp. 71-82 (p. 80).

⁷⁶ H.D. Dickinson, *Economics of Socialism* (Oxford, 1939), p. 200.

⁷⁷ Robert Boothby *et al*, *Industry and the State: A Conservative View* (London, 1927), p. 30.

⁷⁸ Anon., *The Next Five Years: An Essay in Political Agreement* (London, 1935), p. 5 and Trade Unions’ Congress, *Interim Report on Post-War Reconstruction* (London, 1944), p. 8

earlier, he stressed that the sheer complexity of the process would make it impossible to agree on ‘absolute ends’ and necessarily lead to standardisation.⁷⁹ Moreover, if, as he was quoted as saying by Law, ‘Planning by the individual was the expression of his personality’, then any such attempt to plan by the state must be seen as a denial of it.⁸⁰ For an otherwise sympathetic Roy Harrod, this view rested upon a doctrine of liberty that was not easily translated into reality.⁸¹ Nonetheless, as shown by Ben Jackson, it formed just one part of a deliberate strategy to offer a positive alternative to intervention and was complemented by more practical attempts to show that individual plans could be pursued through the price mechanism.⁸² Both contentions were at the heart of the *Road to Serfdom*. And, adamant that political freedom was meaningless without an economic counterpart, they were also a direct challenge to those ‘Socialists of All Parties’ to whom Hayek dedicated his work.

Significantly, this battle of ideas was replicated within government. Labour’s *The Old World and The New Society*, for instance, had posited planning as the only way to achieve the ‘four freedoms’ included within President Roosevelt’s 1941 Atlantic Charter speech whilst the Ministry of Reconstruction’s reluctant commitment to default retention had sparked protest amongst more liberal officials and contradicted Lord Woolton’s own preference for greater industrial freedom.⁸³ Although expressed in a more practical form, the attempt to identify those controls that would be needed after the end of hostilities became a contest over these differing conceptions. Even Churchill’s attempt to depoliticise the issue with a Parliamentary statement split the Cabinet between planning’s adherents and detractors: both sides agreed that Churchill should speak, but neither could agree on what he should say.⁸⁴ According to Woolton, the whole issue ‘seemed to have become a matter for political

⁷⁹ F.A. Hayek, ‘Freedom and the Economic System’, *Contemporary Review*, 153:4 (1938), 434-40 (pp. 435-7).

⁸⁰ Law, *Return from Utopia*, p. 80.

⁸¹ Roy Harrod, ‘Professor F.A. von Hayek on Individualism’, in *Economic Essays*, ed. R. Harrod (London, 1952), pp. 293-301 (p. 296).

⁸² Ben Jackson, ‘At the Origins of Neo-Liberalism: The Free Economy and the Strong State, 1930-1947’, *The Historical Journal*, 53:1 (2010), 129-151 (p. 134). See also: F.A. Hayek, ‘Economics and Knowledge’, *Economica*, 4:13 (1937), 33-54 (pp. 37 and 41-2) and Lionel Robbins, *Economic Planning and International Order* (London, 1937), pp. 4-7.

⁸³ These were freedom of speech, of religion, from want and from fear of physical aggression. See above, p. 77.

⁸⁴ TNA, CAB 65/44/16, WM(44)125:2, 22 Sept 1944.

manoeuvre'.⁸⁵ With agreement over the recommendations of *Employment Policy* at stake, it was, to the relief of all, eventually agreed that the best way forward was to avoid any detail. Thus, a paragraph on relaxation was omitted and Churchill's ostensibly practical account was prefaced by the caveat that it only related to the end of hostilities with Japan. This compromise diffused tensions within the Cabinet, but it did not placate everyone. One reluctant official believed that the outcome was being unduly influenced by a vocal campaign within the Conservative Party, whilst, from the opposite perspective, Lord Lyle, the forceful sugar magnate who had helped to set up Aims of Industry in 1942, continued to press for further relaxation.⁸⁶ The maverick MP Waldron Smithers, an active member of the National League for Freedom, even felt obliged to lobby Churchill to end 'the race down the road to the Totalitarian State'.⁸⁷ This was perhaps to be expected from a man who had launched a 'Fighting Fund' to prepare for this struggle earlier in the year. Nonetheless, his was not the only invocation of Hayek.

From within the relative safety of the CCO, the party's chairman Ralph Assheton, a political friend of Law and lead author of the 1945 report on red tape referenced earlier, had been so taken by the *Road* that he sent fifty copies to his colleagues and began to instruct all constituency agents to read it as a matter of course.⁸⁸ In April 1945, as the coalition began to disintegrate, he would publically accuse Labour of toying with 'theories and doctrines' that would inevitably lead to a totalitarian dictatorship.⁸⁹ Assheton's intervention – which was delivered as the government made a final attempt to approve the contents of its proposed Supplies and Services Bill – was certainly well timed. It was, however, only the latest in a series of manoeuvres that had begun when Churchill had accused Labour of seeking to impose controls which were 'designed to favour the accomplishment of [a] totalitarian

⁸⁵ TNA, CAB 65/49/35, WM(45)35: Appendix 'Economic Controls in the Transition Period', 22 Mar 1945.

⁸⁶ TNA, PREM 4/88/2, Peck to Churchill, 24 Nov 1944 and CAB 124/683, Lyle to Ministry of Supply, 18 Oct 1944.

⁸⁷ TNA, PREM 4/88/2, Smithers to Churchill, 16 Nov 1944.

⁸⁸ Richard Cockett, *Thinking the Unthinkable: Think-Tanks and the Economic Counter-Revolution* (London, 1994), pp. 92-3 and E.H.H. Green, *Ideologies of Conservatism: Conservative Political Ideas in the Twentieth Century* (Oxford, 2002), p. 220.

⁸⁹ *The Times*, 23 Apr 1945.

system' at the Conservative Party's conference on 15 March.⁹⁰ This second flaring of ministerial tensions was further stoked when an impassioned Lord Beaverbrook rejected the legality of any peacetime application of Defence Regulations during a stormy Cabinet meeting on 25 April.⁹¹ Although this political positioning drew upon the more academic debates of the 1930s, the stakes were altogether more practical. Indeed, by forcing the removal of the Bill's preamble, which set out the purposes for which controls could be used, Beaverbrook was able to render the entire apparatus temporarily obsolete.⁹² To portray such machinations as a Hayekian triumph would undoubtedly be a stretch too far. It should, though, be noted that Hayek had been keen to promote the discussion of his ideas within such debates. Having personally sent Churchill two copies of the *Road*, he even urged his publishers to continue advertising the (soon out of print) text so as to build public interest.⁹³ Nonetheless, although it has been argued that controls were inherently political, the question of their perceived electoral significance remains unanswered.

This question is particularly intriguing when one considers how these elections were perceived by the sociologists, political scientists and psephologists mentioned above. In fact, combining a review of those surveys conducted in the years after 1945 with an understanding of 'irrational forces' and 'party image' derived from Wallas, David Butler would suggest that social status and perceptions of class were far more important in deciding elections during this period than any particular issue.⁹⁴ His conclusion had not escaped others writing in the long transition period.⁹⁵ On the contrary, having conducted a study of voting behaviour in Bristol North East in 1951, R.S. Milne and H.C. Mackenzie echoed the Greenwich findings when they

⁹⁰ CPA, *Harvester Series II: Minutes and Reports*, card 136, 'Speech by the Prime Minister', 15 Mar 1945.

⁹¹ TNA, CAB 60/50/14, WM(45)51:2, 25 Apr 1945.

⁹² TNA, CAB 60/50/21, WM(45)58:4, 4 May 1945.

⁹³ Jeremy Shearmur, 'Hayek, the *Road to Serfdom*, and the British Conservatives', *Journal of the History of Economic Thought*, 28:3 (2006), 309-314 (p. 310) and Richard Toye, 'Winston Churchill's "Crazy Broadcast": Party, Nation and the 1945 Gestapo Speech', *Journal of British Studies*, 49 (2010), 655-680 (p. 665).

⁹⁴ David Butler and Donald Stokes, *Political Change in Britain: Forces Shaping Electoral Choice* (Harmondsworth, 1971), pp. 90-124 and 411; David Butler, 'Voting Behaviour and its Study in Britain', *The British Journal of Sociology*, 6:2 (1955), 93-105 (p. 98) and Graham Wallas, *Human Nature in Politics* (London, 1910), pp. 22-5 and 84.

⁹⁵ David Denver, *Elections and Voters in Britain* (Basingstoke, 2003), pp. 49 and 96-7.

concluded that the existence of such behaviour – which they refused to label ‘irrational’ – was evidence that issues could not be ‘uncritically accepted as reasons for voting’.⁹⁶ This appeared to be corroborated by evidence from BIPO.⁹⁷ Speaking four years later, in the weeks before the 1955 General Election, one anonymous party agent would describe a feeling that the contest was little more than ‘a national census to see who’s Labour and who’s Conservative’.⁹⁸ For the political scientist Bill Mackenzie, one of Ely Devons’ closest colleagues at the Victoria University of Manchester, this was all part of a ‘ritual of choice’ that obscured a more entrenched reality.⁹⁹ Moreover, even if it was accepted that issues played some role, these were widely defined as being a subject about which voters are aware of, on which they held a specific opinion, around which individual parties are perceived to hold different policies, and for which they are willing to cast their vote.¹⁰⁰ Viewed in such terms, the system of industrial controls – however it was described – might not be expected to be a particularly pertinent one. Given that all the main parties had accepted the need for transitional retention, this should have been especially true of the 1945 General Election. Thus, in order to address why this was not the case, it is necessary to consider that year’s campaign.

-III-

The campaign which unfolded during June 1945 was certainly an interesting one. It was, after five years of coalition government and a postponed General Election, the first for a decade. Moreover, with the Liberal Party keen to capitalise upon its association with William Beveridge, not to mention the involvement of Richard Acland’s populist Common Wealth alliance, twenty one Communist candidates and an additional seventy five independents, R.B. McCallum and Alison Readman, the authors of the very first Nuffield study, saw it as a referendum on Britain’s political establishment.¹⁰¹ With such high stakes, all sides were keen to mix economic ideas

⁹⁶ R.S. Milne and H.C. Mackenzie, *Straight Fight* (London, 1954), pp. 134 and 140-1.

⁹⁷ Henry Durant, ‘Voting Behaviour in Britain, 1945-1964’, in *Studies in British Politics: A Reader in Political Sociology*, ed. R. Rose (London, 1966), pp. 122-128.

⁹⁸ Butler, *The British General Election of 1955*, p. 164.

⁹⁹ W.J.M. Mackenzie, *Explorations in Government: Collected Papers 1951-1968* (London, 1975), p. 324.

¹⁰⁰ Butler and Stokes, *Political Change in Britain*, pp. 231-233.

¹⁰¹ R.B. McCallum and A. Readman, *The British General Election of 1945* (London, 1947), p. 44.

with moral arguments. Thus, one week after hosting an emotional party in Downing Street to mark the end of Labour's contribution to coalition, Churchill, the diligent host, began the Conservative Party's campaign in the first of a series of nightly radio broadcasts.¹⁰² Addressing an estimated audience of 16.5 million listeners, roughly half of the electorate, he read from a script that had been carefully edited by Assheton and his colleagues.¹⁰³ In a well-planned attack on the possibility of permanent controls, he noted that a:

Socialist policy is abhorrent to the British [idea] of freedom. Although it is now put forward by people who have a good grounding in the Liberalism and Radicalism of the early part of this century, there can be no doubt that Socialism is inseparably interwoven with Totalitarianism and the abject worship of the State.

It was, using this logic, claimed that any attempt to control the 'life and industry of the country ... would have to fall back on some form of Gestapo' and a vast bureaucracy of officials who were 'no longer servants, and no longer civil'.¹⁰⁴ This dystopian vision of British National Socialism was, according to Attlee, whose rejoinder was broadcast the following evening, little more than 'a second-hand version of the academic views of an Austrian professor'.¹⁰⁵ Given that Assheton had just negotiated with Hayek's publishers to give up 1.5 million tons of the Conservative's electoral paper allocation to print 12 000 copies of an abridged *Road to Serfdom*, his charge was not without some justification.¹⁰⁶

That this exchange set the tone of debate was vividly captured by a small team of film makers who had been dispatched to Kettering to produce a twenty minute documentary on the election for the British Council. As part of a series that aimed to promote British values abroad, the film guided its viewers through each step of the local contest between Labour's Gilbert Mitchison, the incumbent Conservative John

¹⁰² Gilbert, *Never Despair*, p. 27.

¹⁰³ Green, *Ideologies of Conservatism*, p. 220. For estimated listening figures, see: Nicholas, *The British General Election of 1950*, pp. 127-8.

¹⁰⁴ Gilbert, *Never Despair*, pp. 32-3.

¹⁰⁵ Toye, 'Churchill's "Crazy Broadcast"', p. 673.

¹⁰⁶ This edition had been prepared by a junior member of the Conservative Research Department sometime between November 1944 and March 1945. It was, however, not released in time for the campaign. See: Shearmur, 'Hayek and the British Conservatives', p. 311 and Green, 'The Conservative Party, the State and the Electorate', p. 179.

Profumo and an independent called John Dempsey. Partially scripted by the young screenwriter Mary Bendetta, the film was, with lengthy sections on the electoral register and role of the Post Office, deliberately educative. Yet, with this material carefully edited into the overall narrative, it also gave a distinct insight into the election's politics. The questions raised by controls certainly provided an important point of debate. Indeed, in a self-conscious platform performance, Profumo stressed with increasing agitation that:

I believe in being governed but not in being spoon-fed and *kicked* and *patted* and *cursed* and *praised* and *directed* and *fined* and *licenced* and *exhorted all of the time*.¹⁰⁷

Like Profumo, the party's literature also sought to draw a link between the practical and fundamental questions raised by controls. As one pamphlet noted, 'Controls have not won us the war. It has been won by the freedom loving spirit of the people'. For another, it was vital to now 'get back to the freedom we have temporarily suspended and that we do not allow bureaucracy to strangle and confine'.¹⁰⁸ The danger, noted *The Onlooker*, the precursor to *Tory Challenge*, was that, 'The others don't call it interference, they call it "constructive" planning'.¹⁰⁹ Notably, this message was also echoed by the Liberals who, though not standing in Kettering, sought to emphasise 'the value of individual effort' in a bid to reclaim their historical stake to the cause.¹¹⁰

Labour, despite publically dismissing Churchill's 'philosophical stuff', made their case in similar terms by drawing upon the ideas of societal responsibility and extended freedom put forward by the democratic planners. Penned by Young, the party's manifesto *Let Us Face the Future*, which was described by Morrison as his 'Five Year Plan', began by setting out the need for increased government

¹⁰⁷ *General Election*, dir. Ronald H. Riley (British Council, 1945), 08:07-08-19. Although cut into documentary footage of a local meeting, this passage appears to have been recorded in a studio and edited after the event. It is, therefore, notable that the director should have selected controls as the principle issue discussed by the Conservative candidate.

¹⁰⁸ CCO, 'This Controls Question' (1945), p. 1 and 'Facing the Future' (1945), p. 4.

¹⁰⁹ *The Onlooker*, Jul 1945.

¹¹⁰ Liberal Party, *20 Point Manifesto of the Liberal Party* (London, 1945), ff. 1.

intervention to ensure public control.¹¹¹ In language that echoed an earlier statement called *Labour Looks Ahead!*, the electorate was reminded that ‘the concentration of too much economic power in the hands of too few men’ had resulted in ‘great inter-war slumps’. Accusing the Conservatives of standing solely on a platform of ‘back to private enterprise’, it was claimed that planning was the only way to avoid allowing these same men ‘an entirely free hand to plunder the rest of the nation’.¹¹² This argument underpinned Labour’s campaign. It was included in the magazine-like *Your Future*, in ephemeral flyers like ‘Britain out of Control’, on posters – a notable example read ‘Industry Must Serve the People not Enslave Them’ – and provided the opening statement to forty per cent of its candidates’ addresses.¹¹³ Seeking to portray decontrol as being ideologically bound, one coalition-era publication even went so far as to imply that the Conservatives were ‘a Party of dogmatic and self-righteous individuals who are itching to regiment the lives of the rest’.¹¹⁴ Oliver Lyttelton, despite his safe seat being officially unopposed by Labour, found himself as a particular target of this campaign when he faced a Common Wealth candidate who was keen to play upon his earlier successes in building up private controls.¹¹⁵ His probable involvement in the transfer of 9 577 tons of British nickel to Germany during the first half of 1939 had already caused a minor political storm.¹¹⁶ It was, claimed the TUC, now abundantly clear that ‘the liberty of the individual is most endangered by a system of unrestrained private enterprise’.¹¹⁷

In a deliberate attempt to nullify the Conservatives’ Hayekian charge, these arguments were matched by drawing upon practical experience. To quote again from the TUC’s influential *Interim Report*, it was carefully stressed that controls were not being ‘advocated for their own sake or on the basis of a pre-conceived doctrine’.¹¹⁸ Instead, as was noted in Chapters One and Two, Labour’s campaign invoked

¹¹¹ Richard Toye, *The Labour Party and the Planned Economy, 1931-51* (Woodbridge, 2003), p. 154.

¹¹² Labour Party, *Labour Looks Ahead!* (London, 1942); *Let Us Face the Future* (London 1945), p. 2 and LPRD, *The Case for Nationalisation and Control* (London, 1945), p. 3.

¹¹³ Labour Party, *Your Future: After Victory – What Then?* (London, 1944), ff. 3, ‘Britain out of Control’ (1945), f. 1 and McCallum and Readman, *The British General Election of 1945*, p. 99.

¹¹⁴ Labour Party, *Build Your Future* (London, 1944), p. 8.

¹¹⁵ Ball, *The Guardsmen*, p. 274.

¹¹⁶ ‘Gracchus’, *Your MP* (London, 1944), p. 52.

¹¹⁷ TUC, *Interim Report on Post-War Reconstruction*, p. 8.

¹¹⁸ TUC, *Interim Report on Post-War Reconstruction*, p. 2.

wartime successes to portray retention as a matter of common sense. The technological complexity and popular resonance of its products ensured that the achievements of the Ministry of Aircraft Production (MAP) became a particularly fraught battleground. Thus, the Conservative Party's claim that 'every British aeroplane and aero engine is the product of free enterprise' was matched by Labour's insistence that 'private enterprise, left to its own wasteful devices, would never have produced enough of the right sort of things we needed to fight the enemy'.¹¹⁹ Calls for a similar degree of planning to be adopted in the longer term were matched by a more immediate argument concerning the transition. Indeed, expecting their opponents to 'thunder about the [system's] tyranny', a nine page section in the party's *Speakers' Handbook* urged candidates to remind audiences about the experience of 1918 and stressed that it was 'quite clear that the opponents of controls are not concerned about the freedom of the ordinary worker'.¹²⁰ This was exemplified by John Freeman who, standing in the previously safe Conservative seat of Watford, claimed anything other than the retention of public controls would be unable to guarantee full employment and must 'inevitably lead to inflation and thus endanger the savings of the small man'.¹²¹ Helping to set up a clear argument either for or against controls, such contentions were deceptively simple.¹²²

The results of all of this campaigning would become known on 26 July. With the count having been delayed for three weeks so as to allow for the return of ballots from those serving overseas, the British Council's film makers had been given plenty of time to prepare for their concluding scenes. The result in Kettering, however, reflecting the national picture, came as something of a surprise. In fact, as the Returning Officer spoke, it became clear that Profumo had lost his apparently safe seat by six and a half thousand votes.¹²³ It was soon evident that this was just part of

¹¹⁹ CCO, 'Free Enterprise Helped Us Win' (1945), f. 1; Labour Party, *Your Future – After Victory*, f.3 and 'Britain Out of Control', f. 1.

¹²⁰ Labour Party, *Speakers' Handbook 1945* (London, 1945), pp. 46-7. This was written by Durbin, see: Laura Beers, 'Labour's Britain, Fight for it Now!', *The Historical Journal*, 52:3 (2009), 667-695 (p. 683). See also: R.S.W. Pollard, 'Reconstruction – Then and Now', *Fabian Research*, 98 (1945), 6-9.

¹²¹ Peter Sloman, 'Rethinking a Progressive Moment: The Liberal and Labour Parties in the 1945 General Election', *Historical Research*, 84:226 (2010), 1-23 (p. 17).

¹²² Daniel Ritschel, *The Politics of Planning: The Debate on Economic Planning in Britain in the 1930s* (Oxford, 1997), p. 102.

¹²³ F.W.S. Craig, *British Parliamentary Election Results, 1918-1949* (Glasgow, 1969), p. 437.

a landmark Labour victory. In fact, having taken 393 seats to the Conservatives' 213, the party had achieved its first ever independent Parliamentary majority by a comfortable margin. The reasons for this result have since become a fertile area of historical debate. Although Laura Beers, drawing upon detailed research into the interwar period, has recently sought to emphasise Labour's success in translating its message to the public, most studies have approached the subject in relation to broader movements in public opinion.¹²⁴ Against what Paul Addison has described as a 'popular swing to the left', the Conservative Party's decision to focus its appeal upon a relatively abstract critique of controls has been seen as a notable mistake. Not only were the majority of such restrictions unimportant to the electorate, it is argued, but in positioning themselves so clearly against their use, the party had damaged its own credibility.¹²⁵ The first point is borne out by results from a BIPO survey which gave a 68 per cent approval rating to 'Government control of the reconversion' and M-O's finding that only 5 per cent of its respondents thought controls to be among the most important issues being discussed.¹²⁶ The second point has been backed up by Peter Sloman's recent analysis of tactical voting patterns which show that Labour's success was more marked than that of other progressive candidates and suggests that planning was something of a political trump card.¹²⁷ Notably, his conclusion is shared by Stephen Brooke and Richard Toye.¹²⁸

There has, however, been less analysis of the reasons for choosing this tack. Indeed, even those who have cast doubt on the influence of popular radicalism – most obviously Steven Fielding, Peter Thompson and Nick Tiratsoo – have themselves relied upon the notion that such discussions failed to resonate with the general

¹²⁴ Beers, 'Labour's Britain', pp. 667-695.

¹²⁵ Paul Addison, *The Road to 1945: British Politics and the Second World War* (London, 1994), pp. 266-7; Charmley, *A History of Conservative Politics*, p. 148; Cockett, *Thinking the Unthinkable*, pp. 92-3; Gilbert, *Never Despair*, p. 32; Green, 'The Conservative Party, the State and the Electorate', p. 179 and Ramsden, *The Age of Churchill and Eden*, p. 87.

¹²⁶ George Gallup, ed., *The Gallup International Public Opinion Polls: Great Britain 1937-1975, Vol. I* (New York, 1976), pp. 91-2 and M-O, FR 2265, 'Election Questionnaire', 6 Jun 1945, p. 9.

¹²⁷ Sloman, 'Rethinking a Progressive Moment', p. 21.

¹²⁸ Stephen Brooke, 'The Labour Party and the 1945 General Election', *Contemporary Record*, 9:1 (1995), 1-22 (p. 16) and Toye, *Labour and the Planned Economy*, pp. 85, 185 and 239.

public.¹²⁹ This is, as was noted at the beginning of Chapter One, an important paradox. It is also one that will be explored in Chapter Five. Yet, by focusing on results, it arguably avoids the more difficult questions surrounding motivation. To address this, one must consider how the contest was viewed at the time. This is by no means easy. Indeed, as Addison rightly suggests, the peculiarities of wartime coalition complicate the picture whilst the evidence gathered by the pollsters was widely ignored and did little to alter an expectation that Churchill would ultimately triumph.¹³⁰ Nonetheless, when focused upon perceptions, it is possible to gain a degree of clarity. It was, for instance, understood that support for independent and apparently non-party figures meant that the election would not be a simple one. As was noted by *The Economist*, it was simply ‘impossible to make any kind of forecast’.¹³¹ With most independents standing on a broadly reformist ticket, Labour, in particular, knew that it had to differentiate itself in order to capture the ‘radical middle ground’.¹³² Nonetheless, whilst making very little use of contemporary opinion polls, which were portrayed as an unreliable and unwelcome intrusion into the political system, neither Labour nor Conservatives took the existence of any radical sentiment for granted.¹³³ In fact, like Fielding, they tended to be preoccupied with political disengagement. Sir Stafford Cripps, for example, warned against a sense of ‘hopelessness and ... sour disillusion’ whilst Profumo wrongly identified apathy as his ‘first and most important [opponent]’.¹³⁴ This was not altogether new. Not only had such issues been something of a preoccupation since the mid-1930s, but they also reflected wartime reports from the MOI and which estimated that only a

¹²⁹ Steven Fielding, ‘What did “the People” Want? The Meaning of the 1945 General Election’, *The Historical Journal*, 35:3 (1992), 623-639 and with Peter Thompson and Nick Tiratsoo, ‘*England Arise!*’: *The Labour Party and Popular Politics in 1940s Britain* (Manchester, 1995), pp. 19-68.

¹³⁰ Tom Harrisson, ‘Who’ll Win’, *Political Quarterly*, 15:1 (1944), 21-32. See also: Addison, *The Road to 1945*, p. 266 and Laura Beers, ‘Whose Opinion? Changing Attitudes Towards Opinion Polling in British Politics, 1938-1964’, *Twentieth Century British History*, 17:2 (2006), 177-205 (pp. 194-195).

¹³¹ *The Economist*, 16 Jun 1945.

¹³² Brooke, ‘The Labour Party and the 1945 General Election’, pp. 14-5 and Dominic Wring, *The Politics of Marketing the Labour Party* (Basingstoke, 2005), pp. 39 and 41.

