The Missing Pillar: Economic Planning and the Machinery Qf Government During the Labour Administrations of 1945-51
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The Missing Pillar:
Economic Planning and the Machinery of Government During the Labour
Administrations of 1945-51

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Abstract

This thesis studies how attempts to carry out the policy of economic planning outlined in the Labour Party's 1945 manifesto failed during the Attlee Governments 1945-51. It considers the structure of the civil service and ministerial machinery created to oversee planning and the changes made to it. It covers the debate among officials and ministers over what planning meant and which economic tools could be used to implement it. In particular the thesis focuses on the most tangible manifestations of the planning policies: the annual economic surveys and the Long-Term Programme drawn up as part of the European Recovery Programme process.

The thesis seeks to gauge how far planning added "value" to the economy or the workings of the Civil Service. It asks whether the new planning bodies fitted successfully into Whitehall and if British government was sufficiently adaptable to the new economic challenges it faced. It questions the extent to which planners were able to foresee the economic problems Britain encountered and consequently whether ministers were able to successfully combat them. The thesis also seeks to assess the power of initiative of leading civil servants. Furthermore it investigates when planning was superseded by Keynesian demand management and how far planning was in fact incompatible with the capitalist British economy. Overall this thesis demonstrates how planning, an important economic policy, failed to be implemented in the immediate post-war years.
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Acronyms

A-A.C.P.  - Anglo-American Council on Productivity
A.E.U.   - Amalgamated Engineering Union
B.E.C.   - British Employers' Confederation
B.I.M.   - British Institute of Management
C.E.E.C. - Committee for European Economic Co-operation
C.E.P.S. - Central Economic Planning Staff
C.I.C.   - Capital Issues Committee
C.M.     - Cabinet Minutes (during the Attlee administrations)
Cmd.     - Parliamentary Command Papers (1919-1956)
C.O.I.   - Central Office of Information
C.P.     - Cabinet Memoranda
C.S.O.   - Central Statistical Office
E.C.A.   - European Co-operation Administration
E.D. Committee - Official Steering Committee on Economic Development from November 1947, Official Committee on Economic Development
E.E.C.C. - European Economic Co-operation Committee, the "London" Committee
E.I.U.   - Economic Information Unit
E.P.B.   - Economic Planning Board
E.P.C.   - Economic Policy Committee, ministerial
E.P.(O.)C. - Economic Planning (Official) Committee
E.R.P.   - European Recovery Programme
E.S.C.   - Economic Steering Committee, official
E.S.W.P. - Economic Survey Working Party
F.B.I.   - Federation of British Industries
F.C.I.   - Finance Corporation for Industry
F.O.     - Foreign Office
G.D.P.   - Gross Domestic Product
G.N.P.   - Gross National Product
G.P.O.   - General Post Office
H.M.S.O. - Her Majesty's Stationery Office (pre-death of George VI: His Majesty's)
I.C.F.C. - Industrial & Commercial Finance Corporation
I.C.I.   - Imperial Chemical Industries
I.P.C.   - Investment Programmes Committee
J.C.C.   - Joint Consultative Committee of the N.J.A.C.
L.P.(I.) Sub-Committee - Industrial Sub-Committee of the L.P.C.
L.P.C.   - Lord President's Committee
L.S.E.   - London School of Economics
M.E.P.   - Ministerial Committee on Economic Planning
M.O.I.   - Ministry of Information
M.R.C.   - Modern Records Centre, University of Warwick
N.A.T.O. - North Atlantic Treaty Organization
N.E.D.C. - National Economic Development Council
N.H.S. - National Health Service
N.I.C. - National Investment Council
N.J.A.C. - National Joint Advisory Council
N.P.A.C.I. - National Production Advisory Council on Industry
O.E.E.C. - Organization for European Economic Co-operation
O.F.D. - Overseas Finance Division of the Treasury
P.E.S. - Production Efficiency Service
T.C.C. - Temporary Council Committee of N.A.T.O.
T&G.W.U. - Transport & General Workers' Union
T.U.C. - Trades Union Congress
U.S.D.A.W. - Union of Shop, Distributive & Allied Workers
Chapter I
Introduction

When the Labour Party came to power in 1945 it was with a range of policies which aimed to change radically the shape of Britain's economy and society. These policies were based on three main pillars: nationalization, the welfare state and economic planning\(^1\). Historians have often focused on the blunting of the Labour Governments' objectives between 1945-51 by the economic problems the country faced. Planning, which particularly suffered this way, and is usually seen as the least successful of the three key policy approaches, forms the focus of this work.

Economic planning held an important position in Labour's canon of policies. The 1945 manifesto committed a Labour Government to "plan from the ground up"\(^2\). Though economic planning was often presented as a policy which was distinctive to socialism, in fact, support for it at that time stretched across the political spectrum\(^3\). As a policy option planning had become increasingly popular since attempts in the 1920s and 1930s to find remedies to the economic hardships caused by the end of the Great War and the Depression. It was argued that laissez-faire capitalism had failed to respond both to people's needs and the demands of industry for modernization, greater productivity and improved efficiency. As Hobsbawm notes, both the U.S.S.R. and Germany, which successfully combated the Depression of the 1930s, pursued economic planning policies\(^4\). Support for planning came not only from Labour members and sympathizers such as Hugh Dalton, Barbara Wootton and G.D.H. Cole\(^5\), but can also be found in the Liberal Party's 1928 *Britain's Industrial Future* and from some Conservatives, most notably Harold Macmillan\(^6\).

The experience of a state-controlled economy during the Second World War\(^7\), demonstrated that greater government intervention in industry could not only be possible, but successful. Virtually all the senior members of the post-war Labour Government had served in the wartime coalition. They aimed to transform the face of
the British economy and society, and to prove that democratic socialism could work for the benefit of the nation. Planning, which had grown in popularity in the inter-war years and in practicality in wartime, offered the means.

A major question for this thesis is why planning failed to achieve the objectives envisaged for it as a policy. One factor was that economic planning was affected by the problems which rocked the economy such as the fuel and convertibility crises of 1947; the need to devalue in 1949; and the Korean War and subsequent rearmament programme in 1950-1. The uncertainties of the time meant that it appeared impossible even to predict accurately the economy's likely development. Sir Alec Cairncross states that during 1945-51 instead "of a smooth and continuous recovery to ever higher levels of activity, one finds a succession of major crises at two-year intervals and the years between are never free from anxiety". Andrew Shonfield holds a similar view, claiming that "the whole operation of Labour planning when it worked at all, was directed to strictly short-term objectives" rather than longer-term ones.

The U.K. economy had suffered far more during the war than either British or American politicians or officials had realised. It had been sustained since 1941 by U.S. Lend-Lease aid totalling $27 billion (£6.75 billion). Britain had sold £1 billion of foreign investments and run up sterling balances of £3 billion. These balances were debts with countries, predominantly of the Empire, for goods and services supplied on credit during the war. By comparison the whole welfare state in 1949-50 cost £1.8 billion. However, despite granting independence to the Indian subcontinent Britain intended to maintain a vast empire and a leading position in world affairs. The U.S.A. expected Britain to rapidly become a strong trading partner. The British economy was incapable of sustaining these rôles. A shortage of dollars and a poor balance of payments with the U.S.A. was a continual problem. As time passed wartime experience became more distant and the view among senior officials and ministers that controls and hands-on planning were both necessary and feasible faded.
Economic planning was also plagued by the lack of a firm understanding of what it actually meant. The historians Bernard Alford, Rodney Lowe and Neil Rollings believe that "anything which induces a conscious move away from a free competitive market can be described as planning"\(^{13}\). However, they distinguish between manipulation of economic regulators to mitigate the effects of the market and true planning with a specified outcome in terms of economic activity\(^{14}\). Shonfield claims that "the Labour Government of the 1940s never understood 'planning'"\(^{15}\). Lord Plowden, Chief Planning Officer 1947-53, describes the policy as "unthought-out and nebulous"\(^{16}\). Plowden headed the Central Economic Planning Staff (C.E.P.S.) which was established in 1947 as the main Civil Service body for overseeing economic planning.

Keith Middlemas suggests that Sir Edward Bridges, Permanent Secretary to the Treasury 1945-56, drew on the inter-war "Balfour-Haldane" approach which defined planning as "the accumulation of knowledge as a preliminary to skilled management of national resources, carried out in a way best calculated to maximise government aims without eroding democratic freedom, social justice or a fair standard of living"\(^{17}\). Bridges stated that he saw "no real distinction between the working out of a national plan on the line suggested and the task of devising a full employment policy"\(^{18}\).

As Chancellor of the Exchequer, Sir Stafford Cripps saw a more positive task for planning, which was to "guide production into the necessary channels, according to the plans which we have formulated"\(^{19}\) through "agreement, persuasion, consultation and other free democratic means"\(^{20}\). Cairncross claims that to "most ministers the need for controls seemed obvious and the use of them constituted planning."\(^{21}\). Christopher Dow writes that economic planning "was to be an intimate mixture of cajolery and compulsion"\(^{22}\). Similarly Plowden later viewed it "as a mixture of physical controls, nationalisation and exhortation, laced with a dash of
Keynesianism and a liberal dose of wishful thinking. Such varied portrayals indicate the uncertainty about what constituted planning.

At the time Plowden felt economic planning was a short-term activity, effective simply for post-war reconstruction, rather than as a permanent policy. He believed it would be replaced by fiscal and monetary tools. Austin Robinson, a professional economist and a leading member of the C.E.P.S., "saw a plan as a means to adjust the available resources to the desiderata of the nation" but "made the general point that the main objective of planning should be to make planning unnecessary". Such attitudes held by many officials differed from the writings of the 1930s.

Cairncross states that:

"The Economic Surveys and the budgetary and other decisions based on them were about as close to economic planning as post-war governments ever got."

Certainly these annual surveys produced from 1946 onwards were the clearest example of attempts at planning. The first to be published was the Economic Survey for 1947. Though the economic targets in these surveys became less specific as time progressed, they form the main "plans" that can be seen from this period, and were the public face of the process. Equally important was the Long-Term Programme, produced for the Organization for European Economic Co-operation (O.E.E.C.) as part of the share-out of Marshall Aid in October 1948. This exercise was carried out by all the countries of the O.E.E.C. and represents planning forced upon Whitehall from outside.

Despite the declining fortunes of planning as a policy approach, particularly after 1948, ministers and officials continued to believe in the need for an efficient planning machine. This was achieved slowly. For example, questions of foreign trade were only gradually integrated fully into broader economic planning. Officials, employers and sections of the workforce who were opposed to planning also
hampered its use. The Government was unable to overcome such obstructions, partly
due to the uncertainty of what economic planning entailed.

**Core Questions**

Below I outline a number of groups of questions generated by the secondary
literature which I intend to set against the primary material to help determine the
nature of British planning. The first question is whether planning "added value" to the
running of the British economy by bringing greater efficiency, a new direction or
greater knowledge in economic matters to the work of the Government and the Civil
Service.

My second question focuses on the position of the new planning bodies such as
the C.E.P.S. and the Economic Planning Board (E.P.B.), the tripartite body
established to discuss planning issues, in relation to the Civil Service. Did they fit
comfortably with the established economic machinery or did tensions arise because of
their novelty? How were these planning bodies perceived by ministers, M.P.s, officials
and the media? When did they arouse most interest?

My third set of questions revolves around Cairncross's view that "the economic
problems encountered by the government were not, as a rule, those which it had
expected. Equally the solutions to the problems were rarely of the government's
devising"29. This implies that the planning bodies failed to forecast economic trends
and, that they were unable to cope with problems when they were encountered. I shall
ask whether they were indeed caught unawares by each of the successive crises and if
so, why was this the case? Was it due to defective statistical information? Did
officials and ministers not ask the right questions of the information available or fail to
use it sensibly? Were officials unable to persuade ministers to carry out the necessary
policies?
My fourth question derives from Cairncross's statement that "commonly ministers were the reluctant pupils of their officials." Did this mean that ministers were restrained from innovation by an inherent conservatism and pro-free market stance on the part of leading civil servants? David Marquand writes of a "negotiated inertia" between the post-war Labour Government seeking state-led change and Whitehall's culture and assumptions. Jim Tomlinson, however, has suggested that planning was hampered more by the assumptions that Labour brought with it.

Shonfield states that "administrative discretion which is meat and drink to the French is anathema to the British official" and as a consequence despite "in practice" having such discretion, "officials hold deliberately to the pretence that they have no initiative of their own" explaining that it resides with "some masterminding minister." I would argue that leading economic officials were certainly involved in shaping the nature and fate of the planning process. The two Directors of the Cabinet Office's Economic Section, James Meade and Robert Hall, as well as Bridges were engaged with planning throughout the Labour period. Plowden, holding a special position in Whitehall, was the most important planning official. Working closely with Hall he formed an influential front for influencing ministers' opinions on economic issues.

Alford et al highlight concerns at the time about the power civil servants were wielding on Whitehall's economic committees. Most controversial was the Investment Programmes Committee (I.P.C.) formed in August 1947. It was chaired by Plowden until December 1947 and then by his deputies. The I.P.C.'s aim was to find possible cuts in planned investment in order to reduce imports and ensure investment did not exceed the available resources. Alford et al claim that it was felt that this implied officials were making strategic decisions properly left to ministers, for example on the housing programme which was dependent on imported timber. Ministers remained free to reject the I.P.C.'s proposals, as they did in November 1947.
to investment cuts suggested following the failure of convertibility. This showed that such worries were unfounded.

Despite concerns over Civil Service power, in Hall's words, Plowden could only be the "prophet", and not the "master" of economic plans. Plowden eschewed what he saw as the kind of power his French counterparts wielded and retained a concern for the proprieties of the British administrative machine in the face of different attitudes. For example, despite Plowden's unease, Cripps was happy for officials to meet jointly with outsiders such as French civil servants to discuss long-term planning. There were a few instances of planning officials taking the initiative such as the pressure Hall and Plowden brought to bear on ministers in 1949 to devalue.

Another example comes from Plowden's position in 1951 as one of the three "Wise Men" of the Executive Board of the Temporary Council Committee (T.C.C.) of N.A.T.O. in 1951. This was established to scrutinize the rearmament programmes of N.A.T.O. countries. Plowden's role put him in the position of cross-examining the Chancellor, Hugh Gaitskell, on Britain's plans.

My fifth group of questions focuses on the differing views of the time on how the economy should be managed. Most historians accept that a Keynesian approach to the economy developed in this period. Did Keynesianism displace a more "socialist", if short-lived, interventionism? Did they run parallel? Did Keynesianism simply prove more acceptable to civil servants or more suited to the prevailing economic circumstances? Dow claims that the "role of budgetary policy in the post-war years grew gradually as controls were removed: only then was the full importance of the 'Keynesian revolution' revealed." Plowden writes that "ministers were soon convinced that to try to plan the economy in minute and elaborate detail over the long term and outside a war situation was in error". They felt any efforts to circumvent the price mechanism or "to retain controls for their own sake" would "result only in frustration on the part of the consumer and failure on the part of the government."
Plowden suggests that "after 1947 planning came to be expressed in terms of the management of demand in a Keynesian macroeconomic manner in order to counterbalance the natural cyclical behaviour of the economy". Alan Booth characterises 1947 as the year in which attempts at planning were swept away and replaced by demand management. In contrast, highlighting Plowden's appointment and the development of a stronger planning machine in 1947 Caimcross portrays British planning as catching its "second wind".

This issue leads to a consideration of the relative influence of so-called Gosplanners, named after the Soviet planning agency, Gosplan, and the Thermostatters, whose sobriquet derived from the 1944 White Paper, Employment Policy which spoke of "thermostatic" control of the economy. The former favoured a clear cut, quantitative plan involving controls, the latter, Keynesian-style fiscal and financial "tinkering" of the economy. Hennessy highlights how Meade condemned Richard "Otto" Clarke, an under secretary at the Treasury, as a Gosplanner for favouring the continuation of direct controls. Meade also wrongly applied this description to Cripps and Robinson. The issue of continuing direct controls was partly an ideological one of restricting consumer choice, possibly so that it could be fitted with a plan. However, as Cairncross notes, it was also a question of practicality as controls were complex and unwieldy. Jacques Leruez shows that the departments involved in direct controls were large. The Board of Trade had nearly 10,000 staff and the Ministry of Supply, over 34,000 whereas the Treasury of the time had 1,600. Consequently, despite the impact of the Korean War which temporarily provoked the restoration of some controls, by 1951 there was nothing to prevent the move away from controls to demand management.

Economic planning and demand management do seem to have been able to co-exist as government policy, possibly partly due to the imprecise views of planning and Keynesianism held by politicians and officials. Shonfield writes:
"... we have seen people in authority who believe themselves to have penetrated the truths of Keynesian economics, being guided by quite other and contradictory policies."51

Hennessy has suggested that this just reflected the normal "paradox and incoherence" of a party which embraced a "wide swathe" of political opinions52. Those politicians who favoured economic planning appeared to lack a clear vision of how to implement the policy. Others, including some officials, saw Keynesianism as the option least disruptive to business and above all far easier for the Civil Service to operate, particularly in the face of inflation53.

The sixth question is drawn from David Marquand's The Unprincipled Society54 which considers long-term British economic weaknesses. He argues that the "attitudes and patterns of behaviour" which were "stamped indelibly" by the Industrial Revolution persisted55. Such "assumptions born of successful adaptation in the past impede adaptation to more recent changes"56. This left Britain unable to become a so-called "developmental state", that is one able to change institutions and behaviour to cope with new circumstances, for example in the immediate post-war years to cope with economic dislocation and modernize industry. Shonfield likewise has claimed that "the old instinctive suspicion of positive government" was "as vigorous as ever" among "ministers who refused to plan" and officials keen to avoid "the responsibilities of making choices"57.

Many of the politicians and officials who had worked in the wartime machine retained positions post-war, yet seemed unwilling to or incapable of maintaining its innovations in peacetime. Did the absence of a statist tradition discourage the use of administrative and economic "levers and wires" to make planning work? Cairncross suggests that:

"It took a long time to learn, if it [the Government] ever did, that the 'commanding heights' of the British economy lay not in the steel industry, but in the balance of payments and energy supply."58
This implies that the planners focused on the wrong economic tools.

My final question comes from the economist Friedrich von Hayek. In his 1944 book *The Road to Serfdom* he claims that planning is incompatible with a free society. This view is reiterated by John Jewkes, a former Director of the Economic Section and wartime civil servant, in his 1948 book, *Ordeal by Planning*. These men believe that planning naturally curtailed freedoms, as in the U.S.S.R. However, British planners did not envisage their work as a threat to freedom or democracy. More relevantly, von Hayek suggests that economic planning was doomed to be unsuccessful in a largely capitalist economy anyway. He maintains that there would be unresolvable tensions between government planners and business managers.

Helen Mercer makes it clear that such tensions existed partly because the Labour Party and businessmen lacked ideas on how to advance British industry. Labour's industrial thinking had focused on nationalization and for a wider perspective they had to adopt the ideas of a non-socialist, Keynes. Industrialists were smug about wartime output levels despite having used outdated methods and exhausted equipment. They did fear nationalization and Mercer states that they pursued "damage limitation" to fend off peacetime governmental intervention especially where it sought to restructure and supervise industry. Nick Tiratsoo and Tomlinson show that this resistance extended to government attempts to improve industrial efficiency through management training and American methods. By 1950-1, the Federation of British Industry (F.B.I.) and British Employers' Confederation (B.E.C.) had been able to halt the spread of Development Councils. These bodies were established in 1947 on the initiative of Cripps, President of the Board of Trade. They included trades union and employer representatives plus independent experts and aimed to investigate ways to improve efficiency in specific industries.

Leruez shows that the Government was heavily dependent on trade associations to operate allocations and price controls. Ministries used advisers drawn...
from the relevant industries, for example in allocating newsprint and nickel. The Central Price Regulation Committee and the Capital Issues Committee were filled with businessmen who retained links to their companies and oversaw policies which were beneficial to their profits. Leruez claims employers' bodies engaged in "involuntary sabotage" of the control machinery by administering a system they wanted to see abolished. Subtle pressure was exerted to accelerate decontrol. Thus the use of economic tools necessary for implementing plans was curtailed.

The Nature of the Work

My thesis has been based on government records held at the Public Record Office (P.R.O.) at Kew. It has also drawn on F.B.I. and Trades Union Congress (T.U.C.) files held at the Modern Records Centre (M.R.C.) at Warwick University to allow an examination of the tripartite aspect of planning. In addition I have been able to interview seven of the people working in economic planning at the time, who have been able to bring a personal view of the work, not available when drawing simply from written sources. Consequently I have been able to produce a comprehensive analysis of the attempts at economic planning 1945-51, in particular probing in detail the production of the various economic surveys which formed the most high profile and tangible element of the policy. In addition, I have made extensive use of newspapers and periodicals of the time to gauge the response of the press and, to some extent, of the public to the surveys and economic planning in general.

The economic policies of the Labour Governments of 1945-51 have proven popular areas of research, as is shown by the secondary material available. In 1983 Andrew Chester produced a Ph.D. which tackled a similar area Planning, the Labour Government and British Economic Policy 1943-51. My work differs from Chester's in concentrating on the organizational side rather than economic theory. In addition my thesis is not concerned with the inter-war intellectual debate on planning which has
now been dealt with thoroughly in secondary works\textsuperscript{70}. Chester did not use material from the M.R.C. and similarly it was barely mentioned by Chick in his thesis on investment under the Labour Governments\textsuperscript{71}. The greatest overlap between my work and any other comes between my Chapter III produced in 1995 and Chapter 6 of Jim Tomlinson's \textit{Democratic Socialism and Economic Policy: the Attlee Years}\textsuperscript{72}, published in 1997. My thesis recognises Tomlinson's work, but unsurprisingly, given that we both consulted the same files, our conclusions are very similar. My thesis explores the issues in greater depth and has made use of additional sources.

Chapter II considers the whole planning machine from its early post-war focus on the Lord President's Committee (L.P.C.) through the changes wrought in 1947 by the creation of the C.E.P.S. to the subsequent absorption of the planning machine into the Treasury later that year. It will also look at the relationship between the planners and other official and ministerial bodies, as well as trades unions and employers' associations particularly through the Economic Planning Board (E.P.B.).

Chapter III will look at what those ministers and officials involved in planning thought it represented and what their objectives were. A key issue was how plans could be implemented and this forms the basis for Chapter IV. It will consider what tools, such as direct controls and fiscal measures, were available to British planners, and those economic instruments they were unable or unwilling to use. In particular it will investigate the failure to develop a differential wages policy and labour controls to influence employment patterns.

The remainder of the thesis investigates the most obvious examples of British planning: the economic surveys. Chapter V covers the annual surveys produced for 1946-51, their compilation and amendments; who was involved in their preparation and the surveys' conclusions. In addition, the chapter seeks to ascertain their impact within government and upon the public. Chapter VI turns to the longer-term surveys and the work of planners on Britain's submission to the O.E.E.C. for Marshall Aid.
Chapter VII concludes the thesis by considering the overarching questions. It seeks to establish what my work has revealed about the issues embraced by the core questions identified above.

This study focuses on the machinery of government rather than the personalities of the politicians involved. Consequently it does not encompass private papers. The thesis concentrates, therefore, on the interlocking circles of insider policy-making and decision-taking as delineated by the deposits at the P.R.O.. However, naturally, the views of individual ministers and civil servants are revealed, often vividly and powerfully through the official record. In addition the thesis makes use of the wealth of biographies available about the key participants in the process. These include autobiographies by Lords Plowden and Roll, Hugh Dalton and Douglas Jay, the diaries of James Meade and Robert Hall as well as biographies of Austin Robinson, Clement Attlee, Sir Stafford Cripps, Hugh Dalton, Hugh Gaitskell, Herbert Morrison and Harold Wilson73.

2 Let Us Face the Future, (Labour Publications Dept., 1945), London.


14 Ibid.


18 Public Record Office (henceforward P.R.O.), CAB 124/890, Sir E. Bridges to J. Meade, 22/8/1945.


24 Ibid., p. 6.


30 Ibid.


35 Ibid.


39 Ibid., p. 57.

40 Ibid., p. 130.


43 Ibid., p. 168.


52 Conversation with Prof. P. Hennessy, 12/5/1995.


55 Ibid., p. 6.

56 Ibid., pp. 9-10.


60 John Jewkes, Ordeal by Planning, (Macmillan, 1948), London.


66 Ibid., pp. 63-4.


71 Op. cit., Chick.


Chapter II
The Planning Machine

Introduction

Peacetime economic planning was portrayed by the Labour Government as a new departure, yet the governmental machine established to administer it was far from a radical development. Plowden states that this machine was "co-ordinated ineffectually and was incapable of meeting the necessities of Britain's desperate plight". Throughout 1945-51 one can discern three basic elements: a ministerial committee, an official committee and a staff of officials involved in inter-departmental work, primarily supplying information. Attempts to extend the machine into a range of departments in 1947 were ineffective and soon abandoned.

During the war the emphasis was on labour and raw materials. Finance and thus the Treasury were eclipsed and the Chancellor was outside the Cabinet until the end of the war. For the next two years the Treasury maintained what Cairncross views as an inappropriately subordinate rôle. However, as the influence of the Lord President over domestic economic affairs waned the Treasury was able to regain its status and extend its influence into more areas than it had done between the wars. By late 1947 the combination of the short-lived post of Minister for Economic Affairs with that of Chancellor signalled the recognition of the widened scope of the Government's and particularly the Treasury's involvement in the economy. From the start of 1948 the Treasury progressively absorbed the planning machinery. The final stage came in 1953 when it took over the Economic Section from the Cabinet Office.

August 1945 - March 1947

The Government intended "to preserve and develop" the economic machinery established by the wartime Coalition Government. This had operated through physical controls, especially the allocation of labour and raw materials, to which
monetary and financial concerns were subordinate. Physical controls had developed outside the Treasury, for example in the ministries of Supply, Production, Aircraft Production, Labour and Food and at the Board of Trade. These departments "-sponsored" different sectors of industry. The Lord President had acted as overseer on the home front. Planning in the first two years of peace developed in a similar way.

The economic planning machine established in 1945 was focused on the Lord President's Committee (L.P.C.), a ministerial Cabinet Committee. Herbert Morrison was Lord President from 1945 until becoming Foreign Secretary in March 1951. Dow considers that up until early 1947, Morrison played "a role somewhere between overlord and senior co-ordinator". However, he lacked a department. His Office of the Lord President was just a small personal staff including his close adviser, Secretary to the Lord President, Max Nicholson, who had worked in the Ministry of War Transport 1942-57. Sir Edward Bridges, Permanent Secretary to the Treasury and other leading civil servants were resentful of Morrison and his "personal cronies" especially Nicholson and Clem Leslie, head of the Economic Information Unit (E.I.U.), who they saw as taking on too much responsibility. As during war, the L.P.C. handled economic and domestic issues to lessen the burden on the Cabinet. Its eleven members included important economic ministers: the Chancellor of the Exchequer, the President of the Board of Trade and the ministers of Fuel and Power, Supply and Labour.