¹³³ Beers, ‘Whose Opinion?’, pp. 181-186 and Brooke, ‘The Labour Party and the 1945 General Election’, p. 10.

¹³⁴ Stafford Cripps, *Shall the Spell be Broken?* (Aberdeen, 1943), p. 3 and *General Election*, 03:28-03:30.

‘thinking minority’ had any real interest in political issues.¹³⁵ The challenge was to attract an apparently uncommitted electorate.

As the election loomed, both Labour and the Conservative parties increasingly focused their efforts on a small number of disproportionately middle class Liberal supporters. Indeed, with the Liberal Party’s 306 candidates automatically unable to win a majority, these potentially disenfranchised – or otherwise disillusioned – individuals were seen as a particularly important source of support. The notion of deliberately targeting ‘floating voters’ was, like the fear of apathetic supporters, not entirely novel. In March 1938, for instance, in an unprecedented experiment at the Fulham West by-election, M-O had worked with the Labour Party to enhance the impact of its canvassing by deliberately manipulating the outlook of wavering Conservative supporters.¹³⁶ The trial, although not repeated, was a notable success with Labour taking the seat from the Conservatives with 52.2 per cent of the vote – a result that the newly-formed BIPO had, coincidentally, predicted with its own trial survey.¹³⁷ In 1945, Morrison, who had liaised with M-O’s Tom Harrison in Fulham, would emphasise the importance of this type of appeal and called for a manifesto that ‘will strike the average elector as good sense’.¹³⁸ This was, as shown by Beers, the rationale underpinning the party’s deliberate ‘call to all progressives’ and colourful publications like *Your Future* and the two million selling *Straight Left*.¹³⁹ The Conservatives, too, were keen to play down accusations of a sectional identity by stressing Churchill’s broader appeal. Their approach was again exemplified by Profumo who, speaking from a car sun roof in a memorable address to an almost empty field, noted that he was standing ‘as a Conservative candidate in support of the

¹³⁵ Kevin Jefferys, *Politics and the People: A History of British Democracy since 1918* (London, 2007), pp. 68-9; Joe Moran, ‘Mass Observation, Market Research, and the Birth of the Focus Group’, *Journal of British Studies*, 47 (2008), 827-851 (pp. 832-3); Mark Roodhouse, ‘“Fish-and-Chip Intelligence”: Henry Durant and the British Institute of Public Opinion’, *Twentieth Century British History*, advanced access (2012), 1-25 (p. 2) and Penny Summerfield, ‘Mass Observation: Social Research or Social Movement?’, *Journal of Contemporary History*, 20:3 (1985), 439-452 (p. 442).

¹³⁶ Beers, ‘Whose Opinion?’, p. 193; Moran, ‘Birth of the Focus Group’, p. 834 and Tom Harrison, *Britain Revisited* (London, 1961), pp. 107-9.

¹³⁷ Roodhouse, ‘Fish-and-Chip Intelligence’, p. 19.

¹³⁸ Stephen Brooke, *Labour’s War: The Labour Party during the Second World War* (Oxford, 1992), p. 309; Moran, ‘Birth of the Focus Group’, p. 834 and LPA, LPRD, RDR 282, Morrison, ‘First Draft of Policy for the 1945 Annual Conference’, Feb 1945, covering note.

¹³⁹ Beers, ‘Labour’s Britain’, p. 673. See also: Andrew Thorpe, *Parties at War: Political Organization in Second World War Britain* (Oxford, 2008), p. 47.

formation of a National Government'.¹⁴⁰ Churchill, for his part, after having carefully retained a number of non-party figures in his Caretaker Government, was keen to stress that he was standing as a 'Conservative and National' and carefully avoided making any overtly party references in his self-titled manifesto.¹⁴¹ The tactic was, ironically, reinforced by the Liberal Party's almost deferential treatment of the Prime Minister.¹⁴²

The need to translate these tactical aims into a definite strategy turned industrial controls – through their rhetorical linkage with planning – into a fairly unlikely political issue. Indeed, for all of the bluster, the peculiarities of coalition had ensured that the election was, as *The Economist* also noted, not a contest between two entirely divergent sets of ideas. However, in a party system built upon the dramatisation of alternatives, the need to draw a clear distinction forced controls into the spotlight, with their future presented as symbolic of a more fundamental divide.¹⁴³ This point, as Toye has argued, was at the heart of the Conservative Party's desire to present itself as the only viable defender of 'historic Liberalism' against a socialist 'hunger for controls'. It also underpinned Labour's *Straight Left* campaign, which essentially offered the same message from the opposite perspective. Both were deliberate. The allusions to extended freedom included in the first section of *Let Us Face the Future* were, for example, written after Morrison set out his preferred approach and planning was carefully presented throughout as an issue which distinguished Labour from the Liberal Party. Moreover, with one particularly targeted poster reading 'National Control of Industry Means Greater Scope for Managers, Technicians and Administrators', it is clear that it was perceived to be a potential vote winner amongst these key groups.¹⁴⁴ Industrial controls had been made into a dichotomous electoral issue. Nevertheless, given that *The Economist* maintained that the 'orgy of verbal inebriation' was little more than a smokescreen, perhaps it is unsurprising that they were one that failed to exert much popular

¹⁴⁰ *General Election*, 10:22-10:26.

¹⁴¹ Toye, 'Churchill's "Crazy Broadcast"', pp. 660-1. See also: CCO, *Mr Churchill's Declaration of Policy for the Electors* (London, 1945).

¹⁴² Sloman, 'Rethinking a Progressive Moment', p. 14.

¹⁴³ *The Economist*, 16 Jun 1945. See also, Andrew Gamble and Stuart Walkland, *The British Party System and Economic Policy, 1945-1983* (Oxford, 1984), pp. 9 and 22.

¹⁴⁴ Brooke, *Labour's War*, p. 309.

resonance. It was, noted the editor, as if the political class had ‘contrived between them to give an impression that what they are shouting about is something irrelevant to the great issues of national policy’.¹⁴⁵

-IV-

To understand what happened next, and to explain why these debates were returned to in 1950, 1951 and 1955, it is necessary to assess how the 1945 General Election was interpreted in its immediate aftermath. It will be argued later that the publication of McCallum and Readman’s study in 1947 was to be of profound importance in maintaining a focus on analysing political trends. But, in the years before 1947, with little detailed evidence available, the result led to a more intuitive response. *The Times*, for instance, adopting the maxim that governments – and not oppositions – decide elections, pointed to campaign mismanagement for allowing Churchill’s stature to be diminished.¹⁴⁶ In an argument later backed by Rab Butler, Assheton blamed Labour’s superior propaganda whilst Churchill pointed to the weakness of his party’s organisation.¹⁴⁷ Morrison, by contrast, believed that Labour’s stance on controls and its call for ‘a more rational and orderly social and economic order’ had won supporters disillusioned by the ‘somewhat chaotic platform position’ of their opponents.¹⁴⁸ This appraisal avoided *The Economist*’s point about controls being a pseudo-issue and stands in contrast to the later focus on socio-political factors. Nonetheless, although it contradicted a BIPO finding from October 1944 that only 8 per cent of voters thought that issues were important in shaping their vote, the claim was not without precedent.¹⁴⁹ M-O, for example, whose observers had returned to Fulham, agreed that issues were of minor importance but identified a perception of ‘common sense’ as the key determinant in a contest undermined by ‘violent and

¹⁴⁵ *The Economist*, 16 Jun 1945.

¹⁴⁶ *The Times*, 27 Jul 1945.

¹⁴⁷ Ramsden, *The Age of Churchill and Eden*, pp. 58 and 91; R.A. Butler, *The Art of the Possible: The Memoirs of Lord Butler* (London, 1971), p. 298 and Andrew Thorpe, ‘Conservative Party Agents in Second World War Britain’, *Twentieth Century British History*, 18:3 (2007), 334-364 (p. 363).

¹⁴⁸ LPA, LPRD, RD 173, Morrison, ‘Some Considerations as to the Next General Election’, Oct 1948, p. 2.

¹⁴⁹ Gallup, *Public Opinion Polls, Vol. 1*, p. 99.

abusive denunciations'.¹⁵⁰ The American researcher Frank Cantwell, writing in Princeton University's *Public Opinion Quarterly*, a journal which was widely read by Britain's early pollsters, similarly identified Labour's 'program of government control' as the reason for its success.¹⁵¹ The problem with the Conservatives' virulently hostile approach, noted Oliver Franks in 1947, was that the war had made 'nonsense of [such] dogmatic contentions'.¹⁵²

The success of Labour's approach was believed to have been particularly marked amongst the working and lower middle classes. A switch in support amongst these groups, which – despite the emphasis that would later be placed upon alignment – had traditionally made up over half of the overall Conservative vote, had produced dramatic swings in many urban areas and was perhaps the most visible reason for the 1945 result.¹⁵³ For some, this swing appeared as clear evidence that the rhetorical link between controls, planning, individual freedom and full employment had stuck. The Bristol Unionist Association, for instance, whose policy suggestions were given careful consideration by the CCO, maintained that the result 'was in part a vote for a planned economy' and, thus, necessitated a real change in approach.¹⁵⁴ The party had certainly been aware of planning's political potential. Indeed, as noted in Chapter Two, they had carefully presented their own aims for Britain's transition as a 'Four Year Plan' in March 1943 and had even included a reference to this document in Churchill's Gestapo speech.¹⁵⁵ It is, therefore, unsurprising that the Bristol Unionists were not the only Conservatives to have called for profound change in emphasis; it was, as Butler admitted, 'universally acknowledged that the party will stand or fall by its industrial policy at the next election'.¹⁵⁶ But, if Churchill hoped that this policy would allow him to represent 'the People [against] Socialism', then the scale of defeat appeared, for the authors of a resolution accepted at the 1946 National Union

¹⁵⁰ M-O, FR 2270A, 'The General Election, June-July 1945', Oct 1945, pp. 4 and 8 and FR 2282, 'Post Mortem on Voting at the General Election, Oct 1945, p. 3.

¹⁵¹ Frank V. Cantwell, 'The Meaning of the British Election', *Public Opinion Quarterly*, 9:2 (1945), 145-157 (pp. 152-7).

¹⁵² Oliver Franks, *Central Planning and Control in War and Peace* (London, 1947), p. 26.

¹⁵³ Peter G. Richards, 'Survey', *Political Quarterly*, 16:4 (1945), 350-56 (p. 352).

¹⁵⁴ CPA, CRD 2/50/11a, Butler to Clarke 'Conservative Policy', 28 Jun 1946.

¹⁵⁵ Gilbert, *Never Despair*, p. 34.

¹⁵⁶ CPA, ACP 1/1/2, Butler, 'Research Department' [draft progress report], c. Dec 1946, pp. 1-2.

conference, to show that it must be based upon these people's 'considered wishes'.¹⁵⁷ This resolution – which was dismissed as 'rather vague' by Stephen Piersenné, the Central Office's Director, and never actually discussed because the mover failed to turn up – began a very deliberate attempt to engage with public opinion. In fact, after its launch in early 1947, the 'two way movement of ideas' envisaged became the centrepiece of Conservative strategy and led to the opening of bookshops, a plethora of new pamphlets, the setting up of discussion groups and the inauguration of a new Political Centre as an Conservative alternative to the Fabian society.¹⁵⁸

This 'movement' sat alongside the attempted redefinition of economic policy explored in Chapter Three. The *Industrial Charter*, which was accompanied by a series of factory-floor talks that aimed to recapture the party's lost support, can, thus, be seen as an attempt to redefine the parameters of debate by reconciling the rhetoric of freedom with a language of planning. By claiming that this could be achieved without controls, it was, in the words of Hogg, designed to expose 'one of the biggest swindles ever put across the people by a political party'.¹⁵⁹ Such attempts would continue into the latter half of 1947 when Eden set out his own 'Seven Point Plan' to meet the economic crisis.¹⁶⁰ Nonetheless, drawing upon views put forward by industrialists during the course of the Industrial Policy Committee (CIPC)'s drafting process, it was matched by a more practical critique of controls.¹⁶¹ Most importantly, in something of a prelude to Law, by rejecting the possibility of a Utopia and offering 'something quite modestly better than the present' it also aimed to rekindle a critique of Labour's approach as being motivated by ideology.¹⁶² 'Planning', assured Butler in an explanatory pamphlet on the *Charter*, was simply being used as a 'new word for [a] coherent and positive policy'.¹⁶³ This dual strategy was not entirely successful. Indeed, as seen in Chapter Three, important questions regarding clarity

¹⁵⁷ CPA, CCO 4/2/144, Piersenné to Clarke, 29 Apr 1946.

¹⁵⁸ CPA, ACP 1/1/3, 'Revised Draft Report of Advisory Committee on Policy and Political Education', Jun 1947 and 'Conservative Intellectuals', 23 Jul 1947 and Ramsden, *The Conservative Research Department*, p. 167.

¹⁵⁹ Hogg, *Case for Conservatism*, p. 163.

¹⁶⁰ CPA, CRD 2/6/8 and 2/9/9, Eden, 'Brighton Conference Speech', 2 Oct 1946.

¹⁶¹ See above, p. 107.

¹⁶² Hogg, *Case for Conservatism*, p. 11 and Jones, 'The Industrial Charter', p. 177.

¹⁶³ Design for Freedom Committee, *Design for Freedom* (London, 1947), p. 19 and R.A. Butler, *What do you Think? About the Industrial Charter* (London, 1947), p. 6.

and confidence remained. Moreover, from a more explicitly party-political point of view, it did little to change the party's electoral fortunes. On the contrary, in a point that will be explored further in Chapter Five, the party was forced to admit that by-elections results had shown no real swing in support amongst its targeted groups – a situation that they attributed to a belief that ‘The wage-earner has little need to fill up forms for licences permits or passports etc and is not affected to the same extent [as managers] by restrictions [*sic*]’.¹⁶⁴

The Conservative Party's difficulties were not helped by the fact that Labour had continued to emphasise a democratic interpretation of planning whilst in office. Indeed, despite the new government's inability to define what would actually constitute a positive control, Morrison continued to promote wartime successes and took great care to ensure that that public announcements – and internal memoranda – avoided using terms like ‘negative’ and ‘restrictive’.¹⁶⁵ His October 1946 address to the Institute of Public Administration provides a case in point. Indeed, arguing that it was not enough to replace ‘the control by blind forces ... [with] control by a few people sitting in Whitehall’, he stressed that, ‘We in Britain stand for free planning and for planning as a means to fuller freedom’.¹⁶⁶ This was echoed by more academic contributions. Jay's second edition of *The Socialist Case* and Wootton's extended *Freedom Under Planning*, to give two notable examples, were clear that planning would allow for a real shift ‘from centre to circumference’.¹⁶⁷ This was, as Attlee himself stressed in November 1946, part of a commitment that there should be no ‘controls for their own sake’.¹⁶⁸ This careful assurance was partly motivated by administrative necessity. It had, in fact, been understood since 1944 that gaining public approval for regulations was the only way to avoid sending out ‘an army of inspectors’.¹⁶⁹ Nevertheless, the continued emphasis on purposeful planning also allowed decontrol to be dismissed by Jay in his fighting *Plan for 1947* as ‘the only shadow of a Tory policy’ and enabled Richard Crossman to claim that Churchill's

¹⁶⁴ CPA, ACP 1/1/3, ‘Memorandum with Reference to Propaganda for Wage Earners’, c. 1947, f. 1.

¹⁶⁵ TNA, CAB 124/687, Maud to Morrison, 13 Sept 1945.

¹⁶⁶ Herbert Morrison, *Prospects and Policies* (London, 1943), p. 42 and ‘Economic Planning’, *Public Administration*, 15:1 (1947), pp. 3-9 (p. 6).

¹⁶⁷ Barbara Wootton, *Freedom Under Planning* (London, 1945), p. 150.

¹⁶⁸ A.A. Rogow and Peter Shore, *The Labour Government and British Industry* (Oxford, 1955), p. 41.

¹⁶⁹ TNA, T 230/16, Chester, ‘Government Controls in Transition’, 12 Feb 1944, p. 4.

approach continued to ‘threaten the foundations of our freedom’.¹⁷⁰ Nevertheless, as had been the case in the administrative questions explored in Chapter Two, the parameters of this debate would fundamentally change during the course of 1947 as the domestic economic situation worsened, wider fears about freedom grew and the political landscape became the focus of increased attention.

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On the first point, the succession of bad news served to highlight the fragility of Britain’s post war transition and undermined confidence in the planner’s ability to resolve economic uncertainties. With this fall in confidence matched by a very real intensification of consumer-facing restrictions, the situation provoked a widespread critique of controls more broadly-defined. As Jewkes had argued in his *Ordeal by Planning*, which began with its own lamentation for Britain’s ‘recent melancholy’, the argument was economic but ‘the stakes [were] moral and spiritual’.¹⁷¹ Indeed, pitying that so many ‘intelligent, sincere and well-meaning people’ – including a number of his former colleagues – had been fooled by ‘mis-representations and pure ignorance’, he sought to expose what he saw as the ‘the logical incompatibility of a planned economy and freedom’.¹⁷² Others made similar assertions. Harrod, for example, who commended *Ordeal’s* ‘vivacity and wit’, also linked what he described as an ‘all-pervading system of control’ with societal servitude in a paper written in December 1947.¹⁷³ It was against this background that Jewkes and Lionel Robbins would join Hayek and thirty three others in the small Swiss town of Mont Pelèrin to discuss alternatives to what they saw as an ‘extension of arbitrary power’.¹⁷⁴ Unlike the *Road to Serfdom*, however, this new wave of comment was founded upon a much more applied critique.¹⁷⁵ So, in contrast to Hayek’s dire warnings of strong men and serfdom, Jewkes guided his readers through stories of multiple licences, fines for

¹⁷⁰ Douglas Jay, *Labour’s Plan for 1947* (London, 1947), p. 8 and R.H.S. Crossman, *The Charm of Politics, and Other Essays in Political Criticism* (London, 1958), p. 19.

¹⁷¹ John Jewkes, *Ordeal by Planning* (London, 1948), p. 4.

¹⁷² Jewkes, *Ordeal by Planning*, pp. 10-15 and 189.

¹⁷³ Roy Harrod, ‘Ordeal by Planning’, *Economica*, 15:59 (1948), 221-224 and *And So It Goes On: Further Thoughts on Present Mismanagement* (London, 1951), pp. 106-110.

¹⁷⁴ Ben Jackson, ‘At the Origins of Neo-Liberalism’, p. 131.

¹⁷⁵ O.H. Taylor, ‘The Economics of a “Free” Society: Four Essays’, *Quarterly Journal of Economics*, 62:5 (1948), 641-670 (pp. 645-6).

failed crops, Home Office sanctions covering children's pocket money and the need for forty two signatures to despatch a shipment of lubricating oil.¹⁷⁶ This was quite deliberate. In fact, each such control, although innocuous in itself, was presented as contributing to a wider 'moral sickness'. Their very existence, Jewkes contended in an argument that would be popularised a year later by the Ealing comedies *Passport to Pimlico* and *Whisky Galore*, encouraged a disregard for the law by alienating the public from the planners. People were not just actively evading restrictions, they were often breaking muddled laws of which they had absolutely no knowledge.¹⁷⁷

The ideas put forward by Jewkes and Harrod clearly resonated with a number of key Conservative thinkers. Not only were they grounded in a similar 'common sense' to that which Hogg had placed at heart of his *Case for Conservatism*, but they echoed Clarke's belief that 'virtue can only grow where there is freedom of choice' and obviously fed into Law's later warnings about the latent immorality of arbitrary decision making.¹⁷⁸ They were also welcomed by many at the party's grass roots. These years were, in fact, marked by an increasingly libertarian turn amongst many supporters with recurrent calls for a 'Charter of Liberties' to complement the party's other policy statements.¹⁷⁹ Even before the fuel crisis, in 1946, at the Conservatives' first conference as a party of opposition, *The Times* reported that the biggest ovation had been for a female delegate who strongly denounced Labour's extension of controls as an 'insidious step ... to undermine our liberty'.¹⁸⁰ With similar contentions featuring in a number of local elections, paid agents, too, believed that controls were likely to be one of the defining issues of any future General Election. A survey in 1948 resulted in them being placed third on a list of the fifty most important political issues.¹⁸¹ As would be the case at the height of the 1950 campaign, numerous anti-controls slogans also began to be collated by the CCO

¹⁷⁶ Jewkes, *Ordeal by Planning*, pp. 217-221.

¹⁷⁷ Jewkes, *Ordeal by Planning*, p. 221.

¹⁷⁸ Clarke, *The Conservative Faith in the Modern Age*, pp. 20 and 27.

¹⁷⁹ Green, 'The Conservative Party, the State and the Electorate', p. 181 and Francis, "'Set the People Free"'?, p. 62.

¹⁸⁰ *The Times*, 7 Oct 1946 and CPA, *Harvester Series II: Minutes and Reports*, card 136, Resolution for 1946 NUECC.

¹⁸¹ CPA, CRD 2/50/10, 'Questions of Policy', Dec 1948. See also: Political and Economic Planning (PEP), 'Active Democracy: A Local Election', *Planning: A Broadsheet by PEP*, 261, 24 Jan 1947, pp. 5-6.

during the latter part of the decade. Controls, it was noted within a CRD framework for the construction of speeches, were now characteristic of a ‘fundamental cleavage’ in ‘political theories’.¹⁸² Crucially, though, like Jewkes’ everyday examples of administrative incompetence, this was not simply a theoretical process. Instead, it coincided with a number of other contextual shifts as international tensions reignited earlier fears about an erosion of civil liberties.

Although a work of fiction, this mood was captured by George Orwell in the novel *1984*. Indeed, this literary critique of ‘oligarchic collectivism’, which returned to ideas explored in a review of Hayek’s *The Road to Serfdom*, can be read as part of the author’s own despondency at the institutional nature of British socialism. After all, Orwell had, in 1944, warned that ‘there was a great deal of truth’ in the *Road*’s appraisal.¹⁸³ As demonstrated by Mark Roodhouse, the moral argument against controls would become particularly important during the course of 1948 when allegations of misconduct at the Board of Trade uncovered a political scandal involving the exchange of gifts for industrial licences.¹⁸⁴ This case – which provoked the Archbishop of York to warn against ‘a dangerous and slippery slope’ towards immorality – led to the setting up of a public Tribunal of Inquiry under Mr Justice Lynskey and eventually found John Belcher, a Parliamentary Secretary, and George Gibson, a director at the Bank of England, guilty of misconduct. Although the quantities involved were relatively insignificant, the case served to focus popular attention onto the complex apparatus of control and ensured that its discussion of controls was not limited to left wing authors.¹⁸⁵ The Tribunal was, in fact, a matter of notable public interest and would dominate the press during November and December 1948; the *Yorkshire Post*, for instance, consistently carried the story on its front page during the twenty six days of evidence.¹⁸⁶ Moving beyond the business-orientated criticisms explored earlier, the London Chamber of Commerce had been just as insistent that the undermining of respect for the law was ‘in itself, a very

¹⁸² CPA, CRD 2/6/8, ‘Controls and Freedom’, p. 1.

¹⁸³ *The Observer*, 9 Apr 1944.

¹⁸⁴ Mark Roodhouse, ‘The 1948 Belcher Affair and Lynskey Tribunal’, *Twentieth Century British History*, 13:4 (2002), 384-411.

¹⁸⁵ *Daily Mail*, 3 Nov 1948; Roodhouse, ‘The 1948 Belcher Affair’, pp. 388-9 and Edward Smithies, *The Black Economy in England since 1914* (Dublin, 1984), p. 97.

¹⁸⁶ *Yorkshire Post*, 16 Nov-22 Dec 1948.

insidious and far-reaching evil'.¹⁸⁷ This potent combination of intensified hardships and discredited planning helps to explain the importance of 1947. And it was against this background that a more virulent debate was rekindled.

As would be the case in 1950, this began with an attack on the Supplies and Services Act but soon became much more expansive. It was at this point, in October 1947, in what remains the most obvious example of the change in tack, that Churchill linked the Act into a broad plea to 'set the people free'.¹⁸⁸ As was noted in another briefing document, this approach was part of a conception of governance wherein the state would define a 'framework within which the people may be reasonably free to go about their own business' and the 'tactics of industry' could be left to individual enterprise.¹⁸⁹ Industrial controls were, by contrast, the practical embodiment of excessive interference. The pugnacious MP John Boyd-Carpenter, for example, explained the growth of petty controls as an example of the civil service's 'irrepressible itch to interfere' and its apparent hatred of the 'unregulated untidiness of ordinary people's lives'.¹⁹⁰ His invocation of the 'Gentleman in Whitehall' – a figure who was by now prevalent in political propaganda – played upon the *Industrial Charter's* earlier accusations of doctrinaire controls and resonated with a more populist critique. In 1947, for example, in two stinging attacks on excess bureaucracy, one *Daily Express* cartoon depicted legions of umbrella-toting civil servants passing a solitary builder on their way into a faceless 'Ministry' whilst another in the *Daily Mail* depicted the creeping tentacles of an enormous octopus grasping at requisitioned offices as Londoners looked on bemused.¹⁹¹ Faced with such criticism, Labour sought to use its on-going reviews of the system to emphasise its own commitment to decontrol whilst simultaneously stressing the need to maintain restrictions where materials remained scarce. As will be seen in Chapter Five, Harold Wilson's infamous Bonfires, which sought to capitalise upon departmental relaxations whilst playing down the subject as one 'on which too much

¹⁸⁷ CPA, CRD 2/9/11, London Chamber of Commerce, 'Commentary on the Economic Survey for 1947', f. 2.