The L.P.C. was assisted by the Cabinet Office's Economic Section and Central Statistical Office (C.S.O.), both set up in 1941 to supply economic information to whichever departments needed it. Cripps had hoped that these two bodies would form an economic planning unit under the Board of Trade. Morrison, backed by the Prime Minister, Clement Attlee, successfully resisted this. They were worried that such a move would mean the bodies would become mired in departmental concerns rather than remaining free to act inter-departmentally.
Attlee created the Industrial Sub-Committee (L.P.(I.) Sub-Committee) of the L.P.C. which was designed to relieve the full committee of some of its work. It consisted of the Lord President, the Chancellor, the President of the Board of Trade and the Minister of Labour, with others co-opted on as necessary. Importantly it could report directly to Cabinet. Its concerns included the reconversion of industry to peacetime production and the balance between the demands of the domestic and export markets. Thus from the start it included the foreign trade element which tended to be handled separately from the home economy at this stage. Given the L.P.C.'s workload, the L.P. (I.) Sub-Committee, soon developed into a full committee and dealt with issues such as export trade, production efficiency and Development Areas. It was scrapped in April 1946, with most of its work devolving to the L.P.C. and the Sub-Committee on the Distribution of Industry. Its planning rôle had already been assumed by the Ministerial Committee on Economic Planning (M.E.P.), chaired by Morrison, which had been set up in January 1946. This was directed by Attlee, "to exercise constant supervision over central economic planning" and brought the nucleus of four ministers from the L.P. (I.) Committee on to an explicit planning committee. In March 1947 the Paymaster-General, Hilary Marquand, and in August the Lord Privy Seal, Arthur Greenwood, were added. Both men were effectively deputies for the Lord President.

These ministerial committees were supported by a main official committee. In September 1945 Attlee asked Bridges to develop an official machine to advise ministers on the most effective use of the nation's resources. The Official Steering Committee on Economic Development (E.D. Committee) was created, chaired by Bridges himself. It met irregularly even during periods of economic upheaval. It brought together permanent secretaries from the key economic departments. The E.D. Committee oversaw five sub-committees covering investment, balance of payments, manpower, statistics, and economic development which was chaired by
James Meade, Director of the Economic Section\textsuperscript{24}. Morrison also tried to keep in touch informally direct with officials involved in economic policy\textsuperscript{25}.

Morgan describes planning in what one might call the Morrison period of August 1945-March 1947, as "half-hearted, indirect and in many ways unsuccessful"\textsuperscript{26}. It took economic crises to promote change\textsuperscript{27}. Dow claims that only "a limited amount of economic planning' was superimposed" by Morrison onto the \textit{ad hoc} measures and financial controls that he saw as a priority\textsuperscript{28}. Robert Hall, Director of the Economic Section from 1947, added that it was "very doubtful if Morrison could understand the long briefs we [the Economic Section] gave him"\textsuperscript{29}. Michael Cunningham states that Morrison was unable to devote much time to planning, owing to his greater concern with nationalization\textsuperscript{30} and his thrombosis in the first half of 1947\textsuperscript{31}. By January 1947, as a result of this, the M. E. P. had become moribund\textsuperscript{32} and ministers' thoughts turned to reforming the system.

**The Creation of New Planning Bodies**

The failure to provide sufficient coal across the country to keep industry running during the fuel crisis of January to March 1947 exposed the need for a strengthened planning machine. March 1947 witnessed the beginning of what Cairncross perceives as a fresh attempt at economic planning\textsuperscript{33}. Both Nicholson and Bridges subsequently put forward suggestions\textsuperscript{34} which Plowden and Cairncross now view as laying the pattern for the new planning machine\textsuperscript{35}. In early 1947, with the fuel crisis still raging GEN 169, an \textit{ad hoc} ministerial committee, chaired by Attlee and titled simply as a "Meeting of Ministers [sic]", was established to examine the structure of British planning. Ministers adopted Bridges's and Nicholson's suggestions and created the Central Economic Planning Staff (C.E.P.S.) and the Economic Planning Board (E.P.B.)\textsuperscript{36}. Being ill, Morrison was not present at the meetings. By
1948, however, changes initiated by GEN 169 had handed his planning responsibilities to the Treasury.

Nicholson blamed the Caretaker Government for dismantling the wartime machinery at the national, regional and local level, believing this had overloaded ministries with detail. The "few loosely knit committees with practically no whole-time staff" had proved to be "completely inadequate". He called for a staff skilled in planning drawn from outside the Civil Service which itself had little spare capacity. Nicholson advocated reviving the inter-war Economic Advisory Council, which partially resembled the E.P.B.. The Council had had twenty members including five ministers, seven employers, three economists and two trades unionists, plus an economic staff. It was underfunded and met only between January 1930 - January 1932\textsuperscript{37}. Nicholson's suggestions for the machine to stretch down to regional and district level were disregarded\textsuperscript{38}. Similarly the model advocated in Parliament by the Labour backbencher, Ellis Smith, M.P. for Stoke-on-Trent and 1945-6 Parliamentary Secretary to the Board of Trade, was ignored. Smith sought a national planning commission which would prepare five-year plans, co-ordinate their execution and allocate the necessary resources\textsuperscript{39}.

Public lectures discussing the planning machine given at the time by Sir John Anderson and Sir Oliver Franks are detailed in Chapter III. Anderson was an Independent M.P., inter-war Permanent Secretary at the Home Office and a wartime Lord President and Chancellor of the Exchequer; Franks was a former Permanent Secretary to the Ministry of Supply. In his May 1946 Romanes Lecture at Oxford, Anderson recommended the establishment of a body which should include experienced executives from industry who would advise the government on a part-time basis\textsuperscript{40}, an approach also suggested by Franks\textsuperscript{41}. Both Franks and Anderson opposed the creation of a small "Economic General Staff" with qualified officials free from departmental ties and under the general supervision of a non-departmental minister.

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Franks believed such a unit would lack sufficient "levers of power" and would grow out of touch with industry and political life. In addition it would reduce initiative in the economic departments and lead to inevitable conflict between them. However, the appointment of Plowden as Chief Planning Officer did fulfil Franks's call for additional Second Secretaries to chair planning bodies. Anderson presented his Stamp Memorial Lecture in April 1947 as an addendum to Franks's lectures. Despite having formerly advised against an Economic General Staff he welcomed the establishment of the C.E.P.S. which he saw as sensibly flexible allowing ministerial control but preventing the Lord President becoming bogged down in detail. Anderson believed that the Government had finally learnt from wartime and immediate post-war experiences.

Cripps had long cherished the objective of an economic "general staff". In the Economic Survey for 1947 he advocated:

"an organization with enough knowledge and reliable information to assess our national resources and to formulate the national needs." this would be:

"a central staff, working with representatives of the Government departments concerned, under an official Committee\(^{46}\)

In fact the C.E.P.S. represented the "small permanent nucleus" planning body, without executive functions, working closely with the Economic Section and the C.S.O. that had been suggested by (later Sir) John Maud, Secretary in the Office of the Lord President, as early as 1945\(^{48}\).

The Central Economic Planning Staff (C.E.P.S.)

On 27th March 1947, Attlee announced the appointment of Sir Edwin Plowden as Chief Planning Officer and the creation of the C.E.P.S., which Plowden was to head. He held this post until 1953 with rank equivalent to a Second
Secretary of the Treasury. He had been brought back from industry to which he had returned after leaving his post as Chief Executive of the Ministry of Aircraft Production in 1946. Being only forty, Plowden was seen by some as young for the job. Plowden's salary was £6,500 per year, compared to £5,000 for the Chancellor, £3,750 for Bridges, Head of the Civil Service, and £2,000 for the Directors of the Economic Section and C.S.O., Robert Hall and Harry Campion, respectively.

The C.E.P.S. lasted until 1956 when it was amalgamated into the Home and Overseas Planning Staff (H.O.P.S.) of the Treasury. It is possible to identify thirty-five people, the bulk of them civil servants, who were members of the C.E.P.S. at some time between 1947-51. At any one time there were no more than twenty-five to thirty members, sometimes as few as six. Most of the staff held senior administrative grades. Mimicking wartime Civil Service practice, the C.E.P.S. seconded staff from other departments and from outside Whitehall. Its size and nature was similar to the Economic Section, but without its college atmosphere. Plowden already knew many of his staff from the war and chose them for their wartime planning experience, particularly in the ministries of Production and Aircraft Production. Others were recommended to him. Alfred Le Maitre, for example, was suggested by Sir John Woods, Permanent Secretary to the Board of Trade. Personal relationships were important for this small unit. Consequently, people Plowden felt he could not work with, such as Le Maitre, were soon transferred.

Staff brought from elsewhere within Whitehall included Douglas Allen (later Lord Croham) from the Board of Trade. He became Plowden's private secretary and, after 1949, an ordinary member of the staff. John Croome and Eric Roll came from the Ministry of Food; Kenneth Mackenzie from colonial finance in Kenya and Frank Turnbull from the India Office. Le Maitre was recruited from the Admiralty and Frederick Smith from the Ministry of Works. Both became division heads within the C.E.P.S. Alan Hitchman, who had been Ernest Bevin's Private Secretary at
the Ministry of Labour during the war, became the so-called Assistant to the Chief Planning Officer, that is Plowden's deputy, 1948-64. William Strath, a former Ministry of Aircraft Production official who joined the C.E.P.S. in 1947, was Hitchman's successor in the post, 1949-55.

The proportion of staff from outside the Civil Service was small, but important. Sir Robert Sinclair, Chairman of Imperial Tobacco, and former Chief Executive of the Ministry of Production, had been offered Plowden's post first. He declined it, but remained as Industrial Consultant. Lord Croham states that his contributions soon faded out but that he was important in advising on the establishment of the E.P.B. Plowden's first deputy, Hugh Weeks, had previously been in the Ministry of Production, but had gone to work for the chocolate company, J.S. Fry & Sons. Neville Blond, who had worked for his family's textile firm before the war, was lent to the C.E.P.S. by the Board of Trade. The economist, Austin Robinson, as an official at the Board of Trade had been important to that department's interest in planning in 1945-6. He was summoned back from Cambridge University to work for the C.E.P.S. He brought with him three young Cambridge economists: Robin Marris and Kenneth Berrill, who had come top of their years, (Berrill with the L.S.E., then housed in Cambridge); and Patricia Brown who had studied under Robinson's wife, Joan. None of the other academics, nor the senior military or naval officers suggested for the C.E.P.S. were employed, possibly because Plowden did not have the personal connection with them that he so valued.

Part of Plowden's success came from his ability to work well with people around him, especially Cripps and the permanent secretaries in the economic field: Bridges at the Treasury, Woods of the Board of Trade, Sir Godfrey Ince in the Ministry of Labour and Sir Archibald Rowlands at the Ministry of Supply. Plowden was also able to facilitate informal contacts for ministers with industry through the dinners he arranged. The Labour Government could rely on its informal contacts with
trade unions but had a far less intimate relationship with business. Croham claims that there was tension between Plowden and Hugh Gaitskell as Chancellor. Gaitskell lacked the industrial background of Cripps, but as an economist he was keener to intervene in the day-to-day running of the C.E.P.S.

Middlemas describes the C.E.P.S. as "an early think tank". However, its rôle was to provide information rather than to consider policy, a function left more to the Economic Section's discussion papers. The C.E.P.S. had its own tasks. For example, it produced the important paper on investment cuts in late 1947. However, it also worked closely with other bodies, particularly the Economic Section and C.S.O.

Plowden emphasises the importance of his relationship with Hall, who became Director of the Economic Section soon after Plowden's appointment. Hall not only revived the Economic Section, which had been drifting badly since Meade had fallen ill early in 1947, but he also restored Plowden's faith in planning. As early as Autumn 1947, Plowden had felt the C.E.P.S. was being ignored and threatened to resign. Croham states that at the regular meetings between them, Hall, as an economist, was able to influence Plowden's thinking on many crucial issues. Hall, however, did not like all the members of the C.E.P.S. He preferred Hitchman and Roll to Weeks and Robinson on a mixture of personal and ideological grounds.

The C.E.P.S. was divided into two or three main divisions. Initially there were three: Progressing and Planning, headed by Weeks; Progressing by Smith and General Administration and Co-ordination by Le Maitre. Reflecting the move away from long-term plans to "trouble shooting" in late 1947, these were reorganized into two broad divisions, one each for overseas and domestic issues. When the C.E.P.S. formally joined the Treasury in January 1948, Weeks retained his post, but beside him was only Smith who now covered progressing, special investigations and raw material allocations. By 1951, the organization had widened a little, with the Assistant to the Chief Planning Officer, equivalent to a Third Secretary in the Treasury, standing over
three divisions. Each of these was headed by an under secretary, with one or two assistant secretaries as their deputies, assigned to particular topics. Frank Turnbull's division handled raw materials, agriculture and investment; J.A.C. Robertson's dealt with overseas issues, the economic surveys, food, and import programmes and Edward Shillito's division tackled defence, productive capacity and manpower.\(^{80}\)

Inter-departmental co-operation was at the heart of the C.E.P.S.'s work. Plowden chaired the Investment Programmes Committee (I.P.C.) and the Official Steering Committee on Economic Development Working Party. By 1950 he was deputy chairman of the Economic Steering Committee (E.S.C.) of permanent secretaries. Moreover, he sat on the Official Coal Committee and the Government Organization Committee amongst others.\(^{81}\) His three successive deputies, Weeks, Hitchman and Strath, had no fewer responsibilities than Plowden. The C.E.P.S. supplied information to the Budget Committee of high ranking officials involved in finance which made recommendations to the Chancellor on the Budget.\(^{82}\) Bridges had recognised the difficulties in getting the Treasury to make its financial policy coincide with the needs of a plan and saw Plowden's membership of the Budget Committee as essential for the implementation of plans.\(^{83}\)

Almost all members of the C.E.P.S. sat on at least one inter-departmental committee. Alford \textit{et al} state that the C.E.P.S. "maintained an active representation" on all the committees with which they were involved.\(^{84}\) They were associated with, amongst others, the Materials Committee, the Programmes Committee, the Food Distribution Committee, the Fuel Allocation Committee, the Import Diversion Committee, the Productive Capacity Committee and the Raw Materials Committee. Thirteen members of the C.E.P.S. were secretaries of economic committees and sub-committees and formed the whole secretariat of the I.P.C.\(^{85}\) The C.E.P.S. supplied staff and the secretariat for the Economic Survey Working Party (E.S.W.P.). This was an offshoot of the E.D. Committee which co-ordinated production of the annual
economic surveys and other similar reports and included the Directors of both the Economic Section and the C.S.O.\textsuperscript{86}.

At the time Allen claimed that there were "practically no aspects of economic policy in which the C.E.P.S. may not have an interest"\textsuperscript{87}. Much of the C.E.P.S.'s function was to advise and co-ordinate; "virtually no work" was "done by the C.E.P.S. on its own"\textsuperscript{88}. Such activity, Plowden conceded in 1951, meant that the C.E.P.S. had not been able to do much on long-term planning\textsuperscript{89}. He says now that most of its focus was on crisis management and analysing how the abrupt developments were affecting the economy\textsuperscript{90}. Given Plowden's belief that recovery of the economy would make planning obsolete\textsuperscript{91}, he does not appear to have been hostile to the C.E.P.S. adopting a purely analytical rôle. As Chapter VI shows, some C.E.P.S. members were transferred from domestic concerns into work for international bodies. From 1949, Roll, Robinson and others worked for the O.E.E.C. in Paris\textsuperscript{92}. In 1951 Plowden and Roll became involved with N.A.T.O.'s planning for rearmament\textsuperscript{93}.

The C.E.P.S. was portrayed publicly as an interdepartmental body, even after it transferred into the Treasury\textsuperscript{94}. However, by August 1948, officials described it as "not an interdepartmental organisation but part of the staff of the Chancellor"\textsuperscript{95}. This was demonstrated when it refused to advise other ministries as this might undermine the Chancellor in Cabinet. Plowden now states that he was keen that the C.E.P.S. became a full part of the Civil Service machine and fully supported its integration into the Treasury\textsuperscript{96}. Cairncross feels strongly that this was the correct move, believing that planning could not work effectively when separated from the Treasury. The amalgamation of planning and finance in 1948 gave "a coherence to the government's planning that was previously lacking"\textsuperscript{97}. While the C.E.P.S. became basically an advisory body to the Chancellor alone, the Economic Section continued to make information available to any department which required it\textsuperscript{98}. 

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The C.E.P.S.'s main tasks were "administrative" and "supplementary" to that of economic departments. The unit oversaw co-ordination between departments on economic issues and prepared briefs for ministers and senior officials. Its work was usually tied to actual economic trends, rather than being speculative. There were issues on which the C.E.P.S. held a watching brief, such as the production and allocation of coal and manpower levels in the industry; timber, tourism, agricultural production, foods like eggs and rice, and financial issues such as wage and price policies. Some work was generated by short-term demands such as studying the potential for fuel from slurry and the conversion from coal to oil burning, between late 1947 and mid-1948. Trade and inflation issues were highlighted by the convertibility crisis of 1947 and devaluation in 1949. Other tasks included assessing the supplies of raw materials and manpower, the requirements of industry and general issues of national income and expenditure. Work on the annual economic surveys involved many in the C.E.P.S. each winter from 1947 onwards. The C.E.P.S. also provided material for briefings for one-off conferences such as the Commonwealth Finance Ministers' Conference and the Washington talks with the U.S.A. and Canada in 1949.

The investment programme was the main one which the C.E.P.S. was involved in administering rather than just giving advice. However, Plowden resisted Ministry of Labour and Board of Trade suggestions in 1950 that the C.E.P.S. should take a stronger rôle in this. He would not let it become an arbitration body for disagreements between different departments. In fact, the limits to the C.E.P.S.'s power in this field were revealed in disputes as early as 1947. Gaitskell, the Minister of Fuel and Power, felt that the C.E.P.S. had been taking decisions on investment in fuel that were his responsibility. Unlike them he was accountable to Parliament for the approach adopted. This argument was accepted by the C.E.P.S. and the programme was reconsidered. Similarly, following the convertibility crisis in August 1947,
Weeks put forward a programme of sweeping cuts in consumption and the closure of factories to create a pool of labour as counter-measures to the loss of British reserves. This strong package angered Attlee and was dropped.

Despite such limitations, as early as 1948, the C.E.P.S. was designated as the centre of administration for industrial production in the next war, which was expected to be imminent. Officials were not eager to recreate the Ministry of Production and preferred to strengthen the peacetime inter-departmental system. There was a desire within Whitehall that in the event of any war the Treasury should retain "central economic control - finance and materials", rather than to fade into the background as it had done during the Second World War. Despite its supposed importance in such a structure, in October 1948 the C.E.P.S. was merely allocated an advisory position to the Joint War Production Staff (J.W.P.S.) which was responsible to the Minister of Defence. It was not until March 1950 that the C.E.P.S. had its own representative on the J.W.P.S. Though the C.E.P.S. did scrutinize the armed forces' production programmes, its main rôle in rearmament was to assess its impact on the domestic economy, in particular in terms of labour demands. It also investigated where production for home consumption could be reduced to allow for increased manufacture for defence and export purposes. Most of the major statistical work was handled by the Ministries of Supply and Labour but the C.E.P.S. acted as a channel for explaining the demands of rearmament, as revealed by these figures, to industrialists.

The Economic Planning Board (E.P.B.)

The other main new development in Summer 1947 was the establishment of the E.P.B.. The idea took root in April 1947, but the Board was not constituted until that July. The E.P.B. stood beside the other larger tripartite bodies: the Ministry of Labour's wartime National Joint Advisory Council (N.J.A.C.), which had...
been reconstituted in 1946, and the Board of Trade's National Production Advisory Council on Industry (N.P.A.C.I.), set up in 1939\textsuperscript{120}. Despite some early attempts to bring all three bodies under a broader umbrella, they remained separate and retained different memberships\textsuperscript{121}.

The E.P.B.'s stated objectives were to give advice on the realisation of a long-term economic plan and on remedial measures to counteract immediate problems\textsuperscript{122}. One central aim was to transmit information to workers and employers directly from the Government. The E.P.B. was also supposed to act "as a support to ministers to get difficult and unpopular policies accepted"\textsuperscript{123}. This was an important element for a government which relied heavily on exhortation to promote its planning policies. The C.E.P.S. expected that the E.P.B. would bring views based on the "practical experience on the board or on the bench"\textsuperscript{124} to the Government's deliberations.

Middlemas regards the E.P.B. as a "talking shop", Cairncross "a fifth wheel", but Plowden describes it as "an adjunct to policy making"\textsuperscript{125}. Though the Government went directly to the Trades Union Congress (T.U.C.) on issues such as wage restraint\textsuperscript{126}, the E.P.B. did provide a channel for views on a range of policies including the Agricultural Expansion Programme, capital investment and the balance of payments\textsuperscript{127}. The Federation of British Industries (F.B.I) also submitted papers to the Board, particularly on investment, animal feed and electricity consumption\textsuperscript{128}. The E.P.B. discussed a wide range of issues, but particularly important were the economic surveys, the investment programme and the balance of payments\textsuperscript{129}. Thus the Board provided an erratic commentary on the Government's approaches to the economy.

The nature of the E.P.B. caused concern in Whitehall. Hall and Plowden agreed that:

\begin{quote}
\textbf{\textsuperscript{36}}
\end{quote}
"The [Economic] Planning Board was really a new constitutional development and quite contrary to all Civil Service practice: however, it seemed that ministers had intended this."\textsuperscript{130}

It is not apparent from the files that ministers had intended this or that they had really thought out the E.P.B.'s position in government. Ministers attended the E.P.B. only very rarely which added to the E.P.B.'s anomalous position. Consequently Hall felt uncomfortable about it voicing criticisms:

"...[I] said I thought that we ought not to be discussing the failings of the Government with outsiders unless we had \textit{first} told ministers."\textsuperscript{131}

However, Cripps made it clear that he was willing to allow the E.P.B. to continue even if it was critical of ministers\textsuperscript{132}.

Plowden was the chairman of the Board until October 1953 and a member until 1960\textsuperscript{133}. The other officials included the permanent secretaries of the ministries of Labour and Supply and the Board of Trade. Ince was very unhappy about the inclusion of such senior officials\textsuperscript{134}. Initially Le Maitre, Smith and Weeks attended, though C.E.P.S. membership declined as the number of other officials was increased\textsuperscript{135}.

The non-officials were nominated by the T.U.C. and jointly by the two employers' bodies: the F.B.I. and the British Employers' Confederation (B.E.C.)\textsuperscript{136}. This contrasted with the N.J.A.C. which had only B.E.C. representatives and the N.P.A.C.I. included only F.B.I. ones. All the T.U.C. nominees were drawn from its the General Council. The first two nominated were Vincent Tewson, the T.U.C's General Secretary, and Jack Tanner, President of the Amalgamated Engineering Union\textsuperscript{137}. The F.B.I. and the B.E.C. jointly nominated Sir Graham Cunningham, Chairman of Triplex Safety Glass, and W. Reginald Verdon Smith, a director of the Bristol Aeroplane Company. Both had worked with Plowden during the war\textsuperscript{138}. Cunningham was to be the longest continually serving member of the E.P.B.\textsuperscript{139} sitting
on it from its conception until it was disbanded in 1962 following the creation of the National Economic Development Council (N.E.D.C.) the previous year.\footnote{140}

Pressure from the F.B.I. and B.E.C. led Morrison in June 1947 to increase employer and union representation to three each.\footnote{141} Sir William Coates, a deputy director of I.C.I., was added for the employers\footnote{142} and Andrew Naesmith of the Amalgamated Weavers' Association for the unions.\footnote{143} Coates resigned in June 1948 but was not replaced until the following January when Sir Cuthbert Clegg, Chairman of the Cotton Spinners' and Manufacturers' Association, was appointed.\footnote{144} Naesmith resigned in January 1949 and was replaced almost immediately by Lincoln Evans, General Secretary of the Iron and Steel Trades Confederation.\footnote{145} Aside from Verdon Smith who was only thirty-four, Plowden, and Hall at forty-six, were the youngest leading members of the Board, most of whom were in their fifties. Coates was sixty-five.\footnote{146}

From Morrison's announcement of the formation of the E.P.B. in July 1947 onwards there was regular pressure from M.P.s and interest groups to change the pattern of non-officials on the Board. Such pressure demonstrated how powerful the E.P.B. was perceived to be. There were demands to include representatives from the National Union of Manufacturers,\footnote{147} small manufacturers,\footnote{148} agricultural\footnote{149} and Scottish interests,\footnote{150} boards of the nationalized industries\footnote{151} and in particular, the Co-operative Congress.\footnote{152} The constant response was that E.P.B. members attended in their own right rather than as representatives of any particular organization and that it was essential that the Board was kept small.\footnote{153}

Individual official members were replaced as their jobs changed but Plowden also altered the membership to represent particular aspects of the economy. Hall was seriously included simply to prevent there being an "unlucky 13" members.\footnote{154} In September 1947, Sir Bernard Gilbert, Second Secretary to the Treasury, was added to introduce broader knowledge on finance and the balance of payments.\footnote{155} In August
1951, Hitchman, by this time Permanent Secretary to the Ministry of Materials, was brought in to reflect the demands of rearmament. The number of members remained at fifteen, as apart from Plowden, Strath was now the sole C.E.P.S. member. The majority of the E.P.B. were officials. By 1951 the ratio was three civil servants to two non-officials. The E.P.B. met fourteen times in the second half of 1947, sixteen times throughout 1948 and ten times each in 1949 and 1950, with meetings becoming more irregular and often cancelled because of members' other commitments.

There is no apparent evidence that the T.U.C. paid much attention to the E.P.B.'s work, though all the minutes and papers were kept meticulously. T.U.C. representatives initially felt uncomfortable on a board without ministerial representation and wanted it to discuss policy as well as plans. However, the Board's terms were accepted and leading trade unionists nominated. Given the T.U.C.'s larger representation on both N.J.A.C. and N.P.A.C.I. and the fact that ministers were happy to meet the T.U.C.'s General Council fairly regularly, involvement with the E.P.B. must have seemed marginal.

Writing in November 1951 to the new Conservative Chancellor, R.A. Butler, Plowden described the E.P.B. as having provided useful economic and "politic-industrial" advice. He emphasised the importance of the T.U.C. link. Supplying leading trade unionists with information on the economy enabled them to pass on unpalatable facts to their members. In return there was the apparent psychological benefit of rank-and-file members feeling that their leadership was playing a part in shaping government policy. Plowden stated that the T.U.C. representatives and Ince shared this view.

Plowden portrayed the link with the employers' associations as similar though to a lesser degree. While the B.E.C. appears to have given little consideration to the E.P.B.'s work, the F.B.I.'s important Home Economic Policy Committee saw it as a
useful channel for influencing governmental attitudes and putting forward industry’s case. Verdon Smith, who chaired the committee, said in 1949 that he believed the F.B.I. could feel satisfied with its representations through the E.P.B. He felt that they had shaped that year’s Budget, economic survey and especially the investment programme which industrialists saw as the most crucial part of planning. The F.B.I. felt the programme had now adopted the proper ranking with industrial investment ahead of social services. However, such a shift is not apparent from reading the survey itself.