¹⁸⁸ *Hansard*, (H.C.Debs) 5th ser., vol. 443, 28 Oct 1947, c. 700 and *The Times*, 29 Oct 1947.

¹⁸⁹ CPA, CRD 2/50/12a, 'The Unionist Party's Policy Compared with Socialist Policy as the each affect the Ordinary Person', Aug 1947, p. 5.

¹⁹⁰ John Boyd-Carpenter, *About Bureaucracy: Some Facts and Ideas for Discussion Groups* (London, 1949), p. 1.

¹⁹¹ *Daily Express*, 25 Jan 1947 and *Daily Mail*, 19 May 1947.

doctrinaire rubbish is talked', provide an apt example of this dual strategy and were supported by continued attempts to position controls as the guarantors of 'freedom from exploitation'.¹⁹² After its brief abeyance, the politics of controls and freedom had returned.

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Although ideas were important in this shift, the Conservative Party's change in tone was also motivated by a pragmatic re-assessment that was symbolic of a growing interest in political analysis following the publication of McCallum and Readman's Nuffield study.¹⁹³ Like Cantwell and Harrisson, McCallum and Readman maintained that issues had been an important determinant in the outcome of the 1945 General Election.¹⁹⁴ But, in an unprecedented reading of the contest, they also accused Labour of having run a negative campaign which took advantage of a dispirited electorate and stood starkly with Churchill's 'entirely forward-looking appeal'.¹⁹⁵ Moreover, chiming with a renewed interest in electoral irrationality following the re-issue of Wallas' *Human Nature in Politics* in 1948, this re-reading of the result also suggested that British politics could be almost wholly explained by entrenched socio-political identities. In fact, despite recognising that individual voter's motives were contingent upon a range of factors, McCallum argued in a striking early passage that it was irrefutable that 'every consideration of class, creed, or family tradition' had made its influence felt.¹⁹⁶ Undermining the idea of elections as sites of rational choice, this conclusion was crucial as it suggested that the contest had been decided by a relatively small number of votes. Indeed, as the *American Journal of Politics* had reminded its readers a year earlier, despite a percentage swing, the overall Conservative vote was little changed to that of 1935.¹⁹⁷ If this was accepted, and Labour's victory was solely due to a small number of first time and 'floating' voters,

¹⁹² Oxford, Bodleian Library, WILSON, c. 1098, Speech to Federation of Curriers, Light Leather Tanners and Dressers, 15 Mar 1949 and Labour Party, *Talking Points: Off with Controls* (London, 1948), p. 6.

¹⁹³ Ramsden, *The Age of Churchill and Eden*, p. 210.

¹⁹⁴ McCallum and Readman, *The British General Election of 1945*, pp. xiv and 266.

¹⁹⁵ McCallum and Readman, *The British General Election of 1945*, p. 44.

¹⁹⁶ McCallum and Readman, *The British General Election of 1945*, p. xi.

¹⁹⁷ Eugene P. Chase, 'England Under the Labour Government', *The Journal of Politics*, 8 (1946), 278-291 (pp. 279-80).

all the Conservative Party had to do was capture this support. And, given that the party had maintained its core support despite a marked ‘swing to the left’ amongst new voters, M-O contended that the Conservative Party’s stance on controls might actually prove very successful in the longer term.¹⁹⁸

Having undertaken to classify each constituency according to its marginality, the Conservatives had already begun to deliberately target their efforts.¹⁹⁹ Tied into the broader ‘two way movement’, the party had launched a twenty five week campaign in 1948 during which almost two hundred and fifty paid ‘Missioners’ and a voluntary ‘Crusader Corps’ were deployed into marginal seats to spread the party’s message.²⁰⁰ This canvassing sat alongside more imaginative attempts to measure the impact of their efforts.²⁰¹ In April 1947, for instance, overcoming a wartime fear that opinion ‘snoopers’ were akin to a ‘home made Gestapo’, M-O was commissioned to gauge the *Industrial Charter*’s success in reaching a general public that was still perceived to be apathetic and uninformed.²⁰² Just over a year later, in June 1948, the party set up its own Public Opinion Research Department (PORD) to collate Missioner’s reports with by-election results and information from Gallup. Initially concerned with plotting a nascent ‘swing to the right’, the PORD would also increasingly focus its attention on those who it called ‘doubtful voters’ and circulated monthly opinion digests to MPs from January 1949.²⁰³ In an attempt to measure the size and make up of this new constituency, the party also appointed Market and Information Services Ltd – a subsidiary of the advertising agency Colman, Prentis & Varley – to undertake a bespoke sample survey across 52 constituencies in the summer of 1949. Their report, of which a summary was circulated by the PORD, broke down Gallup’s broad ‘Don’t Know’ category into degrees of doubtfulness and estimated that over five million voters should be regarded as genuinely floating.²⁰⁴ It suggested that these electors, who stood ‘somewhere about the level where the working class merges into the middle’, were most likely to be those ‘with a degree of responsibility, intelligence

¹⁹⁸ M-O, FR 2415, ‘It Isn’t There’, Aug 1946, pp. 4 and 6.

¹⁹⁹ CPA, CCO 4/2/115, Manlove, ‘Agents in Marginal Seats’, c. 1946.

²⁰⁰ CPA, CCO 4/2/115, ‘Marginal Seats’, 11 Nov 1948.

²⁰¹ Zweiniger-Bargielowska, ‘Rationing, Austerity and the Conservative Party Recovery’, pp. 190-1.

²⁰² Beers, ‘Whose Opinion?’, p. 189; Jones, ‘The Industrial Charter’, p. 180 and M-O, FR 2516, ‘The Industrial Charter’, Sept 1947. The results of this are considered on p. 219.

²⁰³ CPA, CCO 4/3/249 and 4/4/267, ‘Public Opinion Survey’, Jan 1949-Feb 1952.

²⁰⁴ CPA, CCO 4/3/249, ‘The Floating Vote’, 6 Dec 1949.

and general interests above the average'. Most importantly, their personal characteristics were seen to be strikingly similar to those who declared themselves as Liberals. It was, the author noted, as if 'the label "Liberal" [was] being used as a convenient cover'.²⁰⁵

The impact of the 'doubtful voter' survey is open to debate. Indeed, although Ina Zweiniger-Bargielowska has maintained that it was an important part of the Conservative Party's success in 1951, Andrew Taylor contends that its findings did little to alter a strategy that remained concentrated on their core supporters.²⁰⁶ Moreover, although the pragmatic survey was less Utopian than a similar one undertaken by M-O in the weeks after their *Industrial Charter* findings were discussed, the head of Colman, Prentis & Varley's research department was certainly less than impressed with the politicians' response to his efforts. In fact, during an interview with Mark Abrams, the founder of Research Services, he noted that 'talking to them was more infuriating than talking to a small-minded provincial manufacturer of shoelaces'.²⁰⁷ For their own part, the PORD were similarly disillusioned at the advertiser's 'showiness' and had hoped that the CRD would grant the opinion research contract to an alternative agency.²⁰⁸ Less contentious, however, is that the findings confirmed a widely held belief that any future election would be decided by often disillusioned individuals who held a 'lingering hope' that they would not have to vote for either of the main parties.²⁰⁹ As the campaign neared, this point was echoed by Abrams who anticipated that the balance would remain with a disparate group of Liberals and a relatively small number of uncommitted 'fence sitters' who had opted for Labour in 1945 but were politically closer to the Conservative Party's views.²¹⁰ Interestingly, however, the 'doubtful voter' survey also suggested that these fence sitters were perhaps less apathetic than often

²⁰⁵ CPA, CCO 4/3/249, 'The Floating Vote', 6 Dec 1949.

²⁰⁶ Zweiniger-Bargielowska, 'Rationing, Austerity and the Conservative Party Recovery', pp. 192-3 and Andrew Taylor, 'The Record of the 1950s is Irrelevant': The Conservative Party, Electoral Strategy and Opinion Research, 1945-64', *Contemporary British History*, 17:1 (2003), 81-110 (p. 87).

²⁰⁷ Mark Abrams, 'Public Opinion Polls and Political Parties', *Public Opinion Quarterly*, 27:1 (1963), 9-18 (p. 11).

²⁰⁸ CPA, CRD 2/21/1, Clarke to Woolton, c. Jun 1949.

²⁰⁹ CPA, CCO 4/3/249, 'Public Opinion Survey No. 10: October 1949'.

²¹⁰ Mark Abrams, 'Public Opinion Polls and the British General Election', *Public Opinion Quarterly*, 14:1 (1950), 40-52 (p. 52).

presumed. As the final report stressed, they tended to display ‘some degree of intelligence’ and were remarkably independent when compared to ‘the sheep like ... mass of the public on either wing’.²¹¹ Thus, although it was understood that identity was hugely significant, it also appeared that issues would remain potentially decisive.

It is probably fair to say that these findings confirmed what was already believed to be known. The Liberal Party’s ‘near extinction’ had, for example, been another of the most obvious outcomes of 1945 and it was instinctively understood that their former voters held the balance of power.²¹² It was this belief that would underpin the Conservative Party’s merge with the National Liberals in 1947 and the conciliatory ‘Unite for Freedom and Recovery’ campaign that followed. It also helps to explain why Dr Hill – who dubbed himself a ‘reluctant Tory’ – was officially adopted as a ‘Conservative and Liberal’ in 1950 and why Churchill’s first call to ‘set the people free’ was delivered with ‘a sly glance’ to the Liberal benches.²¹³ Importantly, the need to find an issue to attract such voters also led Woolton, who had replaced Assheton as Chairman in 1946, to consider a memorandum on electoral strategy from the Liberal publicist Jack Cherry in 1949. This had an important impact. Indeed, it emphasised that liberty could ‘re-establish national unity’ and stressed that a campaign against controls would allow this ‘unchallengeable moral foundation’ to be combined with an opportunity to ‘pelt [Labour] with facts as we might with rotten eggs’.²¹⁴ Such a call would, of course, also bring the party into line with its activists and avoid the *Industrial Charter*’s inherent complications. It was in an attempt to seize this initiative that the party’s Tactical Committee deigned to circulate its much-criticised list of ‘Controls or Parts of Controls that Could be Removed’ as a means of providing candidates with ‘platform ammunition’.²¹⁵ Even Clarke, in contrast to his earlier scepticism, stressed that the party ‘must [now] err on the side of promising too

²¹¹ CPA, CRD 2/21/1, ‘Survey of Doubtful Voters’, Aug 1949.

²¹² Richards, ‘Survey’, p. 354. See also: Malcolm Baines, ‘The Liberal Party and the 1945 General Election’, *Contemporary Record*, 9:1 (1995), 48-61 (pp. 48-9).

²¹³ Charles Hill, *Both Sides of the Hill* (London, 1964), pp. 9-10 and *The Times*, 29 Oct 1947. See also: Michael Kandiah, ‘Conservative Leaders, Strategy – and “Consensus”? 1945-1964’, in *The Myth of Consensus: New Views on British History, 1945-64*, eds H. Jones and M. Kandiah (Basingstoke, 1996), pp. 58-78 (pp. 62-4).

²¹⁴ CPA, CCO 4/2/6, Cherry, ‘A Memorandum on Propaganda and Publicity’, 8 Feb 1949, pp. 4-5.

²¹⁵ CPA, CCO 4/4/59, O’Brien, ‘Controls’, 25 Feb 1948.

much'.²¹⁶ For Mark Chapman Walker, the CCO's Publicity Officer, it was clear that an anti-controls message should form the 'keynote' of his party's appeal.²¹⁷ The overall aim, noted the CRD, was to 'make the free system attractive to the average man and woman'.²¹⁸

It is obvious from the above that the Conservative Party had played a key role in defining the terms of debate as Britain approached the 1950 General Election. Nonetheless, just as Chapter Three showed that the opposition had not entirely neglected questions of policy, Labour had not been wholly absent from this more political story. Indeed, it was alleged by the director of the BIPO that Attlee had waited until a swing in the polls before making an announcement on the date of the election.²¹⁹ This is obviously impossible to verify. Nonetheless, it is clear that Labour had thought very carefully about how best to counter their resurgent opponents and had even managed to obtain a leaked report on the outcome of a mock campaign conducted by the CCO in 1949.²²⁰ Morrison, too, despite a continued uncertainty about polling methods, clearly recognised that his party's fate rested on the choices of a relatively small group of electors and continued to stress that Labour should focus its efforts on 'shaky' middle class seats.²²¹ The party's stance on controls – and, more importantly, the rhetorical link with planning – continued to form part of this appeal. Their 1950 manifesto, *Let Us Win Through Together*, emphasised the party's success in attaining full employment and stressed that basic controls were needed to turn these achievements into 'a permanently thriving national economy'; adopting a markedly more negative tone, the Conservatives were denounced as a 'party of outdated ideas' and their focus on decontrol as potentially 'disastrous'.²²² This hinged upon familiar arguments about unregulated vested interests. For a broadsheet consciously entitled the *Thinking Voter*, it was about breaking down

²¹⁶ CPA, CRD 2/50/10, Clarke, 'Notes', c. Dec 1948.

²¹⁷ CPA, CRD 2/50/11b, Chapman Walker, 'Outline of a Plan', Jan 1949, p. 2.

²¹⁸ CPA, CRD 2/9/14, Spearman and Wood, 'Suggestions for Economic Policy', 2 Mar 1949, p. 1.

²¹⁹ Samuel J. Eldersveld, 'British Polls and the 1950 General Election', *Public Opinion Quarterly*, 14:2 (1950), 115-132 (p. 117).

²²⁰ LPA, General Secretary's Papers (GS), CONS/22, 'Secret Conservative Party Papers on a General Election Exercise', 4 Oct 1949.

²²¹ LPA, LPRD, RD 173, Morrison, 'Some Considerations for the Next General Election', Oct 1948, pp. 5-6.

²²² Labour Party, *Let Us Win Through Together: A Declaration of Labour Policy for the Consideration of the Nation* (London, 1950), pp. 1 and 4.

Churchill's now well-worn call to 'set the people free' to ask whether this did not mean a 'Freedom for the few to winter in Monte Carlo ... [and] for the many to face the threat of unemployment and insecurity?'²²³ Moreover, as can be inferred from Aneurin Bevan's eloquent defence of the need to take 'ethical choices on a national scale', it was an argument about which the whole party could agree.²²⁴

-V-

The Conservative Party's reaction to the crises of 1947 may have encouraged the politicisation of controls in the run up to the 1950 General Election, but it was the inconclusive outcome of that contest which consolidated their position. The handful of studies undertaken to analyse the campaign actually confirmed a number of existing preconceptions. Firstly, Labour was seen to have suffered disproportionately from a redistribution of seats and had lost support in more affluent suburbs.²²⁵ But, as anticipated, the Liberal Party's decision to field 475 candidates had split the opposition vote and left the party virtually bankrupt. In a further strengthening of two party politics, the abolition of University seats was also seen to have 'speeded the extermination of Independent members'.²²⁶ However, though the result in Greenwich suggested that most voters had divided along class lines, their sample – which had deliberately over-represented 'Don't Knows' – also confirmed that many doubtful voters had chosen to abstain rather than vote for the Conservatives.²²⁷ This point intrigued M-O which estimated that, despite the unprecedented turn-out and their being generally more politically-conscious than other respondents, over a fifth of Liberals had elected not to vote.²²⁸ Public opinion was as complex as it had been in 1945. Yet each party's task was clearer than ever. In fact, as was shown by David Butler in an anonymous article on the 'cube law' written for *The Economist*, the balanced situation suggested that it would only take a one per cent overall swing to

²²³ Zweiniger-Bargielowska, *Austerity in Britain*, p. 233.

²²⁴ Labour Party, *Report of 48th Annual Conference of the Labour Party* (London, 1949), p. 172.

²²⁵ Peter G. Richards, 'The General Election', *Political Quarterly*, 21:2 (1950), 114-121 (pp. 116-118).

²²⁶ Richards, 'The General Election', p. 116.

²²⁷ Benney, Pear and Gray, *How People Vote*, p. 175. See also: CPA, CRD 2/21/1, 'Survey of Doubtful Voters', 1950 and John Bonham, *The Middle Class Vote* (London, 1954), p. 176.

²²⁸ M-O, *Voters' Choice*, pp. 11-2.

alter the outcome in between 15 and 20 seats.²²⁹ With other polls suggesting that up to twenty per cent of the electorate were still undecided about which party was best placed to deliver on key issues like full employment, such a swing was by no means improbable.²³⁰ Besides, as M-O satirically noted, ‘Elections, like statistics, may be said to prove anything’.²³¹

As had been the case in 1945 and 1947, the Conservative Party’s response to this situation was the most deliberate. Undertaking a thorough stock-take of their progress, the party’s Central Office collated information from constituency agents, the CRD and PORD in an attempt to understand why only such a small number of voters had switched allegiances. Drawing upon a sample of 527 people who had not voted Conservative in 1945, the PORD concluded that the party had suffered from a sense of ‘defeatism and despondency’ whilst a ‘bandwagon effect’ had seen many doubtfuls vote Labour.²³² However, the data collected also suggested that the party’s approach had not been without some success. Indeed, of the 109 who had switched, 15 had done so because of the Conservatives’ stance on controls and 42 mentioned freedom as being the party’s point of most general appeal. The numbers were small. But decontrol was still the third most successful issue, and had won the party more votes than promises to cut tax or increase food supplies.²³³ With a poll undertaken by Research Services also confirming that 82 per cent of avowed Conservative voters believed that there had been ‘too much’ government interference, it was clearly still a popular message amongst core supporters.²³⁴ Such findings ensured that the period between February 1950 and October 1951 would see a continuation of – rather than a

²²⁹ *The Economist*, 7 Jan 1950. Butler would later recollect that this article on ‘Electoral Facts’ won him an audience with Churchill just days before the 1950 ballot. See also: M.G. Kendall and A. Stuart, ‘The Law of the Cubic Proportion in Election Results’, *The British Journal of Sociology*, 1:3 (1950), 183-196.

²³⁰ Eldersveld, ‘British Polls and the 1950 General Election’, p. 130. As it was a swing of 1.1 per cent transferred twenty Labour seats to the Conservatives.

²³¹ M-O, *Voters’ Choice*, p. 3.

²³² CPA, CCO 4/3/249, ‘Public Opinion Survey No. 14: March 1950’ and Ramsden, *Conservative Research Department*, p. 144.

²³³ CPA, CCO 4/3/249, ‘Reasons for Change in Voting Intention and Other Points of Most Appeal to the Electorate’, 21 Feb 1950, f. 1.

²³⁴ LPA, LPRD, RD 350, Young, ‘General Election 1950: Notes on the Finding of the Public Opinion Polls’, Apr 1950, p. 12. It should be noted that the question – ‘Do you think that there has been too much interference with the individual, or that it couldn’t be avoided if there was going to be a system of fair shares?’ – was not exactly lacking in subjectivity.

change in – tactics. Thus, the Missioner campaign was renewed and a direct mail scheme adopted with an aim to reach 2.5 million Liberal voters. Alongside this, a new broadsheet – the *Popular Pictorial* – was launched to convey matters of industrial and economic policy in a more popular style.²³⁵ And, most interestingly, in preparation for the Supplies and Services debate, Chapman Walker's Publicity Department re-issued the Tactical Committee's list of controls – now insouciantly titled 'Ridiculous Controls' – in October 1950.²³⁶ In this sense, the moral and legal arguments raised by Maxwell Fyfe were again matched by a more practical critique, albeit one that bore little relation to reality.

Having shaken an instinctive belief that they were attuned to 'the people', the delicate electoral balance also encouraged the Labour Party to begin its own attempt to better understand public opinion. Like the 'Doubtful Voter' survey, the impact of this should not be overstated. Even so, when tied into the growing interest in applied sociology outlined earlier, it did provide some interesting evidence. In fact, with Young sitting on the Greenwich survey's steering committee, the LPRD were allowed access to a range of detailed material with which to analyse the result. From a party-political perspective, these findings (which Young cross-referenced with data obtained from BIPO and Research Services Ltd) suggested that Labour's success in attracting doubtfuls could be explained by a nebulous "feeling" that Labour will look after the interests of their sort'.²³⁷ The methodology had little impact on the party leadership. But the belief that many electors would instinctively vote for Labour if encouraged to do so would certainly inform their strategy in a 1951 election campaign which focused upon 'getting out the vote'.²³⁸ It is equally important that the Greenwich study also highlighted that controls remained a minor issue for those who were most likely to vote Labour and that planning – when tied to

²³⁵ CPA, CCO 4/3/42, Woolton to Gammons, 6 Apr 1950; 4/3/74, 'Direct Mail Campaign', 17 Apr 1950 and 'Popular Pictorial' 26 May 1950 and 4/4/123, Woolton, 'The Industrial and the Agricultural Worker', 9 Nov 1950, ff. 1-3.

²³⁶ CPA, CCO 4/4/59, Mann to Cohen, 23 Oct 1950.

²³⁷ LPA, LPRD, RD 350, Young, 'General Election 1950: Notes on the Findings of the Public Opinion Polls', Apr 1950, p. 11.

²³⁸ Lawrence Black, *The Political Culture of the Left in Affluent Britain, 1951-1964* (Basingstoke, 2003), p. 53 and LPA, LPRD, R 70, Young, 'The Floating Voter', 27 Sept 1951, f. 1.

full employment – was still its most popular point of appeal.²³⁹ It was for this reason that the Morrison's Economic Controls Bill was recalibrated as one to cover Economic Powers and Full Employment. 'The point', noted a cynical Bernard Gilbert, was to stress 'the need for economic planning in order to secure full employment' despite the fact that the 'long title and preamble [were] merely pieces of rhetoric [and] not supported by the substantive provisions'.²⁴⁰ For the Treasury official to whom he delegated responsibility for drafting, it was quite simply an attempt 'to make a measure which might conceivably lead to a General Election as attractive as possible'.²⁴¹ Having already given a sense of Gaitskell and Morrison's manoeuvring in 1950, his cynicism was not entirely without foundation.

Importantly, though, later developments did little to change the nature of these debates. For example, although Law had tried to break the supposed link between planning and full employment with his *Return from Utopia*, it is clear that such interventions did little to alleviate earlier anxieties about the potential impact of decontrol.²⁴² Moreover, with Churchill adamant that a majority of less than 40 was unworkable, findings from 'Missioners' that the perceived relationship between controls, employment and 'fair shares' remained potent were an obvious worry.²⁴³ The Conservatives, it was admitted by the Advisory Committee on Policy (ACP), remained 'on approval'.²⁴⁴ It was for this reason that the party continued to press on an issue that it believed held resonance, whilst using tangible changes to consumer-facing restrictions to provide the same sort of platform ammunition as its examples of irrational controls had in opposition. In a period that was riven by internal debate and high political manoeuvre, older ideas also provided Labour with a comfortable

²³⁹ Benney, Pear and Grey, *How People Vote*, p. 148 and Benney and Geiss, 'Social Class and Politics', pp. 321-323. A Gallup poll conducted in November 1949 found that only 9 per cent thought controls were wholly bad, see: Gallup, *Public Opinion Polls*, Vol. 1, p. 204.

²⁴⁰ TNA, T 228/241, Gilbert, 'Permanent Economic Powers', 25 Jul 1950. See also: T 228/242, Gaitskell, 'Economic Planning and Full Employment Bill', 9 Nov 1950, ff. 1 and 5.

²⁴¹ TNA, T 228/241, Johnston to Muir, 24 Nov 1950.

²⁴² CPA, CCO 500/24/87, 'Public Opinion during the Election Campaign, 1951'; Law, *Return from Utopia*, p. 69 and *The Times Literary Supplement*, 24 Aug 1951.

²⁴³ CPA, CRD 2/21/1, 'Survey of Doubtful Voters', Aug-Nov 1952 and Jefferys, *Retreat from New Jerusalem*, p. 12.

²⁴⁴ CPA, ACP, 1/1/6, 'Chairman's Notes', 21 Jul 1955 and Kandiah, 'Conservative Leaders, Strategy – and "Consensus"?', p. 61.

point around which both revisionists and fundamentalists could converge.²⁴⁵ Indeed, although the party recognised that it was ‘particularly vulnerable to the charge that a vote for Labour means more bureaucracy’, it was hoped that the continued linkage of planning and economic certainty – such as that promoted by *Challenge to Britain* – would recapture lost support.²⁴⁶ Entrenching the party’s stance, this allowed Crossman to launch a blistering attack on Rab Butler as the ‘ideologist of inequality’: a man determined to perpetuate a society ‘controlled by an élite’.²⁴⁷ With Milne and Mackenzie’s 1951 voting behaviour study – which began with its own quotes from Burke and Wallas – reiterating that ‘Floaters who mentioned issues as reasons for voting are more likely to have been decisively influenced by them’, such tactics remained important.²⁴⁸ Indeed, as *The Economist* was careful to repeat in the run up to 1955, future polls were just as likely to be determined by ‘the unreliable voter’ as had those before it.²⁴⁹ With both parties defending differing interpretations of the system, the politics of freedom and control continued to reflect this reality.

-VI-

This chapter has shown that the significance of controls lay in their ability to combine theoretical debates with political necessity. It has shown that they did not command a great deal of attention and had entered the popular political lexicon without ever being fully defined. As Plowden would note in his Political Economy Club talk, it was a debate about planning that was ‘actually not [about] planning in the best sense of the word’.²⁵⁰ Nevertheless, in contrast to Jewkes’ intimations, the chapter has also contended that the decision to focus upon them was at least partially deliberate. This fact underpinned Devons’ belief in magic. Indeed, despite having initially agreed with Jewkes that the ‘controversy [was] inconclusive’ because it had

²⁴⁵ For examples: Hugh Gaitskell, ‘The Economic Aims of the Labour Party’, *Political Quarterly*, 24:1 (1953), 5-18 and Harold Wilson, ‘The Limits of State and Private Enterprise’, *Future*, 9:1 (1954), 25-30. See also: ‘Letting it Slip: The Labour Party and the “Mystical Halo” of Nationalisation, 1951-64’, *Contemporary British History*, 26:1 (2012), 47-71 (pp. 53-4) and Martin Francis, *Ideas and Policies under Labour, 1945-51* (Manchester, 1997), pp. 53-8.

²⁴⁶ LPA, LPRD, R 479, ‘Propaganda and the General Election’, Feb 1955, p. 1.

²⁴⁷ *New Statesman*, 3 Apr 1954.

²⁴⁸ Milne and Mackenzie, *Straight Fight*, p. 135.

²⁴⁹ *The Economist*, 23 Apr 1955.

²⁵⁰ TNA, T 230/323, Plowden, ‘Economic Planning’, p. 5.

taken place ‘at cross purposes’, he became increasingly interested in the political nature of the controls debate.²⁵¹ By 1954, and still adamant that no planner would ever fully understand a system that was riven by the tension between centralisation and devolution, he would claim that their very impossibility ensured that both the act of control and the concept of planning were inherently political.²⁵² Extending upon his hypothesis, the somewhat paradoxical importance of controls might, therefore, best be regarded as a socio-political construct. One wherein a confused, hidden, and often self-defeating system of industrial controls was presented as a fundamental means of control from which multiple interpretations could be drawn and links made between economics, ethics and the everyday. They were the rhetorical symbols upon which other myths could hang. It was, if this is accepted, the outcome of a politically useful uncertainty. Like the ‘Numerology’ of the last chapter, the very intangibility of the system provided an opportunity for controls to be presented – in Butler’s words – as emblematic of ‘a choice between two ways of life; [between] individual liberty and state domination’.²⁵³

²⁵¹ London, British Library of Political and Economic Science (BLPES), Devons Papers (DEVONS), Box 1, Devons, ‘Aims in Economic Planning’, May 1947, p. 1.

²⁵² Ely Devons, ‘Applied Economics – The Application of What?’, in *Essays in Economics*, ed. E. Devons (London, 1961), pp. 13-32 (p. 13).

²⁵³ Ina Zweiniger-Bargielowska, ‘Consensus and Consumption: Rationing, Austerity and Controls after the War’, in *The Myth of Consensus: New Views on British History, 1945-64*, eds H. Jones and M. Kandiah (Basingstoke, 1996), pp. 79-96 (p. 91).

Chapter Five

The Limits of Public Control

The political slanging match about “freedom of enterprise” versus “planned economy” is not closely related to reality. I doubt very much if either side really gains much from the discussion, or if the ordinary voter finds anything to choose between.

TNA, PREM 4/4/82, John M. Martin, ‘Controls’, 26 Nov 1944, f. 2.

Although Winston Churchill remained adamant that a significant portion of the electorate was ‘genuinely alarmed ... by the increasing exercise of the powers of the state’, it has been shown that this group was relatively small in number.¹ Even in 1945, when arguments surrounding their continuation had dominated an election campaign, Mass Observation (M-O) found that only 3 per cent of its Fulham sample had voted for Labour because of the party’s stance and noted that only 5 per cent had placed controls amongst the most important issues being discussed.² It was perhaps for this reason that the *Financial Times* should have somewhat misleadingly claimed that they had ‘barely been mentioned’ as a political issue.³ For John Martin, Churchill’s Principal Private Secretary, it was certainly evidence that controls should have been ‘left out of Election Politics’.⁴ As Britain moved deeper into its transition to peace, the continued lack of interest was reflected by the fact that the British Institute for Public Opinion (BIPO) only began to enquire into ‘controls in trade and industry’ in April 1948.⁵ Though symbolic of the issue’s politicisation, this should not be regarded as evidence of any profound change in popular feeling. BIPO would, in fact, find that a remarkably consistent majority believed ‘some, but not all, are

¹ E.H.H. Green, ‘The Conservative Party, the State and the Electorate’, in *Party State and Society: Electoral Behaviour in Britain since 1820*, eds J. Lawrence and M. Taylor (Aldershot, 1997), pp. 176-200 (p. 181).

² Sussex and Online, Mass Observation Archive (M-O), FR 2270A, ‘The General Election, June-July 1945’, Oct 1945, p. 3.

³ A.A. Rogow and P. Shore, *The Labour Government and British Industry, 1945-1951* (Oxford, 1955), p. 15.

⁴ Kew, The National Archives (TNA), PREM 4/4/82, J.M.M. to Churchill, 26 Nov 1944.

⁵ George Gallup, ed., *The Gallup International Public Opinion Polls: Great Britain 1937-1975, Vol. 1* (New York, 1976), p. 173.

necessary' each time the question was asked.⁶ Moreover, without the prompt of a direct question, Research Services Ltd found that only 5 per cent raised concerns that the government had 'kept control on business too long' during a survey conducted in early 1950.⁷ Given the very real problems inherent within the system, Herbert Morrison's private secretary admitted that it was 'remarkable that there [were] not more complaints'.⁸

Of course, this situation can be partly explained by the very nature of the controls at stake. They were, as noted throughout the preceding chapters, far less visible and far less well understood than their consumer-facing counterparts. Nonetheless, the lack of popular resonance also fits into a broader picture of political disengagement. Indeed, although the 1940s and early 1950s were ostensibly a golden age of popular political participation, with a record 84 per cent turn-out recorded in the 1950 General Election and both main parties boasting individual memberships of over a million people, these years were marked by a high level of despair at the general public's apathy.⁹ The belief that most electors ignored issues in favour of social loyalties was a particular point of contention for those pioneering political sociologists. Indeed, it was seen to suggest that the abstentions of an uninterested minority, and 'not the politically interested or knowledgeable voters', determined results.¹⁰ This particular comment was made in 1955. But, as briefly noted in the last chapter, it could easily have been made ten years earlier. *The Times* had, in fact, reported a widespread disengagement during the last days of the 1945 General Election campaign whilst M-O noted that its prelude seemed to have been enveloped by a 'cloak of apathy' without either 'active demonstration [or] excitement'.¹¹ With political appeals to reason matched by an obstinately unreasonable public, the

⁶ Gallup, *Public Opinion Polls, Vol. 1*, pp. 173, 189, 204 and 211.

⁷ Manchester, Labour Party Archive (LPA), LPRD, RD 350, Young, 'General Election 1950', Apr 1950, p. 12.

⁸ TNA, CAB 132/11, Pimlott to Morrison, 25 Mar 1950.

⁹ Lawrence Black, 'What Kind of People Are You? Labour, the People and "The New Political History"', in *Interpreting the Labour Party: Approaches to Labour Politics and History*, ed. J. Callaghan (Manchester, 2003), pp. 23-38 (pp. 26-7); David Denver, *Elections and Voters in Britain* (Basingstoke, 2007), p. 29 and Steven Fielding, 'Activists against "Affluence": Labour Party Culture during the "Golden Age", circa 1950-1970', *Journal of British Studies*, 40 (2001), 241-67 (p. 261). The Conservative Party's individual membership was nearer 3 million.

¹⁰ R.S. Milne, and H.C. Mackenzie, *Marginal Seat, 1955* (London, 1958), p. 128.

¹¹ *The Times*, 27 Jun 1945 and M-O, FR 2270A, 'The General Election, June-July 1945', Oct 1945, p. 88.

contradictory situation appeared to conform to that sketched out by Walter Lippmann's *Public Relations* (a text that expanded upon Graham Wallas' interest in irrationality and was republished in Britain in 1949).¹² Despite approaching the questions this raised from a markedly different perspective, the flurry of 'New Political History' conducted in the last two decades has tended to arrive at a similar conclusion. Drawing upon existing literature examining the nineteenth century, this has seen the 1945 campaign being used by the authors of the ironically titled *England Arise!* to explore a broader 'myth' of popular radicalism and has most recently been continued by Lawrence Black's more nuanced contention that electoral involvement was just one part of a mid-century fluid political culture that was shifting away from traditional sites of engagement.¹³

These readings have not been without contention. Nor have they resolved the paradox between an apparently disengaged – or, at least, differently engaged – public and the relative strength of organised politics. On the contrary, James Hinton accused *England Arise!* of setting up a 'no win choice between immersion in popular culture or political activism' whilst Stephen Brooke was certain that it had never attempted to define what 'popular politics' actually meant.¹⁴ Yet, although it is worth remembering Brooke's earlier argument about planning's potency, and both parties attempts to link means with ends, such debates have tended to revolve around meaning and have broadly accepted the existence of a disconnection between the issues being discussed at a high level and those that the public regarded as most important. Notably, the relative marginality of party politics has also been acknowledged by those who have taken a more explicitly high political approach.¹⁵ Indeed, far from discussing controls, it is widely understood that most mid-century voters were unmoved by the overtly ideological debate and focused upon issues of a

¹² Walter Lippmann, *Public Relations* (London, 1949), p. 259.

¹³ Steven Fielding, Peter Thompson and Nick Tiratsoo, "*England Arise!*": *The Labour Party and Popular Politics in 1940s Britain* (Manchester, 1995), pp. 19-68 and Lawrence Black, *Redefining British Politics: Culture, Consumerism and Participation, 1954-1970* (Basingstoke, 2010), p. 4.

¹⁴ James Hinton, '1945 and the Apathy School', *History Workshop Journal*, 43 (1997), 266-273 (p. 269) and Stephen Brooke, "*England Arise!*": *The Labour Party and Popular Politics in 1940s Britain*', *American Historical Review*, 102:1 (1997), 115-116.

¹⁵ Robert Crowcroft, 'High Politics, Political Practice and the Labour Party', in *The Philosophy, Politics and Religion of British Democracy*, eds R. Crowcroft, S.J.D. Green and R.C. Whiting (London, 2010), pp. 153-85 (p. 179).

more everyday nature.¹⁶ In a period defined by food shortages, poor quality housing, gentle inflation and latent fears regarding unemployment, it was perhaps no surprise that the bread and butter of politics failed to sustain an electorate beset with more pressing needs. The situation would, however, feed into the perception of political ‘otherness’ which now underpins the New Political approach.¹⁷ It had also been a particular point of interest to some of those who had sought to make sense of the relationship between state and society from a slighter older political perspective. It was, after all, *The Economist* which noted in 1945 that politicians were to blame for having alienated the public in a debate which seemed ‘marginal and petty’.¹⁸ This, M-O concluded in an earlier report, ensured that the mood was ‘not apathy but a lack of leadership, a lack of any focal point on which to direct a desire to have the vote’.¹⁹

-I-

Although the last chapter showed that this lack of popular resonance did not necessarily detract from the political significance of controls, the importance of the above should not be understated. Indeed, when moving beyond a narrowly electoral perspective, it is clear that popular disengagement represented an inherent political difficulty for those on both sides of the political spectrum. The following section will show why this was the case from both a practical and more fundamental perspective. Regarding the former, there was, of course, a strong political motive for public engagement. At a very basic level, the mid-century political system obviously

¹⁶ Steven Fielding, ‘What did “the People” Want? The Meaning of the 1945 General Election’, *The Historical Journal*, 35:3 (1992), 623-639; Hinton, ‘The Apathy School’, p. 268; Kevin Jefferys, *Politics and the People: A History of British Democracy since 1918* (London, 2007) p. 119; Jon Lawrence, *Electing Our Masters: The Hustings in British Politics from Hogarth to Blair* (Oxford, 2009), p. 137; Tony Mason and Peter Thompson, “‘Reflections on a Revolution’? The Political Mood in Wartime Britain’, in *The Attlee Years*, ed. N. Tiratsoo (London, 1991), pp. 54-70 (p. 63) and Ina Zweiniger-Bargielowska, *Austerity in Britain: Rationing, Controls and Consumption* (Oxford, 2000), p. 205. For slightly different defence of Brooke’s view, see: Peter Sloman, ‘Rethinking a Progressive Moment: The Liberal and Labour Parties in the 1945 General Election’, *Historical Research*, 84:226 (2010), 1-23.

¹⁷ Lawrence Black, *Redefining British Politics*, p. 2. See also: Black, ‘What Kind of People Are You?’, p. 33; Laura Beers, ‘Whose Opinion? Changing Attitudes Towards Opinion Polling in British Politics, 1938-1964’, *Twentieth Century British History*, 17:2 (2006), 177-205 and Steven Fielding, ‘A Mirror for England? Cinematic Representations of Politicians and Party, c. 1944-1964’, *Journal of British Studies*, 47 (2008), 107-128.

¹⁸ See above, p. 175.

¹⁹ M-O, FR 2135-6, ‘The Forces Vote’, Jul 1944, p. 6.

necessitated a degree of consultation and communication through Parliamentary debate, elections and relations with the press. ‘Democracy’, explained Francis Williams, who served as Clement Attlee’s publicity advisor in 1946-7, ‘requires a willingness and ability on the part of governments to explain their policies ... and competence on the part of the people to judge whether those policies are any good’.²⁰ More specifically, as the last chapter has shown, during this period of competitive party politics, both Labour and the Conservatives sought to tie their competing visions of controls into a broader political narrative. Crucially, however, it was also shown that neither party was able to fully resolve the uncertainties surrounding controls and that this ensured that neither was ever fully comfortable with the issue. Thus, whilst Labour was able to nullify the Conservative Party’s Hayekian charge in 1945 by appealing to common sense, the Conservatives were able to make a similar appeal just two years later by pointing to a lack of progress. Their emphasis on decontrol was similarly contested and, after 1951, both parties found themselves seeking to defend their records whilst maintaining a commitment to some level of control. With neither party able to strike a decisive blow, both sought to mobilise latent support through targeted appeals and drives to ‘get out the vote’. And, with a significant number of political sociologists identifying the success of mobilising potential non-voters – or persuading others to stay at home – as a potentially decisive determinant, their ability to communicate a message was an obvious concern.²¹

The political necessity was matched by an economic one. Indeed, despite an initial recalcitrance surrounding the publication of sensitive statistics, Britain’s continued balance of payments problems, and the resultant need to divert production into exports, forced an increased emphasis on public engagement. As a conscious attempt to engage with the human side of production, this can be seen as part of a broader effort to avoid repeating those problems exposed during the first years of the Second World War. As Sir Stafford Cripps explained to a 1947 Board of Trade press

²⁰ Francis Williams, *Press, Parliament and People* (London, 1946), p. 14.

²¹ Mark Benney, R.H. Pear and A.P. Gray, *How People Vote: A Study of Electoral Behaviour in Greenwich* (London, 1956), p. 175; David Butler, ‘Voting Behaviour and its Study in Britain’, *The British Journal of Sociology*, 6:2 (1955), 93-105 (p. 103); Frank V. Cantwell, ‘The Meaning of the British Election’, *Public Opinion Quarterly*, 9:2 (1945), 145-157 (p. 149); Ivor Jennings, *Party Politics Vol. 1 Appeal to the People* (Cambridge, 1960), pp. 303-5; M-O, FR 2415, ‘It Isn’t There’, 3 Aug 1946, pp. 1-2 and R.S. Milne and H.C. Mackenzie, *Marginal Seat, 1955* (London, 1958), pp. 44-47.

conference, his wartime experience at the Ministry of Aircraft Production (MAP) had shown that ‘People respond to facts’ and that they had to ‘realise [the] national difficulty’ before being expected to overcome it.²² It was for this reason that a distinct Economic Information Unit (EIU) was created as part of the broader reassessment of the planning apparatus sketched out in Chapter Three.²³ Working alongside the Central Economic Planning Service (CEPS) and Economic Planning Board (EPB), the EIU was charged with translating the government’s plans for public consumption and helped to co-ordinate the Central Office of Information (COI)’s infamous ‘Work or Want’ campaign during the summer of 1947. The scale of this work, which built upon existing departmental campaigns and the first *Economic Survey*, was enormous. In fact, with 20 per cent of all poster sites occupied by a government advert, the inauguration of a wide ranging series of public lectures and talks, regular BBC broadcasts devoted to reporting on ‘Britain’s Crisis’, the production of 30 films focused upon aspects of the economy, an ambitious plan to turn newspaper advertising space into a ‘National Notice Board’ and the free distribution of wall charts and pamphlets to factories, this was an information campaign of unprecedented scale.²⁴

Although the EIU’s efforts were primarily focused upon broader economic issues, it would have important implications for more specific policies towards controls. Indeed, even before the EIU’s formation, Sir Edward Bridges had written to the COI for advice on ways to simplify administrative processes and to enquire about the possibility of gauging reactions to developments within the system from amongst the business community.²⁵ The Official Committee on Controls (OC) set up in December 1945 had similarly hoped for ‘further publicity and explanation to bring home to industry and the public the purposes for continuing controls’ as well as the work

²² William Crofts, *Coercion or Persuasion? Propaganda in Britain after 1945* (London, 1989), p. 19. See also: TNA, T 229/33, ‘Recommendations to Ministers by the EPB to meet the Balance of Payments problem’ and Jim Tomlinson, ‘Balanced Accounts? Constructing the Balance of Payments Problem in Post-War Britain’, *English Historical Review*, 114:509 (2009), 863-884.

²³ TNA, T 245/2, Nield, ‘Economic Publicity in the Present Crisis’, 26 Aug 1947, pp. 1-4.

²⁴ Crofts, *Coercion or Persuasion?*, pp. 40-1 and Martin Moore, *The Origins of Modern Spin: Democratic Government and the Media in Britain, 1945-51* (Basingstoke, 2006), p. 197. For a cinematic example, see: *The Balance*, dir. Paul Rotha (Films of Fact for Central Office of Information, 1947), 00:00-09:08.

²⁵ TNA, T 273/299, Bridges to Fraser, 31 Dec 1946.

‘being done to sweep away, relax and simplify’.²⁶ Like Bridges, they saw that the question of publicity was particularly important because the system remained decentralised. For this reason, both would stress the desirability of releasing a coherent ‘Sponsoring Authority Guide’ – essentially a ‘Handbook of Controls’ – as a first step (it should be remembered that Alec Cairncross would call for the Board of Trade to produce its own ‘Dictionary of Controls in 1947’).²⁷ Looking to the longer-term, Morrison also believed that it would be possible to employ some of the EIU’s techniques to help explain why restrictions were necessary for planning. Linking this to his own desire for simplification, he later suggested that a public-facing Tribunal could be set up to better communicate this point whilst concurrently collating any remaining administrative complaints from the public.²⁸ Although this suggestion would remain untested, a number of attempts were made to explain the importance of long term powers. In 1950, for instance, a nine-minute documentary film called *From the Ground Up* (which emphasised the need for the regulation of strategic capital investment) was put onto general release.²⁹ Moreover, as was shown in Chapter Three, a desire to attract continued American support ensured that such efforts were matched by publicity surrounding those controls specifically forced by the Korean War.³⁰ Importantly, these were not the only instances wherein a political and an economic motive were entwined.

Harold Wilson’s decision to announce the results of the Board of Trade’s internal review into controls as a series of self-styled Bonfires during the winter of 1948-49 remains the best known example. Indeed, although Lawrence Merriam’s investigation was motivated by administrative concerns in the first instance, each was deliberately politicised by their linkage with the relaxation of consumer restrictions and careful timing to coincide with the political fallout from the Tribunal of Inquiry set up to investigate allegations of corruption within the department. With Wilson appearing at a press conference to announce the abolition of clothes rationing

²⁶ TNA, CAB 132/58, Nicholson, ‘Official Committee on Controls: First Report’, 7 Feb 1945, pp. 5-6.

²⁷ See above, p. 116.

²⁸ TNA, CAB 132/15, Morrison, ‘Government Controls and the Public’, 8 May 1950, pp. 3-4.

²⁹ *From the Ground Up*, dir Cyril Frankel (Central Office of Information/EIU, 1950), 00:00-09:21.

³⁰ The need to attract financial support from the USA had been an equally important motive in 1947, see: Crofts, *Coercion or Persuasion?*, pp. 243-55 and Keir M. Thorpe, ‘The Missing Pillar: Economic Planning and the Machinery of Government during the Labour Administrations 1945-51’ (unpublished PhD thesis, University of London, 1999), p. 179.

on the day before the by-election forced by the resignation of the junior minister found guilty of exchanging industrial licences for gifts, many accused him of blatant trickery.³¹ This was not without justification. Indeed, despite having been urged by the Government Organisation Committee (GOC) to avoid investigating a system described as being ‘of minor importance’, Wilson’s decision to refer to individual permits as controls exaggerated the importance of his announcements and stood in stark contrast to the more subdued line taken by other departments.³² This unnerved Bridges, who referred to the disparity between the first Bonfire’s illusion and its low staff savings as a ‘potential scandal’ before being informed by an embarrassed John Woods that it could be explained by the fact that the vast majority of the licences included were those covering the distribution of vacuum flasks.³³ As Bridges feared, this was picked up by *The Economist*, which satirically noted that ‘it ought not to have needed an official examiner to find out that the permit scheme for the distribution of thermos flasks had become a complete farce’.³⁴ Yet, by capitalising upon the uncertainty surrounding the system, Wilson had won plaudits from other commentators. The *Daily Telegraph*, to give a usually hostile example, noted that it was ‘clearly a step in the right direction’.³⁵ Coinciding with a broader swing in support, there was ‘no doubt’, Merriam admitted after Wilson’s November 1947 announcement, ‘[that] this bonfire had a better press that its actual content deserved’.³⁶

The Conservative Party were similarly aware that they needed to put over their arguments in ‘terms which the ordinary men and women can understand’.³⁷ Their *Industrial Charter*, for example, although also seeking to offer its own coherent set of economic ideas, was arguably an attempt to make an impression ‘through

³¹ *Daily Express*, 15 Mar 1949; *Daily Telegraph*, 15 Mar 1949; *The Economist*, 19 Mar 1949 and *Hansard*, (House of Commons Parliamentary Debates), 5th ser, vol. 462, 14 Mar 1949, cc. 1740-1.

³² TNA, T 222/636, Bridges, ‘Review of Controls’ and ‘Relations between Government Departments and Trade and Industry’, 15 Jan 1948, p. 2.

³³ TNA, T 222/215, Bridges to Woods, 15 Nov 1948 and Woods to Bridges, 2 Dec 1948. See also: Johnston to Armstrong, 11 Nov 1948.

³⁴ *The Economist*, 13 Nov 1948.

³⁵ *Daily Telegraph*, 5 Nov 1948.

³⁶ TNA, T 222/215, Merriam, ‘Merriam’s November Report’, 1 Dec 1948, p. 1.

³⁷ Oxford, Bodleian Library, Conservative Party Archive (CPA), CCO 4/2/83, Hutchinson to Chapman Walker, 30 Mar 1949 and CRD 2/50/10, Fort, ‘The “Keynote” of the Conservative Election Programme’, 1 Jan 1949, p. 2.

language and image'.³⁸ The printed document was certainly supported by a number of more explicit public relations efforts. For instance, taking inspiration from Mather and Crowther, the advertising agency which had masterminded the early stages of the government's 'Work or Want' campaign, the Conservatives launched their own series of factory-floor talks and set about producing an abbreviated version of the *Charter* to appeal 'to the unpolitical audience'.³⁹ The delicate electoral balance described during the last chapter ensured that such efforts were expanded after 1950. Hence, in the months before the 1951 General Election, Lord Woolton sent a letter to all MPs, candidates and local associations urging them to 'break down the suspicion with which many Conservatives are regarded' by relating 'to the personal needs and problems of the mass of the electorate'.⁴⁰ Like John Jewkes' *Ordeal by Planning*, Mark Chapman Walker's list of 'Ridiculous Controls' embodied this approach by deliberately adopting a humorous tone and seeking to combine a moral argument for liberty with everyday examples of government ineptitude.⁴¹ Interestingly, non-party bodies adopted similar campaigns to promote their own agendas. Most notably, Aims of Industry, which was described by the *Advertiser's Weekly* as 'a body of public relations storm-troopers', co-ordinated a direct mail scheme, provided the BBC with 'speakers, facilities, contacts, scripts and ideas' for broadcasts covering industrial matters and claimed to have placed over 93 000 column inches of editorial propaganda in the national press during the course of 1950.⁴² Some of this activity was covertly supported by the Conservatives and Oliver Lyttelton, who drew upon his contacts at the Institute of Directors, even helped to launch a £200 000 'free enterprise campaign' in July 1951.⁴³

³⁸ Harriet Jones, "'New Conservatism'? The Industrial Charter, Modernity and the Reconstruction of British Conservatism after the War", in *Moments of Modernity: Reconstructing Britain 1945-1964*, eds B. Conekin, F. Mort and C. Waters (London, 1999), pp. 171-188 (p. 176). See also: Andrew Taylor, 'Speaking to Democracy: the Conservative Party and Mass Opinion from the 1920s to the 1950s', in *Mass Conservatism: The Conservatives and the Public since the 1880s*, eds S. Ball and I. Holliday (London, 2002), pp. 78-99 (p. 85).

³⁹ CPA, ACP 1/1/3, Mann, 'Report to ACP and Political Education Committee', Jan 1948.

⁴⁰ CPA, CCO 4/4/123, Woolton, 'The Industrial and Agricultural Worker', 9 Nov 1950, f. 1.

⁴¹ CPA, CCO 4/4/59, Mann to Cohen, 23 Oct 1950.