The F.B.I. believed that in planning the economy, the "maximum practical liberty must be allowed to the natural forces of economic self-adjustment". Its main criticism was that the Government's investment priorities kept changing. They had first focused on a broad front of renewal, then specifically on housing, which was subsequently reduced. Additional demands such as for agricultural investment had followed. Planning had become "no more than an attempt to patch and repair the distribution of the national economy", a "policy of despair" which left industry as the "residual legatee".

The F.B.I. attacked economic policies dear to Labour such as nationalization and the five-day working week. They constantly called for the reduction of the "high and crippling" level of taxation and the "vast and menacing" amount of government expenditure. Some leading F.B.I. members even felt that the Government was behaving unconstitutionally, threatening industry with legislation if it did not comply with policies such as Development Councils.

Sir Graham Cunningham was the most outspoken of the E.P.B. members and faced dismissal from it for making negative comments about the Government's economic policies to the press in January 1948 and November 1949. In 1948 Cripps defended the freedom of the E.P.B. members to express views different to the Government's. By late 1949, even he was angered by Cunningham's comments and
considered having him removed\textsuperscript{173}. However, within their own organization, the F.B.I. members of the E.P.B. were a voice of reason counter-balancing extreme colleagues. Cunningham tried to raise the quality of debate about the Government's policies by referring to secret papers that had been circulated at the E.P.B. revealing the true state of the economy\textsuperscript{174}.

An F.B.I. report on the E.P.B. was produced in June 1950. The Board was seen as a significant gesture by the Government and a phase in the evolution of planning by consent. The F.B.I. had had doubts whether it could succeed and had put the E.P.B. on three years' probation. The Federation was disappointed by the Board's limited remit, particularly as it did not discuss tax. The E.P.B. also had had to fit in with the Government's timetable. The report felt the Board just gave an industrial perspective to policy which was already under development. It did consider that the E.P.B. was "at least a useful equivalent in the economic field to the N.J.A.C. and the N.P.A.C.I.". It was seen as especially important in promoting the claims of manufacturing industry against those of social services, pressing for decontrol and allowing industrialists to study the O.E.E.C.'s work. The F.B.I. felt it had had many of its recommendations accepted yet it believed that the E.P.B.'s "most significant achievements" were that the early "high hopes" had failed. This was satisfactory as it left planning "to be solved by those with more experience and knowledge of the problems with which they are coping in their day-to-day contact with the affairs of the moment", that is industrialists\textsuperscript{175}.

Private F.B.I. support for the E.P.B. did not prevent employers complaining at its ineffectuality. The limits to the E.P.B.'s powers became apparent in August 1947 following the convertibility crisis. The Board felt that the Cabinet's proposals for tackling the deteriorating balance of payments were grievously insufficient. The E.P.B. cited Morrison's statement that they would be involved in suggesting remedial solutions to current crises and felt this was a suitable opportunity. Plowden wrote that
such a contribution was impossible unless the E.P.B. sat almost continuously as a Cabinet sub-committee\textsuperscript{176}. This statement implied that the E.P.B.'s scope could not stretch beyond the "set-pieces" such as the economic surveys. By 1948 Plowden had recognised that the E.P.B. would not live up to the original expectations and only a purely official committee could properly consider the "semi-technicalities" of many of the economic issues\textsuperscript{177}.

The employers made further complaints about the E.P.B.'s impotence in early 1950. The three employer representatives told Plowden that the Board had made no worthwhile contribution throughout 1949. They particularly noted that the question of devaluation had not been brought to the E.P.B., though this was unsurprising given the degree of secrecy surrounding the issue. They felt, quite accurately, that the Government paid little attention to the Board's recommendations. The standard Cabinet Office-style minutes did not reveal their dissent clearly. To them, Plowden seemed only to want approval for the documents presented to the Board, rather than being willing to countenance amendments\textsuperscript{178}.

Plowden, eager to avoid resignations close to the election, emphasised how important the Board had been in influencing policy, for example in preventing some cuts in dollar imports the Government had planned for and in having the 1949 and 1950 surveys re-written. Both Plowden and Bridges highlighted the Board's importance in transmitting the economic message to the trade unions\textsuperscript{179}, a useful channel which would be lost if the E.P.B. was dissolved. The officials overstated the case given the Government's other trade union links, but the employers were placated and agreed to continue with the Board\textsuperscript{180}.
Ideas for strengthening the planning machine were not restricted to the creation of the C.E.P.S. and E.P.B.. Cripps also wanted to reinforce planning in the economic departments themselves\textsuperscript{181}. Nicholson envisaged re-introducing chief executives on the wartime model, assisted by two or three "henchmen", to work on allocations, priorities and programmes and to relieve the burden of permanent secretaries, especially at the Board of Trade and the ministries of Fuel and Power, Labour and Supply\textsuperscript{182}. Bridges was sympathetic to the scheme\textsuperscript{183}. However, the departmental planning staffs which were announced in Parliament by Cripps in March 1947 and referred to by Attlee the following month\textsuperscript{184} were never formed, probably as they lacked a clear rôle and enough officials with the right skills. Consequently the planning liaison groups within the Board of Trade and ministries of Fuel and Power and of Food soon faded\textsuperscript{185}.

The other innovation for strengthening planning at a departmental level was E.P.(O.)C.\textsuperscript{186}, which probably would have acted like the E.D. Committee, but just tied to planning. The committee, chaired by Plowden and including Weeks, Blond and Le Maitre from the C.E.P.S., met four times between May and October 1947. It brought together officials from the Admiralty, Board of Trade, Lord President's Office and ministries of Fuel and Power, Health, Labour, Supply, Transport and Works. It was to consider both the long-term plan and immediate remedial measures\textsuperscript{187}. Other officials and a representative of the Iron and Steel Federation were co-opted and its main October meeting had twenty-four members\textsuperscript{188}. It covered practical planning issues such as the level of priority for the transport of various goods and materials and the consequences of increasing the length of the working week\textsuperscript{189}. The last meeting was an informal one in late October. By April 1948, officials admitted that E.P.(O.)C. had ceased operation\textsuperscript{190}, but Plowden was keen for this to be kept secret from M.P.s\textsuperscript{191}. Richard Barker suggests that the committee's problem was that Whitehall
was unused to the level of co-ordination that its structure implied. E.P.(O.)C. probably failed as it almost duplicated the E.D. Committee, but with lower ranking staff and little power to make decisions. Its work could be done as well by the Economic Section or C.E.P.S. or through *ad hoc* official meetings.

**Further Changes in 1947**

As 1947 progressed Nicholson felt that the Lord President's responsibilities had become too extensive, especially as he had no ministry under him. Aside from being Deputy Prime Minister and Leader of the House of Commons, his portfolio included general scientific and information policy, plus the wide scope of the L.P.C. His remit had swollen with the addition of the C.E.P.S. and in April, of the E.I.U. As early as February 1947, during Morrison's illness, Hilary Marquand, the Paymaster-General, had effectively become his deputy. He was added to the L.P.C. and was charged with overseeing economic planning, a subject which interested him. Marquand was to see drafts of plans prepared by the E.D. Committee at an early stage. However, he never enjoyed the status of the Lord President, for example, in relation to the C.S.O., the Economic Section or the E.D. Committee's sub-committees. Senior Treasury officials, like Bridges and Leslie Rowan, preferred Marquand's confinement to specific tasks. By Summer 1947, the Paymaster-General's involvement in planning was rendered redundant by the appointment of the Chief Planning Officer.

The increased economic burden on the Lord President, exacerbated by the failure of convertibility, led to the creation of two new ministerial committees in October 1947: the Economic Policy Committee (E.P.C.) and the Production Committee. The E.P.C., originally entitled the Economic Planning Committee, was the "most important in the system". Its task was to discuss economic policy below Cabinet level. It covered topics such as Marshall Aid, devaluation, full employment.
and the economic consequences of rearmament. Attlee intervened to preserve the L.P.C.\textsuperscript{204}. Stripped of its economic concerns, the committee focused on other domestic issues and took over the work of the Social Services Committee and the Land Usage Committee\textsuperscript{205}.

The Lord President still sat on the E.P.C. but was joined for the first time on an economic committee by the Prime Minister and the Foreign Secretary reflecting a concern, particularly after the convertibility crisis\textsuperscript{206}, for trade and overseas financial issues as well as domestic economic ones. The E.P.C. superseded both the Committee on Overseas Economic Policy\textsuperscript{207} and M.E.P.. During the Korean War, the Minister of Defence was added\textsuperscript{208}.

As Kenneth Harris notes, for Attlee "sometimes the minister's personality would outweigh the secondary importance of their job" when assembling committees\textsuperscript{209}. For example he kept the President of the Board of Trade, Harold Wilson, and Secretary of State for Commonwealth Relations, Phillip Noel-Baker, off the E.P.C. so he could include the Lord President, Morrison and Lord Privy Seal, now Lord Addison\textsuperscript{210}. Attlee had worked closely with Addison in the 1930s and believed he represented the "model of how ministers should behave"\textsuperscript{211}. Wilson was co-opted on to most E.P.C. meetings and was added to its membership, along with Gaitskell, the new Minister of State for Economic Affairs, in March 1950\textsuperscript{212}. Later Attlee adjusted the E.P.C.'s membership to retain Dalton\textsuperscript{213} and Bevan\textsuperscript{214} on the committee when they changed posts in 1950 and 1951, respectively. The E.P.C. received reports directly from the C.E.P.S. and from the Official Committee on Economic Development (E.D. Committee), which dropped "steering" from its title in November 1947\textsuperscript{215}.

The Production Committee was to be chaired by Cripps as Minister for Economic Affairs, subsequently as Chancellor, and included ministers from all the production departments. Attlee effectively gave it the L.P.C.'s economic portfolio. Its
focus was on production programmes for exports and the domestic market, plus all questions of internal economic policy. Later the First Lord of the Admiralty, the Paymaster-General and Minister for Civil Aviation were added. Douglas Jay claims that the Production Committee was where "the real work was done". Its scope was broad and covered issues such as food, coal, oil, power stations and housing. Despite Cripps keeping discussion to a minimum, disputes between ministers on such vital programmes now occurred at its meetings rather than in Cabinet as previously.

The final changes in 1947 came from the creation of two new posts - the Minister for Economic Affairs and the Economic Secretary to the Treasury. The former arose as a result of Attlee's attempts to stem Cripps's burgeoning ambition rather than to create an effective new planning element. Morgan states that in the light of the convertibility crisis, Cripps and Morrison had been critical of what they saw as Attlee's lack of drive on increasing dollar exports and believed that Bevin was a feasible replacement. Cripps was active in pushing for Attlee's removal, but Bevin remained loyal. Cripps was bought off with the post of Minister for Economic Affairs, announced at the end of September 1947. Harold Wilson, at thirty-one, the youngest Cabinet minister, replaced him as President of the Board of Trade. Attlee emphasised to Wilson that with the existence of the Minister for Economic Affairs, he would not have the status that Cripps had held as President.

Though never voiced, in theory Cripps would have become overlord above both Morrison and Dalton, the Chancellor. This would have satisfied an enthusiasm of Cripps's since the early post-war days - to create a real economic and industrial department. If this had been fully realised it would have represented the most radical alteration to the machine since the war. The experiment was short-lived as in November, six weeks after Cripps's appointment, Dalton resigned because he had leaked Budget details to a journalist before outlining them in Parliament. Cripps
succeeded him, merging his own post with that of Chancellor\textsuperscript{225}. This gave little time for tensions to develop between the Treasury and the Office for Economic Affairs. In fact, writing in 1962 Dalton shows that he was supportive of these changes in government machinery. He perceived the development of a partnership between the two ministers:

"I strongly urged Attlee to insist, with Morrison, on Cripps becoming Minister of Production, offering my firm and harmonious co-operation with Cripps on our new joint field.' This was in fact the field to which Cripps succeeded, when I resigned from the Treasury in November."\textsuperscript{226}

In his post as Minister for Economic Affairs, the C.E.P.S. and E.I.U. came under Cripps's direct control. The Economic Section and C.S.O. remained nominally part of the Cabinet Office, as they had when under the Lord President. From September 1947 they were responsible first to the Minister for Economic Affairs and subsequently the Chancellor. Though they remained outside it until 1953, Dow claims that they were part of the Treasury in "all but name"\textsuperscript{227}. All of these were small units and without executive powers. The minister was far from being the "economic dictator" some had feared. Like the Lord President before him, the Minister for Economic Affairs had the Paymaster-General, Marquand, as deputy\textsuperscript{228} and only a small office of his own. The Permanent Secretary of the Office for Economic Affairs was Leslie Rowan\textsuperscript{229}, but with the amalgamation into the Treasury, he returned to Second Secretary rank\textsuperscript{230}. The Office did include responsibility for N.P.A.C.I. and Regional Boards for Industry which Cripps brought from the Board of Trade\textsuperscript{231}.

The new minister's membership of Cabinet Committees was an important aspect of his increased powers. In most cases, however, Cripps was not appointed to anything he would not have sat on had he remained President of the Board of Trade. He was appointed to the E.P.C., in addition to Dalton. Cripps was to chair the Production Committee, which also included the Chancellor, though he was expected
be represented by the Financial Secretary, William Glenvil Hall. The Materials and Fuel Allocations Committees were brought under the auspices of the Minister for Economic Affairs, with Marquand replacing Gaitskell, still Minister of Fuel and Power, as their chairman. Cripps joined the Defence Committee. He was also on the Manpower Sub-committee, now under the Production Committee, which did not include the Chancellor.

With the Chancellor still in charge of the Budget, it is difficult to envisage clearly Cripp's supposed rôle. If one considers the powers he received, it is apparent that his department represented neither a rival to the Treasury nor a reconstitution of the Ministry of Production. Attlee explained this in Parliament by referring to the fact that the state's concern in the economy impinged on so many departments that no one minister could oversee such a broad portfolio. However, he suggested that it would be constitutionally difficult for departments to surrender sovereignty to an economic overlord. Consequently, the position would be one of co-ordination, ensuring that all the diverse agencies were working towards economic recovery.