⁴² Crofts, *Coercion or Persuasion?*, p. 213 and A.A. Rogow, 'The Public Relations Program of the Labor Government and British Industry', *Public Opinion Quarterly*, 16:2 (1952), 201-224 (p. 219).

⁴³ Michael Kandiah, 'Conservative Leaders, Strategy – and "Consensus"? 1945-1964', in *The Myth of Consensus: New Views on British History, 1945-64*, eds H. Jones and M. Kandiah (Basingstoke, 1996), pp. 58-78 (p. 66) and Rogow, 'Public Relations', p. 221.

Given this attention to detail, it is somewhat ironic that the Conservatives' neglect of the COI left their handling of the inflationary pressures that awaited them in office as something of a public relations failure.⁴⁴ Churchill's new government was certainly less willing than Attlee's to support the financial burden of such campaigns. However, although much less was spent on official publicity after 1951, such efforts did not stop entirely and the COI's activities began to expand again after 1954. In a parallel with his administration's use of certain recontrols, Churchill was even given an unofficial Press Officer in 1952 when it became apparent that the post – which had been abolished a year earlier – was indispensable.⁴⁵ As was seen in the last chapter, Labour's 'moral victory' also ensured that the new government maintained its focus on monitoring public opinion whilst the Conservative Party continued to use its own propaganda machinery and 'Missioners' in an attempt to build trust.⁴⁶ Their efforts even expanded into the drafting of the *Economic Surveys*. Indeed, despite the deliberate playing down of its importance, the *Survey for 1952* was criticised by the Conservatives' new Economic Policy Committee for 'condoning the mistakes made by the former administration' and suggesting that 'the present crisis was due almost entirely to factors outside [of their] control'.⁴⁷ With this in mind, the Cabinet's decision to abandon Operation ROBOT and its unwillingness to legislate for any permanent economic powers (despite being unable to remove the last vestiges of Defence Regulation 55 unless it did so) can both be explained by an understanding of their presentational difficulties.⁴⁸

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The efforts outlined above cannot be explained solely by the desire to win votes, nor by the practical need to encourage harder work. In fact, although their relative

⁴⁴ Anthony Seldon, *Churchill's Indian Summer: The Conservative Government, 1951-1955* (London, 1981), p. 59.

⁴⁵ Moore, *The Origins of Modern Spin*, pp. 87 and 217-8.

⁴⁶ Anthony Seldon 'The Churchill Administration, 1951-1955', in *Ruling Performance: British Governments from Attlee to Thatcher*, ed. P. Hennessy and A. Seldon (Oxford, 1989), pp. 63-97 (p. 84); Andrew Taylor, 'The Record of the 1950s is Irrelevant': The Conservative Party, Electoral Strategy and Opinion Research, 1945-64', *Contemporary British History*, 17:1 (2003), 81-110 (p. 88) and TNA, T 245/5, Leslie, Note on Publicity, 16 Apr 1952, f. 1.

⁴⁷ TNA, CAB 134/842, EA(52)10, 2 Apr 1952.

⁴⁸ See above, pp. 139-40.

successes will be questioned below, both Labour and the Conservatives rejected the notion that they were merely exhorting a recalcitrant public. For the latter, a ‘voluntary and virile’ partnership between the state and society – one based upon the principles embodied by the party’s ‘two way movement of ideas’ – appeared to be the only way of reconciling individual freedom with a degree of planning.⁴⁹ It was, drawing upon an interwar emphasis upon responsible co-partnership, even hoped that this could help to foster a ‘property owning democracy’ within which all would hold a stake and individuals would be ‘neither slave nor tyrant’.⁵⁰ As Eden explained to the party’s Annual Conference in 1946, this vision of positive liberty would require the state to provide information so as to foster an environment within which organic ‘initiative, individuality and enterprise’ could be unleashed.⁵¹ For David Clarke, whose *Conservative Faith* provides a clear link between this chapter and the last, it was one part of a realisation that the politics may have been ‘couched in economic terms’ (ie ‘more of less State control of industry’) but was inevitably about more fundamental ends.⁵² It was from this perspective that the party’s Industrial Policy Committee (CIPC) had embarked upon its industrial fact-finding mission and had rejected controls for being overly centralised and potentially oppressive. Indeed, despite accepting that industry must have a degree of public accountability, the *Industrial Charter* proclaimed that ‘we want co-operation in making these plans and competitive enterprise in carrying them out’.⁵³ The party’s call to ‘set the people free’, which sought to reconcile this with a more Hayekian platform position, was, therefore, predicated upon a conception of shared responsibility and active participation.

Of course, for all of the Conservatives’ criticism, Labour remained equally adamant that there was an ‘essential difference between totalitarian and democratic planning’.

⁴⁹ CPA, CRD 2/7/53, ‘National Housekeeping’ and ‘Planning Machinery’, undated. It was for this reason that the decision was taken to describe the fruits of their rethinking as a *Charter*. See also: Design for Freedom Committee, *Design for Freedom* (London, 1947), p. 1.

⁵⁰ Robert Boothby *et al*, *Industry and the State: A Conservative View* (London, 1927), pp. 30 and 228.

⁵¹ Anthony Eden, *Freedom and Order: Selected Speeches, 1939-1946* (London, 1947), pp. 268 and 411. See also: W.H. Greenleaf, *The British Political Tradition, Vol. II The Ideological Heritage* (London, 1984), p. 248.

⁵² David Clarke, *The Conservative Faith in a Modern Age* (London, 1947), p. 21.

⁵³ Conservative Party, *The Industrial Charter: A Statement of Conservative Industrial Policy* (London, 1947), p. 11.

The latter, noted Attlee and Cripps, in their respective forewords to the *Economic Survey for 1947*, was not about ‘the rigid application by the state of controls and compulsions. Rather, it aimed to ‘take the people frankly into [the government’s] confidence’ so as to ensure that planning was actually delivered ‘from the ground up’.⁵⁴ It was, in the words of the equally ambitious *Labour Believes in Britain*, about creating a ‘flourishing and sensible democracy’ that was ‘as virile in industry as in ... Parliament’.⁵⁵ This would be no small task. On the contrary, as Morrison informed the 1948 Labour Party Conference, it would mean replacing an outdated ‘ballot box’ mentality with ‘an active, living, democracy’ of the type imagined by H.D. Dickinson.⁵⁶ Nonetheless, as has been seen in Chapters One and Four, it was a task that the New Fabians believed would transfer power from ‘centre to circumference’ and encourage the ‘growth of social responsibility in the economic sphere’.⁵⁷ On the first point, Morrison, like Cripps, believed that it was simply part of ‘the duty of the government to inform the public of the facts’.⁵⁸ On the second, and with most importance to this study, it was stressed by the likes of Austen Albu, Barbara Wootton and Michael Young that the promotion of an active citizenship could provide a positive counterbalance to the power of both government and industry whilst potentially negating the need for a myriad of more complicated restrictions.⁵⁹ By efficiently relating ‘what people want to have with what they want to do’, Durbin saw that such efforts were a way of avoiding manpower controls and effectively ‘planning without a plan’.⁶⁰ Put simply in the Trade Unions’ Congress (TUC)’s *Interim Report on Post War Reconstruction*, this meant that ‘An informed public opinion is itself a means of control’.⁶¹ Economic public relations were, thus,

⁵⁴ HMSO, Cmd 7046, *Economic Survey for 1947* (London, 1947), pp. 3, 5 and 9.

⁵⁵ Labour Party, *Labour Believes in Britain* (London, 1949), p. 4.

⁵⁶ Labour Party, *Report of 47th Annual Conference of the Labour Party* (London, 1948), p. 132.

⁵⁷ Barbara Wootton, *Freedom Under Planning* (London, 1945), p. 150 and Evan Durbin, ‘The Case for Socialism’, in *Problems of Economic Planning: Papers on Planning and Economics*, ed. E. Durbin (London, 1949), pp. 3-29 (p. 21).

⁵⁸ TNA, CAB 78/37, Morrison, ‘Memorandum by the Lord President’, 14 Sept 1945. See above, p. 200.

⁵⁹ Cambridge, Churchill Archive Centre (CAC), Albu Papers (ALBU), Box 5/6, Albu, ‘Planning and Political Power’, undated, pp. 5 and 7; Wootton, *Freedom Under Planning*, p. 156 and Michael Young, *Small Man, Big World: A Discussion of Socialist Democracy* (London, 1949), pp. 4 and 9-10.

⁶⁰ Stephen Brooke, ‘Problems of “Socialist Planning”’: Evan Durbin and the Labour Government of 1945’, *The Historical Journal*, 34:3 (1991), 687-702 (p. 691).

⁶¹ Trade Unions Congress (TUC), *Interim Report on Post War Reconstruction* (London, 1947), p. 47. See also: Rogow and Shore, *The Labour Government and British Industry*, p. 44.

seen by an enthusiastic Political and Economic Planning (PEP) report as a ‘political experiment of great significance to humanity’.⁶²

In spite of their vehement rhetorical differentiation, not to mention the difficulty of putting such ideas into practice, a faith in co-operation and enlightened public control united Labour and the Conservatives during the long transition.⁶³ This can be demonstrated by a comparison of two texts, which, though originating at very different ends of the political spectrum, came to rest upon a shared belief in public control as a guarantor of liberty. The first, Richard Law’s *Return from Utopia*, has already been explored in detail. Without wanting to repeat what was said in Chapters Three and Four, it should again be emphasised that Law’s absolute vision of freedom emphasised the self-regulating nature of the market and the diffusion of power so as to allow for positive choice.⁶⁴ The second text, Patrick Gordon Walker’s 1951 *Restatement of Liberty*, which was a philosophical exploration of governance that drew on its author’s experience in the Lord President’s Office, was ostensibly very different. Indeed, drawing upon his earlier involvement with the Socialist Clarity Group (SCG), Gordon Walker rejected Hayek from an academic’s perspective. Stressing that freedom could never be absolute, he called for a complete overhaul of society and – in a chapter that would have no doubt riled Law – even argued that planning must be viewed as a means of ‘determining where scarcity shall fall’.⁶⁵ Nonetheless, as part of a forceful rejection of Utopianism, such statements were actually symbolic of a shared understanding of society and a belief that freedom was dependent upon making moral judgements.⁶⁶ Thus, despite the emphasis on planning, *Restatement of Liberty* stressed that its proposed new society would have to be built upon organic economic activity. To reconcile the two, public relations would be used to ‘help achieve the sort of natural behaviour that the new State is almost wholly debarred from bringing about by the use of its direct powers’.⁶⁷ Although expressed in profoundly different ways, both the Conservative Party’s insistence that ‘a

⁶² Political and Economic Planning (PEP), ‘The Plan and the Public’, *Planning: A Broadsheet by PEP*, 269, (1947), p. 37.

⁶³ This led Samuel Beer to identify the mid-Twentieth Century as a ‘collectivist era’. See his study of *Modern British Politics* (London, 1982), pp. 70 and 73.

⁶⁴ Richard Law, *Return from Utopia* (London, 1950), pp. 92-3.

⁶⁵ Patrick Gordon Walker, *Restatement of Liberty* (London, 1951), p. 330.

⁶⁶ Gordon Walker, *Restatement of Liberty*, p. 183 and Law, *Return from Utopia*, p. 189.

⁶⁷ Gordon Walker, *Restatement of Liberty*, p. 368.

worthwhile society' required more than controls and Michael Young's hopes for a 'close two way connection' between small men and the state were underpinned by a similar faith.⁶⁸

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Five or so years before Law and Gordon Walker began to clarify their thoughts, the idea of public control had been enshrined by James Meade within the 1944 *Employment Policy* White Paper. This had insisted that the success of any such policy would 'ultimately depend upon the understanding and support of the community as a whole'.⁶⁹ Although this passage might initially be seen to embody the deliberate opacity described in Chapter Two, it also served to redefine the relationship between the state and society.⁷⁰ To quote again from PEP, an acceptance that 'the public have a right to know what and why their Government has done, is doing, and wishes to do' followed naturally from an extension in its societal role.⁷¹ Its emphasis can certainly be detected in later developments. In 1945, for example, John Anderson, the incumbent Chancellor of the Exchequer and a man not known for his faith in public engagement, passed on a number of recommendations relating to 'the publication of statistics ... and of generally supplementing and improving the statistical material published by the Government'.⁷² Such calls were increased during the crises of 1947, when, following Oliver Franks' notable restatement of principle in his series of public lectures at the LSE, calls for greater openness were made across the political divide. Hence a call for improved public relations from the authors of *Keep Left* was matched by Douglas Jay's insistence that planning had to place ultimate responsibility with the people and Lyttelton's demand 'that every instrument

⁶⁸ See above, pp.153-4 and 161. It should be noted here that Young and Gordon Walker had worked closely during the drafting of *Labour Believes in Britain*, although the latter remained fairly dismissive of his colleague. See: *Patrick Gordon Walker: Political Diaries 1932-1971*, ed. by R. Pearce (London, 1991), p. 186 (17 Apr 1949).

⁶⁹ HMSO, Cmd 6527, *Employment Policy* (London, 1944), p. 3.

⁷⁰ Jim Tomlinson, 'Re-inventing the "Moral Economy" in Post-War Britain', *Historical Research*, 84:224 (2011), 356-373 (p. 360).

⁷¹ PEP, 'Government Information Services', *Planning: A Broadsheet by PEP*, 230 (1945), p. 2.

⁷² TNA, CAB 71/21, Anderson, 'The Publication of Statistics', 17 Jul 1945, f. 1.

of publicity' should be employed in the fight against 'the economic enemy'.⁷³ The Conservatives even staged a 'Trust the People' exhibition in Regent Street's Dorland Hall in an attempt to put their own spin on the 'Work or Want' campaign.⁷⁴ Such actions, Williams claimed, offered a solution to the challenge of increasing intervention 'without endangering the personal liberties which democracy exists to sustain'.⁷⁵ Indeed, as Cripps informed his staff upon taking his position as both Minister of Economic Affairs and Chancellor of the Exchequer, information was now 'a fundamental part of our great experiment' and one 'upon which a considerable part of its success or failure will depend'.⁷⁶

Reflecting on Cripps' words a decade later, 'Clem' Leslie, a friend and former colleague of Morrison's who had been entrusted with running the EIU, noted that they stood in contrast to Whitehall's traditional preference for 'decent reticence'.⁷⁷ This was not without foundation and those who were at the forefront of the government's 'information work' – men like Leslie, Williams, the COI's Robert Fraser and Max Nicholson – could all be reasonably described as 'progressive' in outlook.⁷⁸ Nonetheless, it must be noted here that their sentiments were shared by a number of other officials. In fact, drawing upon the experience provided by the wartime Ministry of Information, a Treasury study group set up to review government practice had recommended in 1944 that public relations should play a greatly extended role in the future.⁷⁹ This was especially true with regard to controls. Indeed, as Norman Chester had stressed, it was well understood that the retention of any restrictions was reliant upon public acceptance and that a strategic approach was needed to explain their purpose lest the government be forced into the use of legal measures.⁸⁰ For this reason, the Economic Section had even been asked to contribute to an official information film explaining the policies adopted by *Employment*

⁷³ R.H.S. Crossman *et al*, *Keep Left* (London, 1947), p. 47; Douglas Jay, 'Plans and Priorities', in *The Road to Recovery: Fabian Society Lectures given in the Autumn of 1947* (London, 1948), pp. 9-28 (pp. 12 and 14) and *Hansard*, (H.C. Debs), 5th ser., vol. 434, 10 Mar 1947, c. 1007.

⁷⁴ *Tory Challenge*, Aug 1947.

⁷⁵ Williams, *Press, Parliament and People*, pp. 1 and 12.

⁷⁶ *The Times*, 16 Jul 1959.

⁷⁷ *The Times*, 16 Jul 1959.

⁷⁸ Moore, *The Origins of Modern Spin*, pp. 10-11.

⁷⁹ Moore, *The Origins of Modern Spin*, pp. 19-20.

⁸⁰ TNA, T 230/16, Chester, 'Government Controls in Transition', 12 Feb 1944, p. 4.

Policy.⁸¹ Although some of this was grounded within an idealistic hope that the public sphere could be enlightened by increased engagement, the main reason for this shared acceptance can be traced to a belief that the provision of economic information was an essentially technical and, thus, non-partisan task.⁸² Writing in a special publication for the Institute of Public Administration, Jack Brebner, a government public relations officer and a former advisor to Lyttelton, summed up his profession's position by noting that the 'expert does not make the policy. But ... he is the eyes and the ears of the policy maker'.⁸³ Much like the traditional role of a civil servant, or the New Fabian's positivist take on planning as a mechanism of administration, the release of economic information was, in Morrison's memorable words, simply the 'statistical floodlighting' that would allow the public to make up their own minds.⁸⁴

The belief that public relations could empower individual action was of some interest to commentators during this period. Ritchie Calder, for example, a left wing journalist who had enthused about the possibilities of planning whilst working as a wartime propagandist alongside Richard Crossman, maintained that publicity could help bring government 'out of the region of experts and into the market-place'.⁸⁵ Brebner, too, taking an equally optimistic position, believed that such methods could provide a method of tempering the 'application of power ... with humanity and appreciation'.⁸⁶ This point had also been expounded by Williams, whose earlier text noted that:

An intelligent democracy must be prepared to make the fullest use of every available method of informing its citizens of what is essentially their business. Information is a weapon of democracy ... to refuse to use it is to turn one's back on one of the ways in which the enormously complicated business of

⁸¹ TNA, T 230/19, Chantler, 'Proposed Film on "Full Employment"', 1 Dec 1945, fols 1-2.

⁸² Scott Anthony, *Public Relations and the Making of Modern Britain* (Manchester, 2012), ch. 6 and Tom Cook and Glen O'Hara, 'The "Torrent of Numbers": Statistics and the Public Sphere in Britain, c. 1800-2000', in *Statistics and the Public Sphere: Numbers and the People in Modern Britain, c. 1800-2000*, eds T. Cook and G. O'Hara (London, 2011), pp. 1-31.

⁸³ Jack Brebner, *Public Relations and Publicity* (London, 1947), p. 16.

⁸⁴ Herbert Morrison, 'Economic Planning', *Public Administration*, 15:1 (1947), 3-9 (p. 4).

⁸⁵ TNA, T 245/2, Calder, 'The Place of Information in Democratic Planning', 14 Apr 1947, p. 1.

⁸⁶ Brebner, *Public Relations*, p. 18.

modern government can be made comprehensible to the ordinary person. There cannot be public control without public understanding.⁸⁷

Given the hope that public controls could replace more detailed restrictions, Williams' reference to the 'complicated business of modern government' was telling. It was also one that was picked up by John Pimlott in a study of *Public Relations and American Democracy* that defined the former as being those actions that bridged 'the gulf between "big" institutions and their "publics"'.⁸⁸ Serving as Morrison's private secretary, Pimlott was another leading proponent of greater openness, but his views were not unique. Indeed, with such actions rooted in *Employment Policy* and the wide-ranging Nuffield conferences that had preceded it, they were also broadly accepted by many in industry.⁸⁹ For Franks, who was keen to remember the success of his fellow wartime specialists, this generation of industrialists were 'able, as no one else, to bridge the gap between Government and business and make possible that venture of mutual confidence which central planning implies'.⁹⁰ Thus, emphasising this shared acceptance, Pimlott stressed that it was much easier to view public relations as an application of common sense than it was to become 'trapped in abstractions'.⁹¹

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This agreement ensured that governmental communication efforts would continue well beyond the immediate crises. Thus, in July 1947, the EPB was formed to provide what Morrison referred to as a 'two-way link' between the state and industry.⁹² A year later, the commitment developed into a publicity drive aimed at medium sized enterprises with two new publications (the colourful *Target* and wordy *Bulletin for Industry*) distributed to the management of firms employing over

⁸⁷ Williams, *Press, Parliament and People*, p. 130.

⁸⁸ J.A.R. Pimlott, *Public Relations and American Democracy* (Princeton, 1951), p. 240.

⁸⁹ Keith Middlemas, *Power Competition and the State, Vol. I Britain in Search of Balance, 1940-61* (Basingstoke, 1986), pp. 116-8.

⁹⁰ Oliver Franks, *Central Planning and Control in War and Peace* (London, 1947), p. 47. In further evidence of their acceptance of 'planning with a small "P"', Courtauld's even set up their own 'Government Relations Unit' to co-ordinate the firm's dealings with departments, see: Rogow and Shore, *The Labour Government and British Industry*, p. 58.

⁹¹ Pimlott, *Public Relations*, pp. 49-52.

⁹² TNA, T 229/28, EPB(47)1, 21 July 1947.

one hundred people.⁹³ Matched by the launch of Aims of Industry's *Voice of Industry* series, this was just one part of a £5m COI campaign which also included promoting 'National Production Weeks' to drive home the message included in *Economic Survey for 1948* and its 'short' counterpart. The communication effort was continued within departments. At the Board of Trade, for example, Wilson liaised carefully with industrial associations, held regular press conferences, appeared in a handful of Pathé interviews and even enlisted his wife's help to announce some of his decontrols. Cripps, too, held regular press conferences at the Treasury, whilst the Ministry of Supply's press office often issued up to 300 press briefings in a day.⁹⁴ Such activities were also continued in a more political guise, with both parties holding public talks and using discussion pamphlets to foster the active citizenship that they espoused. Of these, Labour's *Talking Points* was the longer serving, with 152 issues of the original run printed between January 1948 and January 1955, but the Conservatives' 'What do You Think?' series was arguably the most ambitious. Indeed, in an attempt to prove that 'politics was not a remote science', it involved issuing 'factual' material to discussion groups, collating their responses and issuing follow-up pamphlets based upon the ideas raised.⁹⁵ John Boyd-Carpenter's pamphlet on bureaucracy, which was quoted from earlier, even called on groups to send in their own examples of 'ludicrous controls' that a future Conservative government could remove.⁹⁶ A similar model was continued by left-leaning organisations like the Workers' Educational Association and the Co-operative – for whom Barbara Castle wrote a discussion piece called *Are Controls Necessary?* in 1947.

It is clear that a great deal of thought went into these public relations efforts, with even the most overtly political actions being meticulously planned. The government's reaction to the Lynskey Tribunal was, for example, shaped by a careful

⁹³ Crofts. *Coercion or Persuasion?*, p. 62 and S.C. Leslie, 'The Work of the Economic Information Unit', *Public Administration*, 28:1 (1950), 17-26 (p. 25)

⁹⁴ Richard Williams Thompson, *Was I Really Necessary?* (Bath, 1951), p. 21.

⁹⁵ Discussion of the *Industrial Charter* began with the dissemination of a booklet written by Rab Butler to participating Local Associations alongside an instructional film explaining how to hold a discussion group. Group leaders were asked to write up a synopsis after their meetings and 51 of the responses were included in a follow up pamphlet distributed twelve months later. See: R.A. Butler, *What do You Think? About the Industrial Charter* (London, 1947) and CPC, *What We Think: About the Industrial Charter* (London, 1948).

⁹⁶ John Boyd-Carpenter, *About Bureaucracy: Some Facts and Ideas for Discussion Groups* (London, 1949), p. 1.

note produced by P.D. Proctor's Co-ordinating Committee (CC) that stressed the 'energetic action' already taken to 'overhaul the machinery of control'.⁹⁷ This was itself skilfully countered by the Conservative Party, with a supplementary question asking Wilson to provide 'a list of the controls still exercised by his Department' in a bid to highlight the limited nature of his Bonfires.⁹⁸ The party's 'Trust the People' exhibition, which included an interactive display where visitors could hear the recording of an industrialist trying to get a licensing decision out of the Board of Trade and a set designed to look like a suburban living room created out of nothing but permits and statistical returns, was similarly inventive and claimed to be the first ever curated by a political party.⁹⁹ Its allusion to housing was just one part of a broader strategy to translate a critique of planning into a domestic setting. Indeed, continued within Conservative publications like *Home Truths*, *Tory Challenge* and *Topic for To-day*, the party sought to link industrial controls with everyday shortages through a mixture of photographs, strip cartoons and pictorial statistics. This aspect of the Conservative Party's approach has been considered in some detail by Ina Zweiniger-Bargielowska and can be seen to have helped the party strengthen its appeal amongst a key demographic of female voters.¹⁰⁰ It is, however, clear that Labour also understood the importance of what was referred to as 'the housewives' vote' and both parties adopted phrases like 'national housekeeping' to explain their approach. The EIU even developed targeted economic literacy campaigns for women under the banner 'Report to the Women of Britain'.¹⁰¹ A very similar picture

⁹⁷ TNA, T 222/216, Proctor, 'Note on Controls for Lynskey Tribunal Debate', 1 Feb 1949, p. 1.

⁹⁸ *Hansard*, (H.C.Debs), 5th Ser., vol. 463, 31 Mar 1949, c.135. Barbara Castle, who was responsible for drafting Wilson's response, saved the Board's embarrassment by realising that the question 'did not ask for a list of all controls ... [and] does not include materials licenced by the Board on behalf of other departments'. See: Oxford, Bodleian Library, CASTLE, c. 228, 'Controls', PQ 41364.

⁹⁹ *The Times*, 10 Jun 1947.

¹⁰⁰ Ina Zweiniger-Bargielowska, 'Rationing, Austerity and the Conservative Party Recovery after 1945', *The Historical Journal*, 37:1 (1994), 173-197 and 'Explaining the Gender Gap: The Conservative Party and the Women's Vote, 1945-1964', in *The Conservatives and British Society, 1880-1990*, eds M. Francis and I. Zweiniger-Bargielowska (Cardiff, 1996), pp. 194-224 (pp. 208-10). See also: Amy Black and Stephen Brooke, 'The Labour Party, Women, and the Problem of Gender, 1951-1966', *Journal of British Studies*, 36:4 (1997), 419-52 (p. 422).

¹⁰¹ Jay, 'Plans and Priorities', p. 13; Labour Party, 'To the Housewives of Britain' (1947); Moore, *The Origins of Modern Spin*, p. 46 and Leslie, 'The Economic Information Unit', p. 24.

emerges when one considers the adaptation of wartime language and the imaginative use of public opinion surveys to gauge the impact of individual campaigns.¹⁰²

These campaigns were not without their successes. It should, for instance, be remembered that the Conservative Party's *The Right Road for Britain*, whose anti-controls message had been furthered by a national advertising campaign and an abridged version, smashed all existing records for party publications when it sold 2.2 million copies within three months of its launch.¹⁰³ Dr Charles Hill's libertarian 1950 broadcast was also lauded by pundits for having talked to the public in a tone that suggested a willingness to engage rather than lecture.¹⁰⁴ Although the Labour government's achievements were not quite as successful, 1947's *The Battle for Output* still sold 176 000 copies and 1948's *Short Economic Survey* 440 000. Like *The Right Road*, the latter was also claimed to be 'almost certainly a record for a publication of such a type'.¹⁰⁵ It should also not be forgotten that these sales were augmented by the circulation of free pamphlets and multi-media activities outlined above. It was because of this that Morrison would remain adamant that his government had 'attached utmost importance to keeping the public informed'.¹⁰⁶ However, when one considers the picture of political disengagement sketched out in the opening section of this chapter, it is obvious that both parties' efforts had fallen some way short of their stated intentions. Indeed, although Leslie believed that the *Short Surveys* had helped to 'make the subject more real', the pollsters' findings suggested that the majority of the public remained disconnected and had paid 'little conscious attention' to their efforts.¹⁰⁷ This continued after 1951. In fact, in a 1957 study that returned to questions first addressed twelve years before, PEP identified a continued disconnection before noting that an ingrained predisposition towards confidentiality ensured the government was 'not too readily adapted to the need for public relations work in securing co-operation'.¹⁰⁸ The remainder of this chapter will

¹⁰² See above, p. 185 and TNA, RG 23/92-117 and 123A, EIU, 'Surveys of Knowledge and Attitude about the Economic Situation', 1947-1951.

¹⁰³ Anthony Howard, *Rab: The Life of R.A. Butler* (London, 1987), p. 165.

¹⁰⁴ H.G. Nicholas, *The British General Election of 1950* (London, 1951), p. 130.

¹⁰⁵ HMSO, Cmd 7567, *Annual Report of the Central Office of Information for the Year 1947-1948* (London, 1948), p. 23.

¹⁰⁶ Herbert Morrison, *Government and Parliament: A Survey from the Inside* (London, 1959), p. 303.

¹⁰⁷ Leslie, 'The Economic Information Unit', p. 23 and Crofts, *Coercion or Persuasion?*, p. 82.

¹⁰⁸ PEP, 'Statistics for Government', *Planning: A Broadsheet by PEP*, 406 (1957), pp. 1-30.

explore why this should have been the case, before examining the impact of such failings on attempts to utilise an informed public as a positive control.

-II-

There were, especially at the outset, a number of very practical reasons for the shortcomings. It is broadly accepted that the Attlee administration had initially given very little thought to the complexity of the task at hand and had assumed, to quote from Martin Moore's detailed study of *The Origins of Modern Spin*, that:

the means and ends of ends of communication were straightforward ... that it could create messages that were consensual ... [and] that it could continue to distribute information through a compliant media which would then be welcomed by a grateful public.¹⁰⁹

Such assumptions were soon undermined. In fact, by November 1946, it was clear that the communication of economic issues had been anything but straightforward. For Pimlott, whose interest had been sparked in the months after the OC's report, a lack of consistency had simply left the government unable to convey how individual actions fitted into the national picture.¹¹⁰ Although motivated by the specific challenges facing the Lord President's Home Information Service (IH), Pimlott's comments should be considered as one part of the broader critique of irrationality detailed at the end of Chapter Two.¹¹¹ It was certainly motivated by the same failings that had inflicted Nicholson's OC. Indeed, as 'Mike' Williams Thompson, the Ministry of Supply's Chief Information Officer, later recalled, a failure to co-ordinate departmental actions led to 'an appalling delay in getting anything done'.¹¹² It was, therefore, with a degree of irony that the decision taken within the Lord President's Office not to circulate the OC's February report until May 1946 had left the question of publicity for controls unanswered for three months.¹¹³ Such actions were indicative of a continued need to 'adopt a clearly thought out strategy' if

¹⁰⁹ Moore, *The Origins of Modern Spin*, p. 28. See also: Crofts, *Coercion or Persuasion?*, p.19.

¹¹⁰ TNA, CAB 124/1004, Pimlott to Nicholson and Boon, 28 Nov 1946.

¹¹¹ Alec Cairncross' note to Ronald Tress had, in fact, ended with a statement on the failure to educate the public. See: TNA, T 230/25, Cairncross to Tress, 19 Jun 1947.

¹¹² Williams Thompson, *Was I Really Necessary?*, p. 190.

¹¹³ See above, p. 88.

democratic planning was ever to become more than a political phrase.¹¹⁴ It has already been shown that the Conservative Party's initial reluctance to be drawn on specifics was similarly challenged by calls for a clear restatement of policy.

These issues, which have already been explored from a different perspective, were exacerbated by a number of more specific difficulties. Firstly, the time needed to devise and execute detailed publicity campaigns should not be understated. This was especially true of attempts to use film, with even animated shorts – like the Halas and Batchelor produced *Export or Die*, which explained the need for controls over foreign trade – taking over a year to create.¹¹⁵ Money, too, formed an important barrier. In fact, although government expenditure on publicity remained historically high during this period, ministers accepted that this was liable to criticism and made a concerted effort to cut costs after 1947 (such efforts were increased after 1951).¹¹⁶ This was compounded by a neglect of existing channels of communication. It is well known that the Labour government's relationship with the print media, soured by criticism of its economic competence, not to mention accusations of totalitarianism and the highly politicised debates surrounding the 1947 Royal Commission on the Press, was notoriously bad during their period in office.¹¹⁷ As a government, Williams Thompson noted, they simply 'didn't know how to "use" the press' to their advantage.¹¹⁸ It should, however, also be mentioned that Churchill's dealings with the media were confused by his refusal to be photographed and the barring of ministers from giving interviews during the autumn and winter of 1951-52.¹¹⁹ In addition, although a newspaper market which reached 87 per cent of the population was especially significant, the failings were not limited to print. Indeed, a distrust of professional advertising extended across the political spectrum and Attlee even warned ministers against making broadcasts in 1947, in case they led to criticism.¹²⁰ With the Conservatives' Central Office (CCO) maintaining a distinct series of files

¹¹⁴ PEP, 'The Plan and the Public', *Planning: A Broadsheet by PEP*, 269 (1947), p. 58.

¹¹⁵ Crofts, *Coercion or Persuasion?*, p. 21 and Leslie, 'The Economic Information Unit', p. 23.

¹¹⁶ Moore, *The Origins of Modern Spin*, pp. 85-6.

¹¹⁷ Moore, *The Origins of Modern Spin*, pp. 112-133 and James Thomas, *Popular Newspapers, the Labour Party and British Politics* (London, 2005), pp. 28-32.

¹¹⁸ Williams Thompson, *Was I Really Necessary?*, p. 1.

¹¹⁹ Seldon, *Churchill's Indian Summer*, p. 60.

¹²⁰ Crofts, *Coercion or Persuasion?*, pp. 224-5 and Sean Nixon, "'Salesmen of the Will to Want': Advertising and its Critics in Britain, 1951-1967", *Contemporary British History*, 24:2 (2010), 213-33.

dedicated to criticism of its publications, it is clear that there were also a number of more prosaic presentational difficulties to contend with. Indeed, even its attempt to replicate Aims of Industry's use of celebrity 'Brains Trust' panels in advance of the 1955 election was something of a failure, with one of the organisers forced to admit that the discussion had been very dull indeed.¹²¹

Stylistic weaknesses were, as might be expected, particularly marked with regard to economic propaganda. Indeed, although the ambitious young MP Christopher Mayhew had assured Morrison that the war had provided 'a good education in economics', it soon became clear that the subject matter threw up a number of its own barriers.¹²² The 1946 'Prosperity Campaign', which was conceived as one for 'economic literacy', was the first to run into trouble when its message revealed widespread misunderstanding. Indeed, although it had aimed to explain the link between transitional industrial controls, foreign trade and long-term recovery, the Government Social Survey estimated that less than half of the population were aware of the need to boost exports, let alone able to explain the role of controls in doing so.¹²³ It was, however, with the *Economic Survey* that the difficulties were most obvious. Hailed as the centrepiece of democratic planning and claimed to have been written for the whole population, the *Survey for 1947* was widely dissected in the press and led to a number of analyses of its effectiveness. M-O, for example, sought to gauge the extent to which *The Battle for Output* – edited by Nicholson – had been able to popularise the *Survey*'s message. Given that this was a key test for any hope of enlightened public control, their findings were particularly damning. It was noted that, apart from the addition of a striking colour cover and the insertion of several statistical diagrams, the text had been virtually unchanged and included a number of phrases that were simply not understood. Somewhat worryingly, its key message – that 'the OBJECTIVES of this Paper EMBODY the Government's determination to put first things first' – was seen to have caused 'semi-paralysis' whilst the sections on freedom led to numerous misrepresentations regarding controls.¹²⁴ For PEP, the

¹²¹ CPA, CCO 4/3/146, 4/149, 5/178 and 6/181, 'Literature – Criticism', 1949-1956 and CCO 4/6/9, Bagnall, 'Onwards Brains Trust', 15 Nov 1954.

¹²² TNA, CAB 124/890, Mayhew to Morrison, 13 Oct 1945.

¹²³ TNA, RG 23/91, EIU, "'Fill the Ships": An Inquiry into Public Attitudes towards Exports and the Export Campaign', 1947, p. 7.

¹²⁴ M-O, FR 2462, 'The Language of Leadership', 20 Mar 1947, pp. 2-3.

government's inability to put across the issues in a less technical language had removed the potential for co-operation.¹²⁵

The M-O report, which was mailed to a number of MPs, was widely circulated and even led Tom Driberg and Woodrow Wyatt (two Labour backbenchers with an interest in the public relations and the press) to formally question Attlee on *The Battle for Output's* effectiveness in the House of Commons.¹²⁶ The letter had also reached the COI and was sent by them to Bridges alongside a note that accepted it was 'rather frightening' to learn that the majority of the public 'cannot understand words such as "objectives", "conception", or "embody"'.¹²⁷ Other commentators took an even more hands-on approach. Indeed, both *Picture Post* and Mark Abrams produced their own versions of the *Survey* with straightforward visual representations to clarify the key points; as Abrams noted, such appeals would never work 'unless the ordinary man and woman fully understands the nature of the obstacles which have to be surmounted'.¹²⁸ Such actions did have some impact. Research Services were invited to test the public's reaction to the 'Report to the Nation' series of adverts and 1948's *Short Economic Survey* certainly made more use of diagrams and pictorial representations than its predecessor.¹²⁹ It is, however, clear that a number of difficulties remained, with the Cabinet warning in 1948 that 'the capacity of Parliament and public might be over-taxed if too many long documents were issued at short intervals' and complaining about the 'verbal obscurity' of the *Survey for 1950*.¹³⁰ Similar failings were continued into other parts of the government's 'information work'. The infamous 'Work or Want' campaign will be considered later, but another high profile drive to boost productivity in 1949 – which featured a cartoon policeman known as PC'49 – provides a similarly suitable example, with only 18 per cent able to offer an accurate definition of the concept by

¹²⁵ PEP, 'The Plan and the Public', *Planning: A Broadsheet by PEP*, 269 (1947), p. 43.

¹²⁶ *Hansard*, (H.C.Debs), 5th ser., vol. 435, 24 Mar 1947, cc. 851-3.

¹²⁷ TNA, T 273/299, [Fraser] to Bridges, 20 Mar 1947.

¹²⁸ Mark Abrams, *The State of the Nation: An Economic Survey in Pictorial Form* (London, 1947), ff. 1 and *Picture Post*, 'Where Stands Britain', 19 Apr 1947.

¹²⁹ Moore, *The Origins of Modern Spin*, p. 91 and HMSO, *The Short Economic Survey for 1948* (London, 1948), pp. 1-16.

¹³⁰ TNA, CAB 128/12, CM(48)16:3, 23 Feb 1948 and CAB 128/17, CM(50)11:6, 16 Mar 1950.

the campaign's end.¹³¹ It was a similar story with the Economic Planning and Full Employment Bill. Indeed, though he accepted that the controls included would be the same, Hugh Gaitskell urged his colleagues to avoid invoking 'planning' as he doubted it was 'very much understood'.¹³² As Williams Thompson noted, such terms had been overused, but never matched by an attempt to make their purpose known.¹³³

The translation of economic policy into a 'simple form' was also remembered by Woolton to be the hardest task he faced as Chairman of the Conservative Party.¹³⁴ The *Industrial Charter* certainly encountered a number of familiar problems. In fact, the detailed M-O report commissioned by Woolton in 1947, which might reasonably have been inspired by the group's handling of *The Battle for Output*, found that eighty per cent of its sample had no knowledge of the *Charter* whatsoever and noted that there was an 'almost complete ignorance' regarding Conservative industrial policy.¹³⁵ Moreover, although its contents were broadly accepted, the document seemed to have made little difference to the widespread 'lack of knowledge' and 'bewildering mix-up of ideas' which emerged most strongly from the investigation.¹³⁶ As Derek Heathcoat-Amery admitted in early 1948, these failings were most pronounced with those ordinary voters at whom the *Charter* was supposed to have been aimed.¹³⁷ This was not just a question of policy. Instead, exacerbated by a tension between Rab Butler and Lord Woolton, it was also one of presentation.¹³⁸ His view was shared by a number of letter writers who contacted Central Office in the months and years after the document's publication. Colonel James Hutchinson, for example, the Unionist MP for Glasgow Central, reiterated that the party had not done enough to relate to people in terms that they could understand and identified a lack of industrial understanding amongst his colleagues as the main problem.¹³⁹

¹³¹ TNA, RG 23/107, 'Survey of Knowledge and Opinion about the Economic Situation: Productivity Special', Jul 1949, pp. 1-2.

¹³² TNA, T 228/242, Gaitskell, 'Economic Planning and Full Employment Bill', 9 Nov 1950, f. 5.

¹³³ Williams Thompson, *Was I Really Necessary?*, pp. 106-110.

¹³⁴ Frederick James Marquis 1st Earl of Woolton, *The Memoirs of the Rt. Hon. Earl of Woolton* (London, 1959), p. 343.

¹³⁵ M-O, FR 2516, 'The Industrial Charter', Sept 1947, pp. 8 and 10.

¹³⁶ M-O, FR 2516, 'The Industrial Charter', p. 9.

¹³⁷ CPA, CRD 2/7/1, Heathcoat-Amery, 'The Industrial Charter', c. 5 Jan 1948, p. 1.

¹³⁸ John Ramsden, *The Age of Churchill and Eden, 1940-1957: A History of the Conservative Party* (London, 1995), p. 145.

¹³⁹ CPA, CCO 4/2/83, Hutchinson to Woolton, 10 Mar 1949 and 30 Mar 1949.

Hutchinson's conclusion was shared by the public relations consultant Edward Rawdon-Smith. Commenting on the Conservatives' handling of the *Charter*, Rawdon-Smith, who had spearheaded publicity for the British Overseas Airways Corporation and London Passenger Transport Board during the 1930s, drew particular attention to the loose language used in its description. The problem, he feared, was that the party had been unable to deliver a coherent message by continually muddling terms like 'guidance', 'direction', 'control', and 'management' in its policy proposals and political critiques.¹⁴⁰ With this in mind, it was not entirely surprising that the majority of M-O's respondents had failed to identify the *Charter*'s author.¹⁴¹

As was the case with the government's *The Battle for Output*, such findings led to some interesting discussions within the Conservative Party's Research and Publicity Departments. It was during this period that the party looked towards Mather and Crowther's work for the EIU and adopted their use of loose leaf easels – or, in modern parlance, flipcharts – as a means to 'fill the [popular] gap in our present organisation'.¹⁴² The party also considered inserting strip cartoons into a revised second edition of the abridged *Industrial Charter* as a way of 'putting ... its economic background to a larger public'.¹⁴³ Nonetheless, such activities were not universally accepted and the proposals were matched by a continued dismay at the electorate. Rawdon-Smith's proposals were, for instance, agreed by Clarke and Maudling in principle but were never acted upon, because both thought that it would be impossible to co-ordinate the party's language.¹⁴⁴ With the abridged *Charter* having sold 478 000 copies within a month of its publication, the M-O report was treated with even more scepticism and little was done to address the more intractable problems surrounding the document's complexity and an emphasis that many thought at odds with a Conservative perception of industrial policy.¹⁴⁵ This ensured

¹⁴⁰ CPA, CRD 2/50/12b, Rawdon-Smith to Butler, 9 Dec 1947.

¹⁴¹ M-O, FR 2516, 'The Industrial Charter', p. 25. Of those willing to guess the author, twice as many thought it was a Labour document than a Conservative one and a sizeable proportion thought that it was 'Communist inspired'.

¹⁴² CPA, ACP 1/1/3, Mann, 'Report to ACP and Political Education Committee'.

¹⁴³ CPA, ACP 1/1/3, Butler to Woolton, 29 Jan 1949.

¹⁴⁴ CPA, CRD 2/50/12b, Maudling to McCracken, 19 Dec 1947 and Clarke to Butler, 22 Dec 1947.

¹⁴⁵ CPA, CRD 2/7/57, CIPC Minutes, 11 Jun 1947; Jones, 'The Industrial Charter', pp. 181-2 and Andrew Taylor, 'Speaking to Democracy: the Conservative Party and Mass Opinion from the 1920s

that production of the revised *Charter* was fraught with difficulties. Indeed, though the author maintained that he had ‘aimed at the language of the cinema’, Clarke complained to Stephen Piersenné that its length was still likely to alienate ‘those who do not like reading pamphlets’.¹⁴⁶ This was unlikely to have been helped by the Publicity Department’s decision to remove the edition’s experimental cartoons.¹⁴⁷ Nor would it have been abetted by a ‘two way movement’ that remained limited to a small number of self-selecting party members who were overrepresented by relatively affluent associations clustered around London and the South East of England.¹⁴⁸ There is, unfortunately, no record of the decision that was ultimately taken to shelve the project.

It was the Conservative Party’s inability to fully translate its vision of ‘planning with a small “p”’ that led it towards the much simpler call to ‘set the people free’. As Jack Cherry had realised, if one accepted that the public were ‘woefully ignorant’ about the economy, it was a lot simpler to take advantage of the fact that the administration of controls ‘frequently involves much stupidity’ than to make a detailed policy argument with a similarly ‘common touch’.¹⁴⁹ It was for this very reason that the Publicity Office decided to use its list of ‘Ridiculous Controls’. Crucially, a similar shift can be detected within Labour circles. Wilson’s Bonfires were, after all, a very different ploy than Castle’s thirty eight page discussion pamphlet and certainly did not encourage the public to overtly question the ‘nature of the new freedom towards which we are working’.¹⁵⁰ These changes were not without contention. Both Douglas Jay and Cripps, despite accepting the rationale for further decontrol, feared that Wilson’s politicking could be misinterpreted, whilst even Merriam called for an ‘alternative technique’.¹⁵¹ However, as explored in the last chapter, both Cherry and Wilson’s analyses showed that controls were perceived as being a useful proxy for a

to the 1950s’, in *Mass Conservatism: The Conservatives and the Public since the 1880s*, eds S. Ball and I. Holliday (London, 2002), pp. 78-99 (pp. 87-8).

¹⁴⁶ CPA, CRD 2/7/1, Stelling to Clarke, 11 Nov 1947 and Clarke to Piersenné, 1 Dec 1947.

¹⁴⁷ CPA, CCO 4/2/83, Hutchinson to Woolton, 28 Mar 1949.

¹⁴⁸ Philip Norton, ‘The Role of the Conservative Political Centre, 1945-98’, in *Mass Conservatism: The Conservatives and the Public since the 1880s*, eds S. Ball and I. Holliday (London, 2002), pp. 183-200 (p. 186).

¹⁴⁹ CPA, CCO 4/2/6, Cherry, ‘A Memorandum on Propaganda and Publicity’, 8 Feb 1949, p. 10.

¹⁵⁰ Barbara Castle, *Are Controls Necessary?* (London, 1947), pp. 7 and 37.

¹⁵¹ TNA, CAB 128/15, CM(49)5, 20 Jan 1949; T 222/216, Jay to Proctor, 17 Mar 1949 and T 228/304, Merriam, ‘First Term Report’, 15 Mar 1949, p. 1.

broader debate; they provided a means of constructing a narrative wherein the language – if not the issue – made sense.¹⁵² Nonetheless, although this had its roots in the practical difficulties of any attempt to engage a general public in a debate that remained disconnected from their everyday lives, their actions raise a number of more fundamental questions surrounding the ideal of public control. Indeed, although Leslie maintained that his actions at the EIU had been little more than an ‘appeal to common sense’, it is clear that public relations work could never be a purely mechanical task.¹⁵³ As Macmillan pointed out, ‘the analysis of a problem, whether positively or negatively, almost invariably tends to be one-sided’.¹⁵⁴ Thus, before turning to consider their impact, the following section will first trace the reactions to these failings after 1947 to analyse later developments from a slightly more abstract perspective.

-III-

To do so, it is worth returning briefly to the unpublished *Economic Survey for 1946*. This document, which was noted very briefly at the beginning of Chapter Three, was seen by James Meade to offer a real chance for popular discussion over priorities.¹⁵⁵ Franks, who was still serving at the Ministry of Supply at the time of drafting, saw it as similarly essential and stressed that planning was ‘dependent on co-operation’.¹⁵⁶ The *Survey* could, in this sense, be seen as a necessary precursor to Labour’s democratic vision and symbolic of the deep change in attitudes called for by the likes of Wootton. Yet, as shown by Keir Thorpe, a fear that its statistical foundations would be proved wrong ensured that the experimental *Survey* was never published. Ministers were instead urged by Morrison to take ‘great care ... to avoid any

¹⁵² On the importance of language to political debate, see: Jon Lawrence, *Speaking for the People: Party, Language, and Popular Politics in England, 1867-1914* (Cambridge, 1998), pp. 61-9; Karl Popper, ‘Two Kinds of Definition’, in *Popper Selections*, ed. D. Miller (Princeton, 1984), pp. 87-100 ; James Vernon, *Politics and the People: A Study in English Political Culture, c. 1815-1867* (Cambridge, 1993), p. 295 and Philip Williamson, ‘Maurice Cowling and Modern British Political History’, *The Philosophy, Politics and Religion of British Democracy*, eds R. Crowcroft, S.J.D. Green and R.C. Whiting (London, 2010), pp. 108-152 (p. 138).

¹⁵³ Leslie, ‘The Work of the Economic Information Unit’, p. 22.

¹⁵⁴ *Hansard*, (H.C.Debs), 5th ser, vol. 450, 13 May 1948, cc. 2295-6 and *The Times*, 14 May 1948.

¹⁵⁵ James Meade, ‘Economic Planning’, in *The Collected Papers of James Meade Vol I Employment and Inflation*, ed. by S. Howson (London, 1988), pp. 265-74 (pp. 269-74).

¹⁵⁶ TNA, CAB 134/187, ED(46)1:2, 15 Mar 1946.

references which might suggest to the public that any cut-and-dried plan exists' in the fear that the existence of such a document would lead to 'a clamour for the disclosure of facts'.¹⁵⁷ Given his later faith in the democratic principle of public control, it is ironic that Cripps should have endorsed this decision and that he took a similar stance over Morrison's first plan to publicise the role played by industrial controls.¹⁵⁸ Moreover, whilst later developments appear to show a willingness to divulge such information, the extent to which 1947 was a turning point in this regard should not be overstated. Fraser was, in fact, barred from talking about his activities at the COI from the moment he took charge and Bridges continued to stress that the *Surveys*' should be kept as broad as possible. It was no wonder that Leslie remained adamant that the entire concept of public information continued to be viewed as an 'almost indecent economic striptease'.¹⁵⁹ Having failed to explain their purpose earlier, the government's stance on controls continued to pose problems and Morrison feared that the Economic Planning and Full Employment Bill would draw undue attention to the scale of those controls already being enforced.¹⁶⁰

Some of this reticence was obviously motivated by a pragmatic reading of the political situation. It was, for instance, unlikely that a briefing produced by Nicholson warning ministers to expect 'a rough ride' over the *Economic Survey for 1947* would have engendered much support amongst a government that was already reeling from criticism of its handling of the fuel crisis.¹⁶¹ Such considerations were, though, matched by an equally important ignorance of public attitudes.¹⁶² Indeed, although its advocates believed that it offered a new form of democratic representation, the Attlee government's use of public opinion research was remarkably patchy before 1947 and was seen by both Leslie and M-O's Tom

¹⁵⁷ TNA, CAB 129/6, Morrison, 'Economic Survey for 1946', 30 Jan 1946. See also: Keir M. Thorpe, "'Statistical Floodlighting"? The Unpublished Economic Surveys 1946-7', *Contemporary British History*, 11:4 (1997), 86-111 (pp. 94-5).