Plowden claims that by amalgamating the posts of the Minister for Economic Affairs and Chancellor in November 1947, Cripps became "the first of the modern chancellors". The Chancellor now took explicit responsibility for the economic as well as financial aspects of government policy. The status of President of the Board of Trade was also restored. To assist the Chancellor, in mid-December, Douglas Jay, was made the Economic Secretary, with a new division within the Treasury. The E.I.U. and C.E.P.S. were transferred into this in January 1948. By 1950 the E.I.U. had simply become the Information Division of the Treasury. The Economic Secretary was to be concerned with general economic policy including planning, but also Treasury supply work and overseas financial negotiations. He replaced the Paymaster-General on a number of committees such as the Production
Committee and Information Services Committees, and the Chancellor on the Overseas Reconstruction Committee.\(^{241}\)

Jay felt himself to be the second junior at the Treasury, after the Financial Secretary, Glenvil Hall, both below the Parliamentary Secretary and Chief Whip, William Whiteley. Jay replaced Glenvil Hall in February 1950.\(^ {242}\) Jay knew Plowden from before the war and Robert Hall from the wartime Ministry of Supply. Hitchman had been Jay's closest Ministry of Labour contact. This allowed a "harmonious partnership" between the new minister and the planners, perpetuating the characteristic personal links.\(^ {243}\)

With Cripps's appointment as Chancellor, Middlemas has stated:

"[f]rom 1948 one can date the emergence of the Treasury as a citadel ... without a direct sponsorship of responsibility for anything but the financial sector, [it] took an overarching interest in seeing that other sponsors did their job..."\(^ {244}\)

It cannot be disputed that the Treasury was recovering its inter-war strength, which was natural given the return to greater economic normality. These changes certainly ended any rivalry to its supremacy in the economic field. Until 1948, the Treasury had been keen to keep economic planning separate from general economic policy.\(^ {245}\) Now with the Treasury's concern for finance rather than production, bringing planning under its control was liable to lead to the greater use of fiscal tools. This began with Dalton's November 1947 Budget, but the move towards Keynesianism was certainly pursued by Cripps.\(^ {246}\) Some officials felt uneasy at the power which had accrued to the Treasury but Woods wrote from the Board of Trade to the Cabinet Secretary, Sir Norman Brook, that the "historical accidents" that had made the Treasury the leading economic department had to be accepted.\(^ {247}\)

Despite all the changes, the basic structure of the planning machine had not been disturbed. The C.E.P.S.'s work rarely touched on long-term plans and much of its co-ordination work could have been handled by the Cabinet Office or the Economic..."
Section. By absorbing the new elements of the machine, the Treasury helped to reassert its own pre-eminence. The creation of the Economic Secretary also reflected its broader scope, but this was a natural development from the greater involvement of the state in the economy.

Post-1947

Following the reorganization of 1947, further changes in the administration of economic affairs minimally affected those involved in planning. The changes were intended to make the flow of information more effective, rather than to alter the relationship between the different elements of the planning machine. Though the C.E.P.S.'s identity was gradually dissolving into the Treasury, it worked on the same types of tasks, such as preparation of the annual economic surveys. The E.P.B. continued as before. In May 1949, a Working Group of the E.D. Committee was established under Plowden's chairmanship. This was a smaller body to tackle issues which did not need the full committee. The E.D. Committee, consisting of so many high level civil servants, no doubt found meetings difficult to arrange.

After only eighteen months as Chancellor, Cripps fell ill. As a result, Hugh Gaitskell became Minister of State for Economic Affairs in March 1950, so-called "Vice-Chancellor of the Exchequer". Initially Gaitskell's focus was on the external economic position, but his scope grew until he became Chancellor on Cripps's retirement in October 1950. The Minister of State effectively superseded the Economic Secretary. However, on Gaitskell's promotion to Chancellor, the post of Economic Secretary was restored and given to John Edwards. October 1950 saw the final re-organization of the economic planning machine under Labour, in response to the Korean War. The consequent rearmament programme and the sharp rise in prices, especially of raw materials, had a great impact on the British economy. The E.D. Committee and its Working Group were dissolved and effectively reconstituted.
as the Economic Steering Committee (E.S.C.). Alford et al see the E.S.C. as more active than its predecessors. It met weekly rather than irregularly as the E.D. Committee had done. Bridges was its chairman, Plowden his deputy. It took reports, not only from the economic departments, but also from the Foreign and Cabinet offices and the Ministry of Defence. Yet again this did not deviate from the established pattern. The existing machine was made a little more effective at tackling the immediate issues. By now, as Chapter VI shows, Britain's receipt of Marshall Aid was coming to an end and along with it the impetus for long-term planning.

Conclusions

The failure to create a strong planning machine at the centre of government 1945-51 reflects the re-assertion of the Treasury's ascendancy, and a recognition of the new scope of governmental involvement in the peacetime economy. It is clear that such planning bodies which existed were preoccupied by short-term issues rather than long-term planning. Barnett highlights what he terms the "elephantiasis" of Cabinet committees and sub-committees under the Attlee Governments. He suggests that these often overlapped. It is clear that the planners were involved in numerous inter-departmental committees, but with clear intentions and powers this should not have been an obstacle. Such committees, in general, handled their particular spheres effectively enough.

Barnett also complains that decisions were centralised leaving committees below Cabinet or senior ministerial level only with the rôle of passing information upwards through the chain and administering the minutiae of economic controls. Given the traditions of Whitehall it is unsurprising to see a lack of initiative away from the Cabinet. Though the economic planning machine was comparatively straightforward, it did suffer from a lack of clear guidance on what planning should
involve. In addition, there was no department to carry out plans or effectively co-ordinate between the different ministries, especially all of those which "sponsored" industries. The range of such ministries led to what Barnett terms "many-headed collective responsibility"\textsuperscript{256}. Given all these circumstances, the planners could be little more than analysts.

A planning department would have been a huge concern and it appears that the Treasury was the only department that had the reach and influence to achieve such a position. It is unsurprising that Bridges opposed the revival of a Ministry of Production. It had been abolished very quickly at the end of the war, whilst other wartime creations such as the Ministry of Supply remained. Only a true Ministry of Production, encompassing much of the Board of Trade and Ministry of Supply plus all the planning elements and possessing both a strong minister and permanent secretary could have even approached the machinery necessary to plan the economy effectively. Such a body, however, would have created intolerable friction within Whitehall. Yet, despite all the rhetoric of planning, the Government failed to do more than make small changes to bodies which themselves were aimed more at immediate problems than the long-term. This apparently confirms David Marquand's view of the lack of a "developmental state" in Britain able to adapt to changed circumstances.


3 Public Record Office, (henceforward P. R. O.), T 229/272 - 6, Economic Organisation Working Group files. These reveal the vast extent of government involvement in the economy.

4 P. R. O., CAB 124/895, memorandum, untitled, unsigned, undated [6/1946?].


9 P. R. O., CAB 21/1709, "Composition and Terms of Reference. Note by the Secretary of the Cabinet", Sir E. Bridges, 14/8/1945.


12 P. R. O., CAB 124/876, "Lord President's Committee, 17th August, 9.45 a.m.", J.P.R. Maud, 16/8/1945.

13 P. R. O., CAB 124/876, "Lord President's Committee, Friday 19th October, 9.45 a.m.: Procedure of Committee", J. Maud to Lord President, 18/10/1945.


16 P. R. O., CAB 132/3, "Termination of Industrial Sub-Committee. Note by the Secretary of the Cabinet", Sir E. Bridges, 26/4/1946.

17 P. R. O., CAB 124/895, M.T.F. to Lord President, 10/5/1946.


20 P. R. O., CAB 134/186, "Minutes of meeting held in the Cabinet Office", 12/9/1945.


22 P. R. O., T 229/274, D.A.V. Allen to Mr. Pointon, 6/12/1950.

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24 P.R.O., CAB 124/890, Sir E. Bridges to J.P.R. Maud, 9/10/1945.
34 P.R.O., CAB 124/1112, "Proposed Headings for the Lord President's Cabinet Memorandum", unsigned [Nicholson], undated [26/3/1947?].
38 P.R.O., CAB 124/1112, "Proposed Headings for the Lord President's Cabinet Memorandum", unsigned [E.M. Nicholson], undated [26/3/1947?].
41 P.R.O., CAB 124/1167, Sir Oliver Franks, *Central Planning and Control in War and Peace*, (London School of Economics & Political Science, 1947), London.
42 Ibid., pp.54-5.
46 Ibid.
47 By the end of 1945 Maud had become Permanent Secretary to the Ministry of Education.


54 P.R.O. Index T 229-231.


63 P.R.O., CAB 124/1081, "Biographical Note", unsigned, undated [6/1947].


68 P.R.O., CAB 124/1112, "List of Names of Possible Recruits for the Planning Staff", unsigned, undated [3/1947?].


E.g., Modern Records Centre (henceforward M.R.C.), T.U.C. files, MSS.292/110.44/1b, "The Economic Situation and Wages Policy. Report of Informal Discussion Between General Council Members, Minister of Labour and President of the Board of Trade", 16/10/1947. Dinner at the Piccadilly Hotel.

Interview with Lord Croham, 26/6/1996.


Interview with Lord Croham, 26/6/1996.


P. R. O., T 229/646, Memorandum, unsigned, undated [7/1947].


Ibid.


P. R. O., T 229/208, Sir E. Bridges to Sir E. Plowden, 24/7/1947.


Interview with Lord Plowden, 24/6/1995.


100 Ibid., pp. 893-4, 898 & 903.
103 Ibid., p. 901.
109 P.R.O., T 229/702, "Should there be a Minister or Ministry of Production in the Next War?", Sir E. Bridges, 18/8/1948.
110 P.R.O., T 229/702, "Western Union Defence", unsigned, undated [10/1948?].
115 E.g. P.R.O., T 229/704, "Defence Requirements", minutes, 20/7/1950.
116 P.R.O., T 229/383, Miss A.M. Jenkins to T. Brockie, 12/2/1951.
122 P.R.O., T 229/646, "Economic Planning Board (Functions and Membership)", 7/7/1947.
124 P.R.O., T 229/24, C.E.P.S. Memorandum, unsigned, undated, [4/1947?].


134 P.R.O., T 229/644, Sir G. Ince to Sir E. Plowden, 8/7/1947.


138 P.R.O., T 229/644, Sir E. Plowden to Sir G. Cunningham & Sir E. Plowden to W.R. Verdon Smith, both 8/7/1948.


143 M.R.C., MSS.292.567/36, H.V. Tewson to H. Morrison, 4/7/1947.


146 *Daily Telegraph*, 8/7/1947, "Planning Board of 14: Members Named".

147 P.R.O., T 229/644, Lt.-Col. V.I. Robins to H. Morrison, 17/7/1947.

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203 P.R.O., PREM 8/422, Sir N. Brook to Prime Minister, 4/9/1947.

204 P.R.O., PREM 8/422, "Cabinet Committees. Note by the Prime Minister", undated [9/1947].

205 P.R.O., CAB 21/1709, "Lord President's Committee. Note by the Secretary of the Cabinet", 9/10/1947.

206 Ibid.


208 P.R.O., CAB 21/1724, "Composition of the Committee. Note by the Secretary of the Cabinet", Sir N. Brook, 2/11/1950.


210 P.R.O., PREM 8/422, Sir N. Brook to Prime Minister, 30/9/1947, Attlee's amendments.


213 P.R.O., CAB 21/1724, "Composition of the Committee. Note by the Secretary of the Cabinet", Sir N. Brook, 2/3/1950.

214 P.R.O., CAB 21/1724, "Composition of the Committee. Note by the Secretary of the Cabinet", Sir N. Brook, 23/1/1951.

215 P.R.O. index CAB 131-4.


218 P.R.O., CAB 21/1709, Sir N. Brook to Minister of Civil Aviation, 8/3/1950.


220 E.g., P.R.O., T 232/193, "Treasury Organisation Committee" file.


225 Ibid., p. 349.


228 P.R.O., CAB 21/2220, W. Gorell-Barnes to Sir N. Brook, 15/10/1947.

229 P.R.O., CAB 21/2220, Sir N. Brook to Sir J. Woods, 7/12/1948.
Chapter III
Debates on the Philosophy of Planning

Introduction

Chapter I demonstrated that the lack of agreement on what it actually meant to plan the economy was a key problem. This chapter will focus on the views of the ministers and officials working in the planning machine. Despite the range of opinions, no-one at ministerial or senior official level arbitrated or determined which particular type of planning would be pursued. Much of the debate revolved around what powers it was possible to use to implement a plan, a theme covered in Chapter IV.

The Philosophy of Planning

Correlli Barnett states that there was a "continuing theoretical debate about the 'economy' and how best to 'manage' it"¹. It does appear that those involved in planning spent much time philosophising about it and the structure of the planning machine². Barnett condemns these exercises as "academic" and "bulky" with only "broad objectives"³ and there certainly were numerous sweeping statements of grand strategy rather than practical ideas.

Speculation on economic planning among officials began in the latter months of 1945, stimulated by election promises. The completion of the first economic survey in January 1946 encouraged discussion about what was possible now that such statistics were available. In Spring 1947 following the fuel crisis debate surrounded what the new institutions, the C.E.P.S. and the E.P.B., should be doing to "strengthen" planning. Discussion became most heated between Autumn 1947 and December 1949. Arguments on planning flared up between the most intense periods of work for the planning officials. Debate faded when the C.E.P.S. was tackling investment cuts in Winter 1947⁴ and the Long-Term Programme in late 1948⁵. Discussion of planning was a "luxury" which could only be pursued when time was
available. No clear decisions were reached. Instead there was a long series of hard-hitting but ultimately hollow words. Many of the difficulties of economic planning were recognised at an early stage but remained unresolved. Examples come from the concerns of James Meade in Autumn 1945 about the inability to direct labour and the obstacles to planning in detail; from Christopher Mayhew, then Parliamentary Private Secretary to the Lord President's Office, who worried about the lack of effective controls over private investment; and from Christopher Saunders of the Ministry of Labour who focused on the question of wage control at the start of 1946.