¹⁵⁸ TNA, CAB 71/27, LP(I)(45)5:4, 11 Sept 1945. Richard Toye suggests that it was only after reading Oliver Franks' lectures that Cripps was fully convinced by the potential of democratic planning, see: Richard Toye, *The Labour Party and the Planned Economy, 1931-1951* (Woodbridge, 2003), p. 220.

¹⁵⁹ M-O, FR 2478, Harrison, 'The Government and Public Relations', 16 May 1947, p. 2; TNA, CAB 134/187 ED(46)8:1, 15 Oct 1946 and *The Times*, 16 Jul 1959.

¹⁶⁰ See above, p. 159.

¹⁶¹ TNA, T 273/299, Nicholson, Notes for Economic Situation Debate, 5 Mar 1947, p. 1.

¹⁶² Tomlinson, 'Re-inventing the "Moral Economy"', p. 363.

Harrison as the primary reason for failings before the installation of the EIU.¹⁶³ As with the broader picture, there were a number of very different reasons as to why this should have been the case. Moreover, given the difficulties that accompany any attempt to quantify beliefs and feelings, many of these were inevitable. On this point, it should be noted that even Harrison and electoral sociologists like Richard Rose were aware that the idea of a unified public opinion jarred with reality and pointed to the tension between ‘simple abstractions and complex realities’.¹⁶⁴ Despite this, the extent to which the government’s reticence can be traced to an underlying hostility to engage with what was still a contested science should not be overlooked.¹⁶⁵ Indeed, as Ely Devons recounted during a BBC Third Service broadcast that drew upon his wartime experience, there had been an unwillingness to see that ‘the need to “educate our masters” ... can be read both ways’.¹⁶⁶ Even PEP, who decried Labour’s lack of co-ordination, remained steadfast that opinion studies should never be allowed to impinge on Burkeian notions of representative government. This, it was stressed, meant ‘leading rather than following the people’.¹⁶⁷ Such attitudes ensured that high level perceptions of the public remained crucial determinants in the formation and presentation of policy. As Leslie would complain, references to public opinion were often little more than ‘the personal impressions of senior Civil Servants’.¹⁶⁸

The government’s reaction to M-O’s report on the relative failure of *The Battle for Output* symbolised this tendency. Indeed, although it accepted that more effort was needed to ensure that future documents were clearer, it is hard not to distinguish a degree of contempt in a discussion that included phrases like ‘the ordinary man’s

¹⁶³ M-O, FR 2478, Harrison, ‘The Government and Public Relations’, p. 15 and TNA, T 245/2, Leslie to Morrison, 30 Jun 1947. See also: PEP, ‘The Social Use of Sample Surveys’, *Planning: A Broadsheet by PEP*, 250 (1946), p. 22.

¹⁶⁴ Tom Harrison, ‘What is Public Opinion?’, *Political Quarterly*, 11:4 (1940), 368-83 and Richard Rose, ‘Simple Abstractions and Complex Realities’, in *Electoral Behaviour: A Comparative Handbook*, ed. R. Rose (New York, 1974), 481-541.

¹⁶⁵ M-O, FR 2478, Harrison, ‘The Government and Public Relations’, pp. 11 and 15 and C.A. Moser, ‘The Use of Sampling in Great Britain’, *American Statistical Association*, 44:246 (1949), 231-59 (p. 255).

¹⁶⁶ Ely Devons, ‘Government on the Inner Circle’, in *Papers on Planning and Economic Management*, ed. A Cairncross (Manchester, 1970), pp. 140-147 (p. 147). The title of this paper – which was broadcast as ‘The Mystique of Government – was a play on Devons’ wartime experience and Bedford College’s location on the Inner Circle of Regent’s Park.

¹⁶⁷ PEP, ‘The Social Use of Sample Surveys’, p. 13.

¹⁶⁸ TNA, T 245/2, Leslie to Morrison, 30 Jun 1947

vocabulary is incredibly limited' and 'even the simplest statement ... is likely to be almost meaningless'.¹⁶⁹ This was indicative of a tendency to measure understanding against a constructed norm of 'correct knowledge' that continued well after 1947. In fact, by 1949, after numerous discussions regarding intended audiences, it had been decided to overlook those who were 'not equipped to quickly grasp the meaning of a situation like 1947' and specifically target future publications at an intelligent 'leadership group' (those who, in Leslie's words, 'read the more serious parts of their newspapers').¹⁷⁰ It was for this reason that Cripps felt comfortable enough to deflect the Cabinet's criticism of the *Economic Survey for 1950* by stressing that it was written for 'technical people'.¹⁷¹ A similar prejudice can also be detected in the Committee on Economic Controls (CEC)'s dismissal of Morrison's plan for a Public Tribunal. His suggestion, which was motivated by a belief that there was still 'too many complaints ... about unnecessarily complex procedures', would have involved inviting members of the public to suggest controls for relaxation and publicising the results.¹⁷² This was, however, dismissed by the official in charge as a 'highly dangerous proposal' and was deliberately written out of the CEC's interim report.¹⁷³ Such actions obviously made sense from an administrative perspective and it was highly doubtful that any non-expert review would have been better placed than those which had already failed. Nonetheless, they also raised serious questions for a vision of 'community planned production' that had hoped to allow all to 'share fully in the making of the rules under which they work'.¹⁷⁴

The adaptation of the controls system had certainly failed to meet the ideal of enlightened public control. In fact, as Morrison feared, the continued tension between centralisation and devolution ensured that the apparatus became subsumed by accusations about its 'officialdom, cold rigidity and lack of ... human kindness'.¹⁷⁵ Exacerbated by the failure ever to produce a definitive 'Handbook of Controls', most criticism was reserved for its duplication of functions and a belief

¹⁶⁹ TNA, T 273/299, JAB to Bridges, 1 Apr 1947.

¹⁷⁰ Leslie, 'The Economic Information Unit', p. 18.

¹⁷¹ TNA, CAB 195/7, Confidential notes from CM(11)50, 16 Mar 1950.

¹⁷² TNA, CAB 132/15, Morrison, 'Government Controls and the Public', p. 1.

¹⁷³ TNA, T 222/227, Simpson to Crombie and Bridges, 13 Apr 1950.

¹⁷⁴ Labour Party, *The Old World and the New Society* (London, 1942), pp. 8 and 12.

¹⁷⁵ Brebner, *Public Relations*, p. 18.

that individual controls were being ‘operated by unskilled juniors [using] rule-of-thumb methods’.¹⁷⁶ This, an alliterative PEP reminded its readers, was evidence that ‘a civil servant in Whitehall has little or no opportunity for direct contact with firms in Woolwich, Wigan or Wolverhampton’.¹⁷⁷ Even when direct controls were removed, the compulsion to provide statistics still left many reeling, with one large firm estimating that it was required to provide 650 separate returns a year.¹⁷⁸ As has been noted elsewhere, the continued reliance upon Trade Associations also alienated many of the most enthusiastic planners. Frederick Cobb, for example, the Labour MP for Elland and the managing director of a large manufacturing business, was adamant that such bodies had simply been unable to ‘get down to the real “grass roots” of industry’.¹⁷⁹ Nowhere was this more obvious than in the government’s use of investment controls. Indeed, although steel and building licences had emerged as strategic powers during the post-1947 re-organisation, it is quite clear that these were never co-ordinated with the activities of bodies like the EIU. On the contrary, the Investment Programmes Committee (IPC) remained entirely closed and its very existence kept secret from most MPs and local authorities.¹⁸⁰ Thus, although the Treasury had attempted to discount M-O’s findings about its approach, it could well be argued that their conclusion that ‘any group’s public relations reflect its whole basic attitude of mind to the public with whom it is concerned’ was indeed valid.¹⁸¹ There was, according to PEP, an obvious ‘danger that public relations may be regarded [simply] as a means of humouring and persuading a rather stupid populace’.¹⁸²

Whilst his treatment of democratic planning is less confident than his analysis of Labour’s fractious relationship with the press, Moore has traced this shift from idealistic public engagement to pragmatic exhortation in more detail than space here

¹⁷⁶ TNA, T 229/33, FBI, ‘The Temporary Limitation of Capital Expenditure’, 1 Oct 1947, p. 2.

¹⁷⁷ PEP, *Government and Industry: A Survey of the Relationship between Government and Privately Owned Industry* (London, 1952), p. 32. See also: Henry Bunbury, *Officials and the Public* (London, 1947), p. 12.

¹⁷⁸ PEP, *Government and Industry*, p. 139.

¹⁷⁹ F.A. Cobb, ‘Private Enterprise and Public Policy’, *Fabian Quarterly*, 55 (1947), 3-6 (p. 5)

¹⁸⁰ Catherine Flinn, ‘“The City of Our Dreams”? The Political and Economic Realities of Rebuilding Britain’s Blitzed Cities, 1945-54’, *Twentieth Century British History*, 23:2 (2012), 221-45 (p. 237).

¹⁸¹ M-O, FR 2462, ‘The Language of Leadership’, f. 1.

¹⁸² PEP, ‘Public Relations and the Town Hall’, *Planning: A Broadsheet by PEP*, 265 (1947), p. 12.

permits. It is, though, worth mentioning a couple of points. The first is slightly paradoxical in that it regards the extent to which this shift was influenced by the very same theories that were treated with so much suspicion when one considers the use of public opinion polling. But, as shown by Moore, the selective use of such surveys sat alongside a less obvious infusion of behavioural theories introduced by men like Leslie. His past life as a lecturer in psychology was, in fact, matched by Pimlott's enthusiastic interest in American information management techniques and Williams' academic concern about the tripartite relationship between the public, Parliament and the press. Such interests, which even saw Pimlott undertake a year's funded sabbatical in New York, brought the EIU into close contact with the writings of Wallas and Lippmann and ensured that they understood the potential power of emotionally targeted appeals.¹⁸³ Yet, to move to the second point, this was not enough to avoid criticism. Instead, the partial adoption of such techniques merely fed into a growing malaise amongst Labour's rank-and-file. Speaking in Margate at the party's 1947 Annual Conference, for example, the delegate for Hampstead moved a resolution criticising the 'Work or Want' campaign for its overreliance on exhortation, or, as he saw it, 'posters, pep-talks and propaganda'.¹⁸⁴ The difference between this and real democratic planning, noted the increasingly critical Harold Laski, was that the relationship had been one-way and that planning was 'not likely to be attained in a society where the citizen does not feel an interest in the process'.¹⁸⁵ His claim that Labour's public relations were 'the worst in modern times' was a little unfair, but, given that the broader proposition was restated so strongly by the likes of Young, Albu and Gordon Walker, he may have had a point.

*

Though the Conservative Party sought to capitalise on this 'them and us' mentality, its thoughts were just as complicated and displayed many of the same tensions. The fact that the party's 'two way movement' almost never began because Clarke feared that it would necessitate a costly questionnaire and dismissed its principle advocate

¹⁸³ Moore, *The Origins of Modern Spin*, p. 91.

¹⁸⁴ Labour Party, *Report of the 46th Annual Conference*, p. 138.

¹⁸⁵ Harold Laski, 'Efficiency in Government', in *The Road to Recovery: Fabian Society Lectures* (London, 1948), pp. 49-64 (p. 64).

as ‘a rather awkward individual’ set the tone rather nicely.¹⁸⁶ Indeed, even with the party’s experience of running political education schemes, it was never able to fully define how its ‘voluntary and virile partnership’ would work in practice and questions over the cost were never too far away.¹⁸⁷ Such comments were paired with a view of the electorate which was, if anything, more disparaging than that outlined above. For example, during the attempt to reach out to working class voters in 1947, it was noted that greater representation would be difficult as ‘any wage earner who is capable of being a Member of Parliament will probably be something other than a wage earner’.¹⁸⁸ The proposed author of the aborted second popular version of the *Charter* was even more scathing, claiming that it was ‘literally impossible to be both brief and intelligible to *Demos*’.¹⁸⁹ Though seemingly unaware of the on-going attempt at redrafting, this view was reiterated by Heathcoat-Amery, who drolly suggested the party should take ‘a second shot at a very simple edition in words of one syllable ... for direct consumption’.¹⁹⁰ Although one would be forgiven for thinking that the party’s attempts to reach out to the business community would be slightly less fraught, such complications were by no means limited to the relationship with wage earners. Instead, the ill-timed leak of one of the CIPC’s drafts left Harold Macmillan and Hutchinson facing a barrage of criticism from industrialists in Newcastle as they were accused of treating the consultation process as ‘pure eye wash’.¹⁹¹ Jay’s ‘Gentleman in Whitehall’ may have been subjected to a vigorous critique, but in such cases it is obvious that political elites were still seen to know best.

It was this attitude that Woolton sought to break after his party’s disappointment in the 1950 General Election. Motivated by a belief that the Conservatives had struggled to shed their sectional identity, and building upon Chapman Walker’s earlier warning that their message would only succeed if ‘matter’ was co-ordinated with ‘instrument’, he stressed that ‘no amount of organisation or propaganda can

¹⁸⁶ CPA, CCO 4/2/144, Clarke to Piersenné, 14 May 1946 and Clarke to Alport, 29 Jun 1946.

¹⁸⁷ For examples: CPA, CCO 4/4/69, Ridgewell, ‘D/V Scheme and Certain Direct Mailing Activities’, 1 May 1951 and PEP, *Government and Industry*, p. 141.

¹⁸⁸ CCO, ACP 1/1/3, ‘Memoranda with Reference to Propaganda for Wage Earners’, c. 1947.

¹⁸⁹ CPA, CRD 2/7/1, Stelling to Clarke, 11 Nov 1947.

¹⁹⁰ CPA, CRD 2/7/1, Heathcoat-Amery, ‘The Industrial Charter’, p. 3.

¹⁹¹ CPA, CRD 2/7/57, Fraser, ‘Minutes of a Meeting held in Newcastle-on-Tyne on Tuesday, 18th March 1947’, 2 Apr 1947.

achieve [our] objects unless there is a genuine enthusiasm for them among all sections of the party'.¹⁹² Woolton understood that this was 'a long-term problem' and that it could not 'be solved by short-term expedients'. Yet, as with the Publicity Department's campaign to make controls a political issue, his appeal was also motivated by an obvious political imperative and did little to alter a very blunt conception of the electorate. Indeed, such attitudes were arguably more pronounced during the highly politicised period between February 1950 and October 1951. Clarke, for example, was forced to admit in September 1950 that the Public Opinion Research Department (PORD) had lost much of its early objectivity and no longer seemed to appreciate the intricacy of its work.¹⁹³ This continued after 1951 with the PORD winding down its activities during 1952 and policy makers continuing to draw a distinction between 'classes' and the 'masses'. Somewhat surreally, Woolton received a personal note of caution on this issue in 1953 from the amateur historian and motor-racing enthusiast Prince Chula Chakrabongse of Thailand. Chakrabongse, who lived in England with his wife Elizabeth, noted that a poster slogan reading 'Things are a lot better under the Torys' seemed to contradict the party's desire to liberate the public from governmental interference. As he noted:

I feel that the British people do not like to think that they are under anyone.
Why not the slogan "Things are a lot better with the Torys"?¹⁹⁴

The difference in wording may have been minimal, but in terms of meaning the gulf was much wider.

Chakrabongse's letter to Woolton may be a fairly peculiar source, but its message requires careful attention. Indeed, for all of the libertarian rhetoric expounded during the late 1940s and early 1950s, the essence of Conservatism remained somewhat more complex than the simplistic call to 'set the people free'. This was not entirely surprising. On the contrary, twentieth century Conservatism would always include a

¹⁹² CPA, CCO 4/4/123, Woolton, 'The Industrial and Agricultural Worker', fols 1-2 and CRD 2/2/11b, Chapman Walker, 'Outline of a Plan', Jan 1949, p. 1.

¹⁹³ CPA, CCO 4/4/267, Clarke to Piersenné, 13 Sept 1950.

¹⁹⁴ CPA, CCO 4/5/301, Chakrabongse to Woolton, 28 Jul 1953.

blend of paternalistic and libertarian impulses.¹⁹⁵ The party's quest for 'freedom and order' was, as Butler explained, predicated on the fact that 'a good Tory has never in history been afraid of the use of the State'.¹⁹⁶ Thus, for Quintin Hogg, there was no paradox in the fact that 'Conservatism remains the traditional party of authority even though it has become the defender of liberty'.¹⁹⁷ Yet, the exact balance of this relationship remained strangely elusive. This was partly the result of Butler and Hogg having deliberately played down the importance of 'isms' and ideology during the course of their rethinking. Nonetheless, the situation was exacerbated by those internal debates over state intervention which had, since 1945, left the party facing in two directions. Thus, although the party remained strongly libertarian in its rhetoric, it has already been seen that many of the least visible controls remained after 1951. This ensured that a critique of bureaucratic interference would remain potent.¹⁹⁸ Indeed, as Edwin Plowden claimed after stepping down as Chief Planning Officer, the government's opposition to controls was perhaps more a problem with the term than the concept.¹⁹⁹ Thus, looking back from 1957, PEP remained certain that a longer term 'development in both the inclination and capacity of Government to carry out tasks which ... were [previously] done less comprehensively by others' had continued.²⁰⁰ Moreover, according to R.S. Milne, who played upon a British stereotype to explain the situation to an American audience, the entire apparatus had remained in the hands of a 'small circle of individuals' whose informal links were often more important in framing their outlook than official exchanges of information.²⁰¹ Interestingly, Hayek referenced this continuing 'fondness for authority' to explain why he was not a Conservative in 1960.²⁰²

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¹⁹⁵ E.H.H. Green, *Ideologies of Conservatism: Conservative Political Ideas in the Twentieth Century* (Oxford, 2002), pp. 240-279.

¹⁹⁶ *Hansard*, (H.C.Debs), 5th Ser., vol. 434, 11 Mar 1947, c. 1247.

¹⁹⁷ Quintin Hogg, *The Case for Conservatism* (West Drayton, 1947), p. 165.

¹⁹⁸ TNA, CAB 134/889, ES(55)3, 14 Mar 1955.

¹⁹⁹ Seldon, *Churchill's Indian Summer*, p. 164.

²⁰⁰ PEP, 'The Growth of Government', *Planning: A Broadsheet by PEP*, 417 (1957), p. 231.

²⁰¹ R.S. Milne, 'Britain's Economic Planning Machinery', *The American Political Science Review*, 46:2 (1952), 406-421 (p. 421).

²⁰² F.A. Hayek, *The Constitution of Liberty* (London, 1960), p. 400. See also Andrew Gamble, *The Free Economy and the Strong State: The Politics of Thatcherism* (Basingstoke, 1994).

In spite of the New Fabians' efforts, the Labour Party's reaction to defeat in 1951 was no more enlightened than had been the Conservatives' in 1950. Indeed, despite Young having re-emphasised that voters wanted to be talked with and not talked at in preparation for his party's election broadcasts, they refused to see the result as a popular rejection of their democratically planned vision and were similarly torn between a rhetoric of engagement and profound sense of despair at the public's supposed apathy.²⁰³ Following Young's resignation, this was accompanied by an even greater unwillingness to engage with opinion research and ensured that political engagement remained understood in terms of presentation rather than content (the decision to finally commission a bespoke survey from Abrams in 1956 was only taken when it became clear that the Conservative Party were making full use of such techniques).²⁰⁴ On a more abstract level, it can be seen that both parties were continuing to operate within a shared framework of governance shaped by a Burkeian ideal of paternalistic authority and the intellectualist assumptions critiqued by Wallas' *Human Nature in Politics*.²⁰⁵ It should not be forgotten that Gordon Walker's vision still hoped to promote certain behaviour so as to create a better society; his idea of liberal public relations was to help 'clarify and disabuse [people's] minds' rather than to open up the creation of policies.²⁰⁶ These were almost inevitable difficulties. After all, any political system, and especially a democratic one, necessarily interposes a 'stage between the citizen and the administration'.²⁰⁷ Nonetheless, the contradiction between a strong central state and a dispersal of powers within society proved to be just as fundamental a problem for Labour as it was for their primary opponents. The apparent similarity between these

²⁰³ LPA, LPRD R 4, Young, '1950 Election Broadcasts: Greenwich Survey', Jun 1950, p. 2; Lawrence Black, *The Political Culture of the Left in Affluent Britain, 1951-64* (Basingstoke, 2003), pp. 14-23; 'What Kind of People are You?', pp. 26-7 and Steven Fielding, 'Activists against "Affluence"', p. 261.

²⁰⁴ Mark Abrams, 'Public Opinion Polls and Political Parties', *Public Opinion Quarterly*, 27:1 (1963), 9-18 (pp. 13-18) and LPRD, Re. 47, 'Memorandum on Proposed Pilot Scheme for a Public Opinion Survey', Apr 1956, p. 1. See also: Laura Beers, 'Whose Opinion?', p. 196 and Dominic Wring, *The Politics of Marketing the Labour Party* (Basingstoke, 2005), pp. 13-24. See also: Jim Tomlinson, 'It's the Economy Stupid! Labour and the Economy c. 1964', *Contemporary British History*, 21:3 (2007), 237-344 (p. 339).

²⁰⁵ Graham Wallas, *Human Nature in Politics* (London, 1910), pp. 98-113. See also: Beers, 'Whose Opinion?', p. 181 and Steven Fielding, 'Looking for the "New Political History"', *Journal of Contemporary History*, 43:3 (2007), 515-7.

²⁰⁶ Gordon Walker, *Restatement of Liberty*, pp. 368-9.

²⁰⁷ W.J.M. Mackenzie and J.W. Grove, *Central Administration in Britain* (London, 1957), p. 448.

beliefs questions the efficacy of ever applying a rigid ideological framework to determine attitudes towards controls. To amend a quote from Wootton, ‘traditional battle cries no longer make sense in a world where so many people are ... fighting on several sides at once’.²⁰⁸

The situation certainly complicated the relationship between controls and freedom that was so central to the last chapter. In fact, with the notable exception of Wootton, who had been meticulously careful to delineate between concrete and abstract freedoms, it has been shown that the nature of this debate was far from as simple as the protagonists hoped. Instead, echoing W.H. Greenleaf’s vast *The British Political Tradition*, it was one that involved ‘shades of difference’ between collectivist and libertarian approaches with both parties drawing upon an unstable mixture of the two.²⁰⁹ If this was not complicated enough, the parameters within which it was framed can be seen to have distracted from a deeper discussion regarding the act of control, whilst concurrently setting up a further tension between positive and negative ideas of freedom.²¹⁰ Indeed, whilst maintaining that the debate over controls involved the former, both Labour and the Conservatives played out their differences in terms of the latter: with controls as either the arbiters of ‘freedom from want’ or relaxation as a ‘freedom from interference’. In neither case was freedom conceived as the positive choice envisaged by the likes of Albu, Young or Law. This, combined with the rather uncomfortable dependence upon deliberate obscurity, not to mention the fact that its economic foundations were often less than secure, ensured that the rhetorical difference between a democratically planned ‘socialist commonwealth’ and ‘setting the people free’ was rather more opaque than it first appeared. Both were, in the words of an admittedly sceptical David Worswick, aspects of an overtly political dispute that was being played out within a ‘thickly wooded region’ where the ‘frontier itself was hard to discern’.²¹¹ It was no wonder then that Roy Harrod had

²⁰⁸ Wootton, *Freedom Under Planning*, pp. 129-30.

²⁰⁹ W.H. Greenleaf, *The British Political Tradition, Vol. I The Rise of Collectivism* (London, 1983), p. 13.

²¹⁰ Middlemas, *Power Competition and the State*, p. 354.

²¹¹ G.D.N. Worswick, ‘The British Economy 1950-1959’, in *The British Economy in the Nineteen Fifties*, eds G.D.N. Worswick and P. Ady (Oxford, 1962), pp. 1-75 (pp. 16-17).

thought the public would be left mystified when he reviewed *Ordeal by Planning* in 1948.²¹²

As an inexorable part of the process by which the controls debate had been constructed, this need not have mattered to either party if the issue had delivered votes. But, as shown at the outset of this chapter, this was not necessarily the case. Rather, the nature of the debate helped to underpin the very disengagement that it had aimed to surmount. It is, indeed, something of an irony that Utopian hopes for a politically engaged and self-aware citizenship, one that would negate the need for detailed state control, were partly dashed by a political debate over restrictions that all sides hoped to remove. Yet, dependent upon a constructed version of its subject that bore little relation to reality, the democratic need for differentiation hindered engagement by enforcing a level of confusion and impressing a falsely dichotomous argument upon an electorate that remained disillusioned with overt partisanship.²¹³ Their disillusion was particularly felt with regard to negative campaigns – like those surrounding controls – that were adept at fostering cynicism, but had less success in building support. Indeed, when set against continued domestic economic woes and the increasingly uncertain geo-political situation, political point scoring appeared, in the words of an anonymous floating voter from Keighley, to be little more than a ‘silly game’.²¹⁴ The controls debate that dominated the early 1950s was, then, really not greatly different from the ‘political slanging match’ criticised by John Martin and *The Economist* in advance of 1945. In fact, it arguably worsened the ‘feeling against all parties’ that M-O had warned the Conservatives about in 1947.²¹⁵ That this should have been the case – despite Martin’s insistence that it was based on ‘muddled thinking’ – can be traced back to a serious misrepresentation of the public’s mood.²¹⁶ One in which their focus upon issues of a more everyday nature was interpreted as political indifference rather than a differing political interest. The political elite had, as suggested by M-O, failed to distinguish between apathy and cynicism. They had effectively dismissed the fact that fifteen million people were regularly classified by

²¹² Roy Harrod, ‘Ordeal by Planning’, *Economica*, 15:59 (1948), 221-224 (p. 221).

²¹³ CPA, CCO 4/3/250, Clarke to Maxse, 4 Jan 1950 and M-O, FR 2415, ‘It Isn’t There’, pp. 7-8.

²¹⁴ CPA, CCO 4/3/249, ‘Confidential Supplement to Public Opinion Summary No.10’, Oct 1949.

²¹⁵ TNA, PREM 4/88/2, J.M.M., ‘Controls’, 26 Nov 1944, f. 2; *The Economist*, 16 Jun 1945 and M-O, FR 2516, ‘The Industrial Charter’, p. 6.

²¹⁶ TNA, PREM 4/4/82, J.M.M. to Churchill, 26 Nov 1944.

pollsters as ‘Don’t Knows’ as evidence that Britain was ‘rapidly becoming a nation of morons’.²¹⁷ Having taken advantage of a useful uncertainty, both parties had found themselves hostage to its inherent contradiction.

-IV-

This chapter has sought to explain why the party-political debate surrounding the use of controls remained relatively inconsequential and to analyse the impact that it had on attempts to promote a more active popular political engagement. Focused broadly on the techniques adopted, it has shown that a great deal of effort went into such public relations and has suggested that this ‘information work’ should not be written off entirely. In fact, for all of the practical problems, it must be remembered that the debate imbued the system with moral significance and ensured that it was played out in a very public arena. This is to present a slightly different picture from that which has tended to dominate the historiography. Turning back to the notion of a retreat from planning, it is to suggest that the emphasis on economic public relations did not represent a change in approach, but was symbolic of a desire to replace direct restrictions with a democratic framework of public controls. Thus, whilst Richard Toye has decried the Attlee government’s ‘language of exhortation’ as evidence of a failure to enforce any permanent powers, this chapter has argued that it was perhaps more worrying that such language represented a failure to engage.²¹⁸ The attention paid to the translation of policy was certainly noteworthy, with enthusiasts like Cripps insistent that ‘you can encourage, persuade and inspire but you cannot compel’.²¹⁹ However, a combination of practical failings and deeper inconsistencies ensured that even the most well-known efforts, like Wilson’s Bonfires and the Conservative Party’s ‘Trust the People Exhibition’, remained primarily one way affairs.

Returning to the party-political contest sketched out in Chapter Four, it has also been shown that the debate over controls and ‘freedom’ was similarly misleading. It was,

²¹⁷ M-O, FR 2549, ‘Anatomy of the Don’t Knows’, 14 Dec 1947, p. 5. When asked for their ‘Opinion about controls in trade and industry’, an average of 10 per cent were recorded by BIPO as ‘Don’t Knows’, see: Gallup, *Public Opinion Polls, Vol. 1*, pp. 173, 189, 204 and 211.

²¹⁸ Toye, *Labour and the Planned Economy*, p. 219.

²¹⁹ C.A. Cooke, *The Life of Richard Stafford Cripps* (London, 1957), p. 355.

extending beyond Greenleaf's picture, an attempt to draw distinctions in murky water about an ill-defined topic that was imperfectly understood and included a blend of ideas that cut across traditional boundaries. This might have been approached from a controls-based perspective, but it is clear that the issues raised have broader implications. Indeed, they hint at a fundamental paradox surrounding an ideal of public rationality around which it was possible to construct a political debate but to which neither party seemed wholly committed. Although echoing the 'New Political Historians' mentioned earlier, this conclusion is not exactly novel – with the complications of political representation had been of notable interest to a mid-twentieth century political class grounded in the work of Wallas and aware of the often artificial nature of their actions.²²⁰ PEP, for instance, a group which embodied this tension and whose wide-ranging survey of active democracy led to a consideration of turnout at local elections, were just as adamant that politics was defined by its very 'theyness' as has been more recent generations of commentators.²²¹ Drawing upon such findings, it is argued here that the controls debate was undermined by a cycle of artificiality, disengagement and exhortation that was only worsened by an unattainable rhetoric of partnership and the practical difficulties facing those who sought to translate it to the general public.

²²⁰ Wallas, *Human Nature in Politics*, pp. 44-5.

²²¹ PEP, 'Active Democracy: A Local Election', *Planning: A Broadsheet by PEP*, 261 (1947), pp. 7-8 and Black, *Redefining British Politics*, p. 2.

Conclusion

The Political Economy of Controls

When I first started this examination, I was bewildered. There were so many different kinds of control; there were so many different reasons for maintaining a control; and many of the measures which I should have called a control were not regarded as such by those who operated them. I hope I have covered all the controls properly within my remit; but even now I cannot be absolutely and completely certain that some control measures have not escaped examination.

TNA, T 230/319, Lawrence P.B. Merriam, 'Final Report to the President on the Examination of Controls', 23 Feb 1950, p. 1.

When asked about the process he had taken during the course of the Board of Trade's investigation into controls in 1949, a confident Lawrence Merriam noted that he 'had not presumed to become more expert than the experts'. Instead, he had 'merely sought to discover what measures of control [were] exercised, and whether they [were] still necessary'.¹ This study, which has sought to determine the political economy of those industrial controls employed by the state in the decade after 1945, began with a similar set of questions. As Merriam would later realise, however, such questions can only provide a limited introduction to a subject that is more complex than it first seems.² Sketching out developments before 1945, it has been shown that a highly personal system of control, one which rested upon the decisions taken by individual Controls with a capital 'C', was able to exert a degree of influence over the flow of resources but struggled to co-ordinate these efforts. Indeed, having grown piecemeal to meet specific needs, the system remained focused primarily on the short-term and perhaps should not be viewed as a single system at all. Nonetheless, incorporated into existing ideas, its structure was used to provide the physical framework that would underpin attempts to plan the economy after 1945. This process was far from simple and, having traced post-war attempts to rationalise the system, it has been demonstrated that the relationship between planning and controls would remain beset by uncertainty. With early hopes that the vast wartime apparatus could be scaled back to a small number of strategic powers being dashed by the very

¹ Kew, The National Archives (TNA), T 228/304, Merriam, 'First Term Report', 15 Mar 1949, p. 1.

² TNA, T 230/319, Merriam, 'Final Report', 23 Feb 1950, p. 1.

nature of the system, the aspiration that these efforts would be supported by a spontaneous form of enlightened public control proved even harder to attain. Instead, returning to the rhetorical linkage which had overplayed their economic significance, the word ‘controls’ became charged with political emotion. How, then, can one describe the political economy of such measures?

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If one were to adopt a primarily economic perspective, the history of controls is one of compromise. Operating on a number of levels and without any uniform design, the pragmatic development of the system in 1945, and again after 1947, remained bound by the experience of war and a framework that had first been established by the 1939 Emergency Powers (Defence) Act. Moreover, despite all of the Hayekian criticism about the consequences of this intervention, it must be remembered that it simply failed to offer much practical guidance. This point was widely recognised. Having turned to a former Board of Trade civil servant called James Douglas for advice in advance of the 1951 General Election, for example, the Conservative Research Department (CRD) was informed that controls were a fascinatingly complicated subject. Indeed, offering his own description of the system, alongside a reading list that aimed to provide details of those controls that it would be possible to remove, Douglas warned that:

In simplifying, as I have done, one is bound to give chaos a semblance of order which it does not really possess...there are loose ends all over the place on which everybody, industrialists, officials, politicians, can clutch and tie the whole thing into knots.³

Although it has not been possible to answer every question that this has raised, the preceding chapters have sought to examine this chaos by deconstructing the issue of planning to consider the controls themselves. In recreating aspects of this complex reality, they have sought to show that the system’s failings were not simply of an

³ Oxford, Bodleian Library, Conservative Party Archive (CPA), CRD 2/9/22, Douglas to Shepherd, 20 Feb 1951.

intellectual nature.⁴ They were, as Douglas recognised, merely part of a realisation of how difficult it was to put ideas into practice.

Whilst this study has primarily focused upon questions of application, the ideological significance attributed to controls in the years after 1942 must be acknowledged. The belief – illusory, or otherwise – that industrial controls provided a suitable mechanism for longer term intervention remains the key to any understanding of the emotion with which they were debated during the long transition period. Indeed, no matter what the administrative reality, the conviction that these measures constituted a system when taken as a whole (like those related fears that planning would undermine personal liberty) cannot be overlooked. To do so would be to construct a version of history as artificially clean as that about which Douglas warned. Even so, to have ignored the paradoxes surrounding this perceived significance would have been equally anachronistic. It is for this reason that the linkage between direct controls and planning, whether from a theoretical or practical standpoint, has been questioned throughout. In fact, rather than accepting their significance as a given, this thesis has sought to better understand the process by which it was constructed. Avoiding a declinist narrative of retreat, it has shown that the history of controls was not one of impotence, but of an active socio-political construction. This has not been to argue for a wholesale change in our understanding of such measures. Instead, by expanding the parameters of existing research and combining the administrative and political history of the apparatus, the intention has been to offer an alternative perspective from which to approach a subject that remains well-referenced yet poorly understood.

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Having explored the intricacies of this process, it would be incredibly misleading to claim that the politicisation of controls was a deliberate outcome. Nevertheless, it was certainly the result of a deliberate process. To return, for instance, to autumn 1944, it is clear that the increasingly fraught debates sketched out in Chapter Four

⁴ Neil Rollings, 'Butskellism, the Postwar Consensus and the Managed Economy', in *The Myth of Consensus: New Views on British History, 1945-64*, eds H. Jones and M. Kandiah (Basingstoke, 1996), pp. 97-119 (pp. 112-3).

had their genesis in decisions taken amongst a political elite. Indeed, despite all sides being agreed to a dual policy of selective retention and gradual relaxation, controls continued to be used as rhetorical symbols in a more fundamental debate. This, John Martin had stressed to Winston Churchill, was ‘founded upon a lack of precise definition’ that made it almost inevitable that any such debate would remain inconclusive.⁵ For Martin, who had been involved in drafting the overtly practical statement used to diffuse Cabinet tensions, this was evidence that controls were a political issue that should be avoided at all costs. Churchill, however, like his Labour Party opponents, was astute enough to realise that an issue without resolution was an issue nevertheless. Moreover, when tied into broader themes, it was one that could link practical policies with idealistic beliefs. Drawing upon familiar debates regarding the proper role of the state, industrial controls provided both sides of this discussion with a simplistic narrative through which they could make sense of an increasingly complex set of questions. An exaggerated version of reality, it did not even matter that such instruments were almost impossible to define, so long as they remained synonymous with their illusion; the system’s very intangibility had allowed for a catch-all campaign.

The heat of the 1945 General Election campaign did dissipate in the months after Churchill’s infamous Gestapo speech. The controls debate, like any other, enjoyed peaks and troughs during its decade of existence. Importantly, though, despite being somewhat overshadowed by optimistic schemes for planned economic progress, the questions raised continued to excite attention amongst those industrialists and former specialists who had witnessed the system at first hand. Their discussions, carried out in university seminars, learned journals and the broadsheet press, made possible the popular political rekindling of this debate in subsequent years. That this should have been the case can be attributed to the nature of the long transition itself. Indeed, whilst it is maintained that the economic challenge of reconversion cut across established political boundaries, it is clear that the crises of 1947 helped such critiques to resonate in a far more practical setting. It is, of course, something of an irony that the fuel and convertibility crises should have entrenched a constructed relationship between planning and controls. After all, with failings within the

⁵ TNA, PREM 4/88/2, J.M.M., ‘Controls’, 26 Nov 1944, f. 3.

apparatus exposed, it was at this point that a serious process of rethinking would begin. Nonetheless, with the main protagonists facing the same economic realities and sharing a commitment to the framework set out by the 1944 White Paper on *Employment Policy*, their rhetorical linkage was again used to provide a point of political differentiation. Moreover, in something of a contrast to 1945, this linkage was able to successfully weave fundamental questions about liberty back into the economic worries, administrative failings and mundane grumbles from which they had originated. This is not to argue for a blunt all-party consensus, but it is to emphasise that such debates were rather more complicated than they first appeared.

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Despite this thesis being roughly split into two parts, a decision that was taken for the sake of clarity, the political and economic questions raised by controls should not be viewed in isolation. Reliant upon successful co-operation with private industry, with authority delegated between a variety of departments and with most power exercised at a local level by quasi-governmental bodies drawn out of former Trade Associations, the system was as dependent upon personal relationships and the belief that it provided control as it was on any firm economic standing. Moreover, having argued that ‘information work’ and exhortation were regarded by some to be as important a mechanism as the licensing of industry was to others, these administrative politics were also matched by more popular political imperatives. The idea that physical restrictions could be replaced by a self-regulating public was perhaps more than a little naïve. Nonetheless, though an overlooked aspect of the planning debate, it remains evidence of both continued intellectual interest and a shared understanding of planning as a deliberative process of decision making. With this in mind, economic priorities were, as both Richard Law and Aneurin Bevan argued, inherently political entities.⁶ However, as demonstrated by the popular political debate to which both contributed, this relationship was not linear. On the one hand, it was complicated by continued misunderstandings, on the other, by the context within which it took place. Individual politicians may have been crucial actors in the formation and dissemination of ideas, but they were not acting in a

⁶ Richard Law, *Return From Utopia* (London, 1950), p. 185 and Labour Party, *Report of the 48th Annual Conference* (London, 1949), p. 172.

vacuum. Instead, forced to reconcile competing tensions whilst maintaining a level of support, the links between the political and economic debate were interactive and interconnected, even if the public remained ostensibly disengaged from it.

It is often claimed that the Conservatives benefitted the most from this intermingling of political, economic and moral arguments. The politics of controls, in so far as they have been assessed, have tended to be viewed in relation to Churchill's call to 'set the people free' and popular discontent with austerity.⁷ After probing these links, however, the situation has been revealed as slightly more complex. The debate over controls and freedom was certainly regarded as a useful one by Conservative Party strategists. A ploy to attract wavering Liberal support, it avoided the difficulty of having to reconcile a language of planning with a libertarian critique and offered a coherence that had been missing within the *Industrial Charter*. It was, in short, a message that made sense. Yet, for all of these successes, Churchill's cry had not removed inherent tensions of an official party policy that sought to balance 'freedom and order'. It was for this reason that the Conservatives found themselves unable to take more radical action whilst in office. It must also be remembered that the Labour Party had helped to shape the parameters of this debate by arguing in 1945 that controls would be the guarantors of peacetime progress. A point of agreement within internal debates, this faith in planning, if not in controls as currently defined, was evident throughout the course of the long transition and ensured that the muddling of each continued well into the 1950s. Most importantly, though, it must be reiterated that these debates were centred upon a system that neither party had chosen. The controls at stake were, after all, the product of a strategic compromise between individual industrialists, Trade Associations, officials and governmental advisors that had only been finally agreed in the fevered summer of 1939. Seeking to protect their interests, the likes of Oliver Lyttelton had certainly not been trying to construct an apparatus that would revolutionise the relationship between government and industry in the long term.

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⁷ Ina Zweiniger-Bargielowska, *Austerity in Britain: Rationing, Controls and Consumption, 1939-55* (Oxford, 2000), ch. 5.

This situation had initially perplexed Ely Devons, whose earliest academic work sought to distinguish between the real and remembered practice of the wartime system. Having already warned against the ‘naïve perfectionism’ of established economic writing, his *Planning in Practice* can be seen as the culmination of these attempts.⁸ Loosely organised as a set of essays on different aspects of the Ministry of Aircraft Production (MAP)’s planning apparatus, the text implicitly explored the relationship between theory and practice by detailing the experience gained during six years of total war. Yet, focused on Whitehall and somewhat neglecting departmental relationships with individual Controls, even Devons admitted that his treatment of these activities as a system had ‘inevitably over-simplified’ the situation.⁹ Drafted during the years 1947-50, the importance of *Planning in Practice* arguably lies in its re-assertion of irrationality at a time of intense rhetorical debate. Indeed, although the text would only ever sell 1 200 copies, its reflective tone arguably helped to shift the economic debate surrounding planning (rejecting the mechanistic accounts associated with Joel Hurstfield and Michael Postan’s official histories whilst refusing to be drawn into an abstract debate about liberty).¹⁰ For Devons, this would reach its apex when invited to give the UCL Newmarch Lectures in spring 1954 and the Valedictory Address to a conference hosted by the Merrill Center of Economics that summer. It was during these light-hearted talks, which marked the start of a shift in focus towards a philosophy of statistics, that Devons would assert his belief in magic by maintaining that economics were best viewed as a series of political arguments taking place within an immeasurable ‘zone of uncertainty’.¹¹ In drawing upon what he would eventually call the ‘social anthropology of political economy’, this thesis has sought to expand upon Devons’ ideas by applying his later reflections to the practical issues explored towards the beginning of his career. In doing so, it has suggested that the very nature of

⁸ London, British Library of Political and Economic Science (BLPES), DEVONS, Box 1, Devons, ‘Economic Theory and Economic Policy’, undated, f. 1.

⁹ Ely Devons, *Planning in Practice: Essays in Aircraft Planning in Wartime* (Cambridge, 1950), p. vii.

¹⁰ Brian Tew, ‘Planning in Practice’, *The Economic History Review*, 4:1 (1951), 125-7.

¹¹ Ely Devons, ‘Economic Statistics and Economic Policy’ [Newmarch Lecture No. 2], 25 Feb 1954, pp. 29-30 and ‘Notes on Prolegomena Towards a Theory of the Process of Small Group Klarification’, Valedictory Address to the Merrill Center Conference, 25 Jul 1954, f. 2. The Newmarch Lecture that was later reprinted as ‘Statistics as a Basis for Policy’, *Lloyds Bank Review*, 33 (1954), 30-43.

planning's myth ensured that both Labour and the Conservatives found it easier to debate abstractions than to rationalise their practice.

Given that many of Devons' arguments were so simple that they tended to be overlooked, it is fitting that this conclusion should end with a suggestion that the failings identified by Merriam and others can be explained by the success of the myths that came to surround the system. Indeed, having shown that the economy was being managed, but that this was neither a dramatic nor a simple process, it is clear that any claim that controls provided control obscured an obvious tension.¹² Yet, with both sides of the debate reliant upon this rhetorical linkage, the construction of controls as a political issue can be seen to have rested upon an artificially rational version of reality wherein a commitment to intervene was equated to a belief that such intervention was possible. Furthered by a scientific language of priorities and claims that the success or failure of planning was little more than a matter of political choice, it is argued that this process imbued the debate's proponents with an unobtainable illusion of agency. Thus, with their respective appeals predicated on a belief that it was possible to act (either to rationalise the system whilst maintaining overall control, or to use decontrol as a means of expanding freedom), both sides faced the difficulty of having to fall short of their self-imposed expectations.¹³ Moreover, reliant upon rhetoric and simple dichotomies, it has already been argued that the transformation of a primitive magic into an official orthodoxy merely alienated many voters by reinforcing barriers between themselves and policy formers. Perhaps an unavoidable result of the reliance upon an otherwise useful uncertainty, it was this that ensured the post-war system's history would remain defined in terms of a retreat.

Although their myth was unsustainable, this is not to argue that controls are unimportant. If this were so, then their history would have been a rather frustrating one. Instead, this study has sought to emphasise their importance as sites of political interaction and manoeuvre. By examining the complex interrelationship between theoretical ideas, administrative practice, high politics, public relations and public

¹² Richard Toye, *The Labour Party and the Planned Economy, 1931-1951* (Woodbridge, 2003), pp. 154-5 and 239.

¹³ See also: Karl Popper, *The Open Society and its Enemies, Vol. II* (London, 1952), p. 245.

opinion, it has suggested that they can perhaps be viewed as a lens through which to analyse wider debates. Indeed, if understood as one part of a broader history of the state – a history which can be defined in terms of both expansion and a gradual undermining of authority – controls may, to paraphrase Stephen Brooke, be regarded as the building blocks of an often uncertain post-war political economy.¹⁴ Most importantly, however, in tracing their complex development across the long transition period, it has also emphasised the need for historians to engage with uncertainty, muddle and misunderstanding. If this study has achieved anything, hopefully it is this.

¹⁴ Stephen Brooke, *Labour's War: The Labour Party during the Second World War* (Oxford, 1992), p. 248.

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| c. 1099 | Speeches (BT), 1950 |
| c. 1100 | Speeches (BT), 1951 |
| c. 1102 | Speeches (Fabian Society), 1949-56 |
| c. 1103 | Speeches (House of Commons), 1948 |
| c. 1104 | Speeches (House of Commons), 1949 |
| c. 1107 | Speeches (Political), 1949 |
| c. 1108 | Speeches (Political), 1950 |
| c. 1723 | Press Cuttings, Drafts and Articles |

Frederick James Marquis, Lord Woolton Papers

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|--------|---|
| Box 16 | Reconstruction: Papers and Correspondence, 1944-5 |
|--------|---|

¹ NB: Dual Series including 'Box' and 'SC Box' references.

The British Library of Political and Economic Science, London*Hugh Dalton Papers*

DALTON 1	Diaries
DALTON 2	Papers

Ely Devons Papers²

Box 1	Unsorted Papers
Box 8	Unsorted Papers
Box 9	Unsorted Papers
Box 16	Unsorted Papers
Box 17	Unsorted Papers
Box 22	Unsorted Papers
Box 26	Unsorted Papers

Herbert Morrison Papers

MORRISON 1	Correspondence
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Peter Shore Papers

SHORE 3	Labour Party Research Department, 1939-1959
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The Churchill Archive Centre, Cambridge*Austen Albu Papers*

Box 5/6	SCG Material, 1939-41
Box 8	Misc Material, 1941-71
Box 15	Back Bench Technocrat
Box 17	SCG Material, 1936-39
Box 24	Misc Material, 1945-59
Box 27	Industry, 1943-64

The Conservative Party Archive, Oxford*Advisory Committee on Policy*

ACP 1	Correspondence
ACP 3	Papers

² Unsorted and not catalogued.

Conservative Party Central Office

CCO 4	Subject Files
CCO 180	Public Opinion Research Department

Conservative Party Research Department

CRD 2/2	Textiles, 1937-59
CRD 2/6	Nationalisation, 1945-59
CRD 2/7	Industrial Committees, 1925-64
CRD 2/8	Trade and Industry, 1946-64
CRD 2/9	Economics and Finance, 1943-64
CRD 2/21	Public Opinion, 1949-60
CRD 2/50	General Policy, 1946-63
CRD 2/52	Miscellaneous, 1947-64

*Harvester Series II: Minutes and Reports**Leader's Consultative Committee*

LCC 1	Agendas, Minutes and Papers, 1945-51
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Library of Printed and Published Material

PUB 90	CRD Pamphlets, 1949-74
PUB 146	<i>Home Truths</i>
PUB 161	CPC Pamphlets, c. 1945-9
PUB 200	<i>Topics for To-Day</i> , 1946-51
PUB 213	<i>The Onlooker</i> , 1945-47
PUB 214	<i>Tory Challenge</i> , 1947-53
PUB 215	<i>Onwards</i> , 1953-7

Poster Collection

http://bodley30.bodley.ox.ac.uk:8180/luna/servlet/view/all/when/1954?os=0&pgs=50&sort=Shelfmark%2Csort_order

Rab Butler Papers

RAB 9	Letterbooks, Jul-Nov 1948
RAB 10	Letterbooks, Dec 1948-Apr 1949

The Labour Party Archive, Manchester*General Secretary's Papers*

IND	Industrial Policy Papers
POLS	Political Papers

Labour Party Research Department

RDR series	1941-45
R series	1942-44
RD series	1945-50
R series	1950-55
Re series	1955-58

The Mass Observation Archive, Sussex and Online*File Reports*

FR 2135-6	'The Forces Vote', 1944
FR 2265	'General Election Questionnaire', 1945
FR 2270A	'The General Election, June-July 1945', 1945
FR 2415	'It Isn't There', 1946
FR 2462	'The Language of Leadership', 1946
FR 2478	'The Government and Public Relations', 1947
FR 2516	'The Industrial Charter', 1947

The National Archives, Kew*Board of Trade Papers*

BT 64	Industries and Manufactures Department: Correspondence and Papers
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Cabinet Office Papers

CAB 21	Prime Ministers' Briefs
CAB 60	Production Supply Organisation
CAB 65	War Cabinet Minutes WM and CM series
CAB 66	War Cabinet Memoranda WP and CP series
CAB 71	Lord President's Committee, 1939-1945
CAB 87	Reconstruction and Supply Committees
CAB 124	Office of the Minister of Reconstruction
CAB 128	Cabinet Minutes and Conclusions CM and CC series
CAB 129	Cabinet Memoranda CP and C series
CAB 130	Cabinet Miscellaneous Committees
CAB 132	Lord President's Committee, 1945-51
CAB 134	Cabinet Miscellaneous Committees

Ministry of Aviation Papers

AVIA 10	General Records
AVIA 12	Miscellaneous Records

Ministry of Supply Papers

SUPP 14 General Records

Prime Minister's Office

PREM 4 Correspondence and Papers
 PREM 8 Correspondence and Papers, 1945-51
 PREM 11 Correspondence and Papers, 1952-64

Office of the Registrar General

RG 23 Government Social Survey: Records and Papers

Treasury Papers

T 161 Supply Division
 T 171 Budget and Financial Policy Papers
 T 222 Organisation and Methods Branch
 T 228 Trade and Industry Branch
 T 229 Central Economic Planning Staff
 T 230 Economic Section
 T 237 Overseas Finance Division
 T 267 Treasury Historical Memoranda
 T 273 Edward Bridges Papers

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