Herbert Morrison was the axis around which many of the early discussions, guided by Bridges, revolved. With the appointment of Plowden debate became centred on him. In 1945-6, Meade was pressing for a coherent policy of economic planning. Throughout one can also see the continuing involvement of Cripps, and at times, Austin Robinson, though neither man found any solutions to the difficulties of planning. As Tiratsoo and Tomlinson show, Cripps, even as President of the Board of Trade, was interested in economic planning and improving the efficiency of British industry through state intervention. Cripps contributed to the planning discussions at L.P.(I.) Committee meetings from October 1945 onwards. He also commented on memoranda which theorized about planning. Robinson, then under Cripps at the Board of Trade was similarly involved in the discussions of these early months and contributed to the E.S.W.P.'s deliberations.

Economic planning had featured as a key policy in Labour's For Socialism and Peace of 1934 and Labour's Immediate Plan published in 1937. However, the Labour Party's wartime policy document produced in October 1943, Full Employment and Financial Policy despite advocating the retention of wartime controls also aimed to use investment and a steady level of purchasing power to maintain full employment, a more Keynesian approach to the issue. Members of the Labour Party felt the document was too close to Coalition policies and from September 1944 Dalton set
about re-working it to become a potential election manifesto. Stephen Brooke claims that the actual manifesto, *Let Us Face the Future* broke from the coalition consensus and included a specific commitment to strict economic controls, a nationalized sector and economic planning. The war had separated the issues of economic control and ownership allowing the post-war manifesto to have a different perspective on economic planning, one which engaged with privately-owned industry, which distinguished it from its inter-war predecessors.

Planning had not been discussed in Whitehall during the war as a policy option for the post-war economy. Consequently *Let Us Face the Future* was a focus for debate. The manifesto contained more references to planning than to the welfare state, housing or social policies which were covered only in the last third of the document. It implied that a planned "industrial programme" would underpin these other objectives. The manifesto anticipated a repeat of the quick boom and slump which had followed the Great War. The blame for these economic problems was placed on "private monopolies", the "Czars of Big Business" and the "profiteers and racketeers" who were keen for decontrol. Controls provided "fair shares" and order against the "do-as-they-please anarchy" of the free market.

The manifesto stressed the need for "modernization and re-equipment" across the economy, to be achieved by "drastic policies of replanning and by keeping a firm constructive hand on our whole productive machinery". Labour would give "an appropriate place to constructive enterprise and private endeavour in the national plan" but would take steps against "the sectional interests of private business". Perceptively, the manifesto predicted that full employment depended on how far private and public investment and development promoted a healthy economy. However, looking back to the inter-war Depression rather than the state-industry cooperation of wartime, the manifesto envisaged a conflict with big business. This demonstrated Labour's lack of ideas of how it was going to work with industry.
The maintenance of full employment, the manifesto suggested, needed: the fullest usage of all national resources; a high, constant level of purchasing power; a nationalized Bank of England and planned investment, including a National Investment Board. These points were reinforced by seven further objectives of the so-called "industrial programme" including nationalizations, anti-monopoly and anti-cartel legislation, an efficient Civil Service, but also a "firm and clear-cut programme for the export trade" and the use of "suitable economic and price controls". The references to controls were mixed in with Keynesian-sounding policies implying they could co-exist. Though the manifesto made economic planning a central policy element it gave only sketchy outlines of how this would be managed. The discussions covered in this chapter represented the attempts to elaborate upon this picture.

In the early days after the war organizational questions came before the "philosophical" ones. As seen above, by October 1945, new planning committees had been established and thought was soon being given to what their tasks would entail. The debate was overseen by Bridges with suggestions coming from James Meade, A.N. Coleridge, a Board of Trade official, and John Maud and Martin Flett, both in the Lord President's Office. From the start the planning focus was to be on national "resources" encompassing raw materials, labour and capital. Maud referred to Cripps's call for:

"...the working out of a national plan, in the sense that it is necessary to decide how much of our resources should be devoted to consumption goods, the export trade, capital goods and so forth."21

This established an enduring preoccupation with surveying what resources were available. Coleridge and Meade wrote of the need for an economic survey before planning could begin. The belief that a comprehensive survey had to come first delayed proper consideration of how planning would be implemented once the necessary information had been assembled.
Meade's views were important in shaping opinions about the form British planning should take. As early as November 1944 he was keen to promote his so-called "middle way" or "Liberal-Socialist" approach to the economy. Meade was a disciple of Maynard Keynes and Meade's Liberal-Socialism was a Keynesian "thermostatic" approach to the economy. Meade felt state intervention should be restricted to fiscal and financial tools to promote a strong economy, in particular to maintain demand. The state should encourage industrial efficiency, run natural monopolies and redistribute income through social services and the tax system. Everything else should be left for the market. Meade strongly disliked "Gosplanites" who believed "in quantitative planning of the economy commodity by commodity." and "planning the real resources." He wrongly included Cripps and Robinson among them. Meade perceived quickly that there were going to be "different main meanings" given to "Socialist economic planning". He felt "a Gosplan" would mean "losing freedom of choice of consumers and workers as to what they will consume and what they will work at." Meade was also wary, however, of senior Treasury officials like Sir Wilfrid Eady, who appeared unenthusiastic about an increased state rôle in the economy.

In October 1945 Meade produced a key memorandum, "Economic Planning," which was circulated among officials and informed Bridges's own memorandum to Morrison on planning. Meade saw planning as a tool to ensure full employment by predicting and combating inflation or deflation. He believed it would prove easier to manage specific industries' problems if the overall level of supply and demand was balanced. His memorandum emphasised macro-level planning, but it also outlined the main elements of economic planning which were to be discussed for the next six years.

For Meade, the first stage in planning was an economic survey, the second the adoption of an economic policy in the light of that survey. His concern was with the
gap between the nation's resources and the demands put upon them. This emphasis came from the wartime experience and the belief that the transition period would be one of shortages. Meade believed controls would be necessary to prevent the expected inflationary pressure but recognised the limits to such controls, both in terms of flexibility, public freedom and consumer choice. In peacetime there had to be a regard for prices. Even at this stage Meade perceived that government expenditure, private investment and the balance of payments were going to be the key determinants of the economy of the post-war period. Meade believed it was possible to forecast over a five-year period though he acknowledged that the level of accuracy would fall the further one looked ahead. Meade's paper stimulated work on the economic survey. The type of information Meade had called for in his memorandum was soon becoming available. In January 1946 Meade oversaw the preparation of four papers provided for Nicholson and Morrison by Christopher Saunders of the Ministry of Labour, Jack Stafford of the C.S.O., Robinson of the Board of Trade and Ronald Tress of the Economic Section.

Saunders recognised that planning would impact on his own department in terms of labour mobility, training and Development Areas and raised the issue of unemployment. For Saunders planning was about managing demand. He believed that surveys would make it possible to see which industries would need increased or decreased demand and he suggested shorter-term, industry-specific surveys to supplement the overall ones. Saunders felt that if unemployment was too low it would mean tougher controls, as wages and prices could not respond fast enough to changed demand.

Stafford, a C.S.O. statistician since 1941, put forward a model with a high degree of state intervention. He wrote that to plan for five years ahead one had to be certain of what were the desired goals for society and the economy. He made seven suggestions for objectives including an adequate housing programme, a good standard
of nutrition, full employment, the re-equipment of heavy industry, price stability, a balance of payments surplus and a falling level of taxation. Once such objectives had been established then the national income and in turn the necessary level of productivity, wage rates, work hours, and unemployment to achieve such goals could be calculated. Forecasts of investment and demand could also be added to this "economic nexus". As the year in question approached planning would increasingly focus on individual industries, their location and demand for their products.41

Despite Meade's view of him, Robinson believed planning should be less "hands on" than Stafford. Robinson felt that "the main purpose of planning" was "to foresee the problems - more particularly of surplus and deficit" and "provide such remedies as are possible by administrative and budgetary action and by control of investment more quickly than would happen through the ordinary operations of the price mechanism".42 Robinson made no mention of full employment. For him, the aim was to remove controls, thus restoring consumer choice and yet "to perfect rather than oppose the operations of an ideally functioning market". Any redistribution of wealth had to be through the welfare state and not by tampering with the market.

Robinson brought a practical slant to suggestions by colleagues, for example concerning a review of national income, control of investment and the balance of payments. He indicated potential difficulties like statistical error and felt that the concentration on the surveys detracted from longer-term planning. For Robinson, because of the delayed impact of fiscal changes, planning had to be for three or more years ahead. As Cairncross notes, Robinson focused on the major, predictable changes ahead, and upon the need for the government to "short circuit" the market in reaching the solution.43

Tress's concern was with acquiring information rather than action. He believed planning would be hampered by a lack of certain data. He saw the balance of national income and expenditure as central to planning but acknowledged the need for some
detailed investigations into various sectors of the economy, despite being vulnerable to inaccuracy, especially in a time of transition. Once demand had been properly gauged within particular sectors, it could be translated into estimates of labour and raw material requirements and allow the Government to predict shortfalls.

With the start of work on the second survey in 1946, discussions on planning withered. However, five months after Anderson's lecture of May 1946 Morrison himself addressed the Institute of Public Administration on the Government's philosophy of planning. A verbatim copy of his speech was circulated to the E.D. Committee. Acknowledging that it was written for public consumption, it was surprisingly tentative and suggested that despite the debate in official circles since the war governmental thinking on planning had barely advanced.

To Morrison Britain was "the first great nation" to plan, combining "economic and social planning" with "a full measure" of individual freedom. He emphasized that British planning was still at an "experimental" stage but outlined five stages it should take. The first step was "making up one's mind to plan and grasping what planning means". Then forecasts had to be compiled after which planners would devise alternative plans and consider what each offered. Decision had to be made between the plans and on what to plan and "what to leave unplanned". Finally there was implementation. Like Cripps, Morrison defined planning as "deliberately using the main available national resources, in the endeavour to secure the good of the nation as a whole". The onus was on ministers to plan and plan correctly or face censure. This revealed the prevailing phobia of planners that they would suffer if the public was disappointed by the process.

Morrison believed that the Government now had the right economic information. The current figures allowed "statistical floodlighting" of the economy illuminating the correct decisions that had to be made, for example between exporting or retaining shirts or turbo generators. Prophetically Morrison suggested that a
shortage of miners could lead to factories closing, predicting, possibly unwittingly, the crisis which Britain faced a couple of months later\textsuperscript{49}.

Morrison's suggested tools for planning had a strong Keynesian element. They included the Budget, control of investment and public sector spending. Regulation of industrial location was the only direct control he envisaged. Through "trial balance sheets" showing the gaps between supply and demand in different sectors of the economy, a clear plan would make the economic future more certain. As a result productivity would increase allowing improved living standards. Previously unforeseen snags and fluctuations could be seen and avoided. Morrison stated falsely that a "reserve of orders", "all blueprinted and prepared" was ready to combat any slump\textsuperscript{50}.

Morrison emphasised the relation of the plan to the public. It needed to "be inspired from the consumer", open to public criticism and would be subject to "widespread publicity". Such rhetoric contrasts with the growing secrecy surrounding planning. Morrison's speech offered little that was concrete. He harked back to the manifesto outlining how the Government would avoid cyclical problems and mass unemployment\textsuperscript{51}. Leruez claims that this speech showed Morrison confused about economic planning and that his original assumptions about using controls had been muddied since the end of the war. Morrison was reduced to describing planning "as not much more than applied common sense"\textsuperscript{52}. As Middlemas shows disagreement raged between ministers, at this time, on the powers needed to run the economy\textsuperscript{53} and given such tension Morrison would have been inhibited from highlighting certain potential economic planning tools.

Weeks after Morrison's speech Britain faced a severe coal shortage exacerbated by increased demand and acute problems of distribution brought on by the harsh winter. This led to closed factories and temporary unemployment\textsuperscript{54}. Morrison fell ill with thrombosis. Though the responsibility for coal lay with the Ministry of
Fuel and Power, the crisis reflected badly on the planners who had aimed to foresee and avoid the "snags", especially in the use of national resources. The crisis, as seen in Chapter II, prompted reform of the economic planning machine.

In February and March 1947 Sir Oliver Franks delivered three influential public lectures on economic planning at the invitation of the University of London Senate. Franks, at the time Provost of Queen's College, Oxford, drew on his wartime Civil Service experience. He viewed the wartime planning bodies as "dialectical", responsible for implementing decisions from elsewhere in government, but also working with private industry. He believed the demands of military security, full employment and maintaining trade made planning inevitable. Franks recognised the dangers of a bloated bureaucracy unable to communicate policy effectively. As "general manager of the national economy", the Government had to make the broad decisions and decide between competing demands but leave as much of the implementation as possible to private business. Civil servants also had to take initiatives and become people with whom business wanted to work.

Like the French Plan which had recently been published, Franks stated that the British version had to belong to the nation and not just the Government. The country had to be brought out of its outdated economic attitudes through educative campaigns. Lords Roll and Croham see Franks's lectures as being "very important" in shaping thinking about planning. Tomlinson claims Franks's view informed Cripps's thinking much more than any other approach.

In November 1946 the Government promised a parliamentary discussion on the economy as a whole, but this was delayed until the censure debate over the fuel crisis in March 1947. Together with the release of the White Paper version of the economic survey in February, this brought planning back under the spotlight. Due to Morrison's illness, Cripps spoke on the White Paper and covered very similar points to Morrison's speech the previous October. Cripps spoke of the need to ensure that
"the national resources are used in the best interests of the state as a whole". British economic planning differed from that of totalitarian states, because it respected public freedoms and consumer choice. However, it also aimed to bring "order into the industrial production of the country"\textsuperscript{65}.

Though emergency measures would be preserved for "some urgent economic crisis", Cripps did not envisage the use of "direction or compulsion of manpower outside the necessities of defence". Planning had to be flexible and adapt to the "means of control and enforcement" available, such as taxation, allocation of raw materials and controls over capital, investment and machinery. Cripps, like Franks, highlighted the need to secure "the individual co-operation of both sides of industry"\textsuperscript{66}. Bridges had been particularly keen that this element, the essence of France's Plan, be made clear to Parliament\textsuperscript{67}.

For Cripps planning was founded on guiding labour distribution and the allocation of the gross national income. The desired patterns would be achieved through "budgets" which resembled Morrison's "test balance sheets" and aimed to focus on physical rather than fiscal resources\textsuperscript{68}. Unlike Franks, Cripps suggested that a central staff was needed to formulate these "budgets"\textsuperscript{69}. Cripps acknowledged that the survey he was presenting did "not purport, of course, to be a long-term plan". This would come later once the planners had more experience\textsuperscript{70}. These vague comments represented the cornerstone of the Government's public statements on planning. They were the definition against which subsequent developments would be set by the Government's critics.

Later in March, Attlee, announcing the creation of the C.E.P.S., repeated much that had been said about planning, though he did explicitly refer to development of a "long-term plan". However, Attlee also acknowledged the limits to economic planning:
"...it would of course be a mistake to assume that the present difficulties of under-production can be solved by planning alone. ... Planning is in itself no substitute for the increased effort and efficiency which are essential to our national prosperity."71

Planning appeared to be losing its status as the prime solution to economic problems though the exhortation to work harder remained.

Debate among officials about planning revived as the C.E.P.S. was being established. Nicholson felt that whereas manpower had been the major problem in 1946, materials and their allocation had become the key focus. He questioned how one could distinguish current allocations policies from "forward planning" and the "economic grand strategy". Nicholson believed that allocations were separate from, but important for, the realisation of plans. He still sought a definition of planning and came down to:

"Planning is organised thinking ahead, leading to decisions capable of effectively shaping the future."72

This was as vague as previous definitions.

The new preoccupation with materials rather than manpower is apparent in Morrison's memorandum "Planning for Expansion", drafted by Nicholson in May 1947. Circulated amongst officials, it outlined how raw material supplies could be boosted73. The fuel crisis had demonstrated how the "vicious circle"74 of short-term problems had been the main preoccupation of Morrison and the E.D. Committee and had made long-term planning difficult. The economy was also effectively being "strangled" by raw material and fuel shortages75.

The crisis prompted suggestions on planning from the likes of Campbell Secord, an assistant secretary at the Lord President's Office, and Marquand76. Marquand claimed that:

"The coal crisis is one illustration of the fact that our governmental system in Britain never thinks ahead...[it is] always thinking hard about today, sometimes about tomorrow, never about next year."77
Marquand's suggestions mixed common sense, such as postponing convertibility and increasing imports of consumer goods from non-dollar areas, with foolishness like a 5-10% appreciation in the rate of sterling. He favoured a central economic advisory body which would identify priorities and prevent the "tug of war" between departments' demands. Coal had shown him a key difficulty in planning:

"Everybody hoped his programme would get by. Nobody pointed out that all the programmes could not possibly get by."79

Marquand was aware that his suggestions could undermine departmental sovereignty, but pressed for the Budget to be combined with economic planning. He caused controversy in June 1947 when he claimed accurately in public that Britain faced an "economic jam". This forced the recovered Morrison to evade a parliamentary question on the issue. Marquand was soon eclipsed by Plowden and his suggestions appeared to have been ignored.

Secord's memorandum was the last such document to be circulated before the C.E.P.S. took off. Like Marquand, Secord included sensible points and called for "an obvious success" in planning. He recognised that the useful organization of the former Ministry of Production was withering away. He felt future surveys had to represent more of a plan than a forecast and greater consideration had to be given to implementing plans. Secord accurately warned that the balance of payments would be a problem and that investment needed control in the existing conditions of cheap money. Secord's objective was to create an over-capacity in fuel, power, and infrastructure as a boost to productivity.

The announcements of the new planning bodies generated new debate on what constituted planning. In July Morrison again referred to the "best use of economic resources" but this time this "both for the realisation of a long-term plan and for remedial measures against our immediate difficulties."84 This recognised that the
short-term perspective could not help but impinge on the long-term one. In fact, it came to subsume it.

Meade left the Economic Section in September 1946 after an illness. His successor, Robert Hall, like Plowden, was more concerned with day-to-day economic problems than theory. Hall still wished to plan the economy but his vision was apparently limited to forecasting and demand management. He felt that following the convertibility crisis of July/August 1947 officials had time to "get going soon, on the real business of planning". In his memorandum to Plowden, "Have We Got a Plan?", Hall stated that the first objective should be to work on balance of payments figures.

The peak of discussion about "real" economic planning ran from late Summer 1947 to Autumn 1948. It was centred around the "angry young men" as Patricia Brown and Professor Marris have subsequently characterised them. These men were Robinson, Berrill and Marris who has described himself as a "Gosplanner". Robinson was more concerned with consumer choice than a gosplanner would have been, but by late 1947, his views on the level of detail necessary for a "true" economic plan, I would argue, show a shift towards a greater level of state intervention than his comments in January 1946 had revealed.

Alford et al state that the vaunted "good working relationship" between the C.E.P.S. and the Economic Section did not develop until the three "professional economists", that is Robinson, Marris and Berrill, had left in 1948. Plowden and Hall, however, always worked well together though some of their staff could not cooperate so amicably. Notwithstanding the practical problems of the style of planning envisaged by Robinson, Marris and Berrill, I would argue their approach was discarded as it did not accord with the views of more established officials such as Plowden, Hall and David Bensusan Butt, a leading long-serving member of the Economic Section.
The zenith of belief in detailed economic planning can be found in the "November Plan" and "Level of Industry Planning" memoranda produced by Robinson's coterie. These were controversial within the C.E.P.S. itself and led to friction with the Economic Section. "Level of Industry Planning", produced in Summer 1947, argued that planning had become "clouded by dogmatism". It questioned whether the consumer was really to be supreme. It suggested that using economist Wassilly Leontief's model of gross transactions between industries, the planners could predict "what will happen to the production of babies' shoes as a result of a shortage of pitprops." The paper stated that the planners were not seeking "Grand Solution" but the scope of planning implied in this and follow-up documents was clearly a new departure, envisaging a more detailed form of planning, probably with stricter controls.

The "Experimental Plan for the Cotton Industry" showed the form this type of detailed planning could have taken. It represented the only model for calculating the links between demand, productivity and output that the planners produced. It revealed the complexity of the calculations and the potential for error involved. Using actual figures it demonstrated the likely output of cotton textiles from a set amount of raw materials and produced a formula to indicate the necessary amount of coal, labour and spindles.

Many such long papers simply mulled over what needed to be done, rather than analysing solid figures or forming part of an actual plan. However, they showed a desire for greater state intervention and the use of more controls than was supported by the majority of officials at the time. In "Strategic Decisions", Berrill aimed to outline all the types of information which planning needed. He took account of foreign systems brought to the attention of British officials through visits to Whitehall in 1947 by leading French and Czechoslovak planning officials. Berrill emphasised
macro-economics but also pointed out the need for regional bodies and works councils of the kind used by the Ministry of Production\textsuperscript{101}.

In September 1947 Marris stated that planning was "very different, much more positive" than Keynesian demand management which he felt would be insufficient to tackle a crisis. Planners had "to design the best predictor" they could to avoid repeated economic crises, but Marris gave no details\textsuperscript{102}. Despite Marris's and Berrill's efforts to consider longer-term issues they found themselves dragged back into day-to-day crises. This was shown clearly in "November Plan" of 1947, a programme to deal with the currency crisis and aimed to run for a year from mid-1948. The plan outlined eleven steps including studying investment, allocations and other potential economic tools which could be used to implement a plan whether they were politically "palatable", or "unpalatable" but necessary. It also outlined which departments and individuals could supply the relevant information\textsuperscript{103}.

Marris's "Notes on the Post-War 'Normal Year"\textsuperscript{104} of September 1947 provoked a reaction which can be seen as the start of resistance to such interventionist papers. Unlike other official memoranda, Marris's showed awareness of current economic debate. In "Notes", he sought to determine what would constitute a "normal" year on which to base assumptions. Marris suggested that rather than breaking down "global" national income figures it was more helpful to consider changing productivity in sectors of industry and then to build up national income figures from an aggregate of this\textsuperscript{105}.

Butt, the main critic of such an approach, sneered at the document, declaring:

"I wouldn't mind constructing 'dream-1951's' if we were wide awake about 1948. But in fact we are in a trance about them both."\textsuperscript{106}

He felt that:

"Planning to me is all a matter of directing present efforts at present problems"\textsuperscript{107}.

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From June 1946 onwards Butt had characterised the almost fortune-telling nature of many long-term forecasts as "numerology". He bemoaned the "enthusiasm for Monnet's methods" and the "passion now sweeping Whitehall" for "excessive figuring" which was "wasteful, misleading, and dangerous"\textsuperscript{108}. He felt that to be worthwhile the long-term surveys had to be made less elaborate and more qualified. Butt believed that "sham precision" demanded in Whitehall led to "rigid and irreversible plans" carried on "long after their statistical foundations" had "crumbled"\textsuperscript{109}.

Much of this argument between staff was at a relatively junior level but some details reached their seniors. In October 1947 Hall noted the dispute between Butt and Robinson over whether the C.E.P.S. or the Economic Section should produce the economic survey\textsuperscript{110}. Robinson claimed that the problem with the previous surveys had been the reluctance on the part of the Economic Section and other officials to plan\textsuperscript{111}. Though Hall dubbed the Economic Survey for 1948, produced by Robinson, as the "Black Paper", he prevented Butt from resigning over it\textsuperscript{112}.

The C.E.P.S.-Economic Section dispute is the clearest example of the differences between the "Gosplanners", a small ginger group within the C.E.P.S., and the majority of the C.E.P.S. and Economic Section who could be termed "Thermostackers". Disagreement arose over the Economic Survey for 1948-52, never seen by ministers, compiled throughout 1948 by Marris and Berrill under Austin Robinson's supervision\textsuperscript{113}. Robinson had been disappointed by the abandonment of the "grandiose plans" of "Level of Industry Planning"\textsuperscript{114}. For him the hope of the "real" planners lay in the 1948-52 survey, which was later the basis of the British Long-Term Programme\textsuperscript{115}. Both are considered in Chapter VI.

Marris and Berrill were young and unlike nearly all their colleagues were trained economists\textsuperscript{116}. They enjoyed some sympathy from Robinson, their immediate boss. Berrill and Marris soon recognised that the 1948-52 survey would face criticism from ministers as too austere and from the Economic Section that it was too detailed.
The two men suggested, in a conciliatory tone, that it was only necessary to plan in
detail where specific governmental action was required but did not define criteria for
such action

Once it was completed Marris and Berrill complained that the Economic
Section were "sniping" at the survey and opposed to the necessary "radical changes".
They wrote simply:

"Fundamentally the difference between the Economic Section and
ourselves is that, as an act of faith, we believe in planning and they
do not." 118

Dispute focused on the difficulties of accurate forecasting and implementation and
differing views of the international trade and financial system. The Economic Section
felt Britain had the possibility to influence international patterns through price and
production policies. Berrill and Marris felt that the country had to adapt to the system
of world trade which had developed gradually over the previous decades. Though the
dispute did not spread far in Whitehall, Berrill and Marris were concerned that the
Economic Section's hostility would strengthen ministerial criticism of the survey's
austerity and consequently more imports would be authorised than Britain could
afford. Though the argument stemmed from a disagreement on the detail of planning,
119 it soon focused on practical "tactical" issues and Butt continued to press for
changes to the survey 120.

Some rapprochement developed between Marris and Butt in August 1948 as
Butt started work on the Long Term Programme. Both men remained interested in a
longer term survey. Marris produced a "technical document" which envisaged a "fairly
detailed econometric model", with minor revisions every quarter and major revisions
sent to the E.D. Committee every six months. He sought a flexible "Economic Bible
or Economic 'War Book'" which could be referred to by departments. The C.E.P.S.
would supply the "metal" which could then "be forged by the Economic Survey
[Working] Party. Marris was apparently trying to salvage a planning rôle for the C.E.P.S., tailoring his language to be more acceptable to Butt.

Throughout the latter months of 1948, and into 1949, much time was concentrated on preparing material for the O.E.E.C. Once this activity had settled down, however, there was a resumption of conflict. In April 1949, Butt tried to clarify the differences in "What Does the Economic Section Believe?", which he sent to Marris. Butt believed that "all agreed that planning is meritorious" but recognised that "planning is a term that has to many of us much more formidable connotations". The points of dispute were: the precision of objectives; the extent of interventions to implement plans; and the distinction between counter-cyclical short-term planning of one to two years ahead and longer-term planning. Butt acknowledged that short-term techniques contributed to the long-term picture but he agreed with Hall that many long-term policies, such as opposing monopolies, nationalization, encouraging research and developing social policies fell outside the scope of economic planning. Butt accepted stronger policies for foreign trade but felt that generally, "fierce" intervention could only be justified if the state could determine the "right" decisions to make, better than the market itself, a perspective which was "palpably untrue". Butt felt the only justification for planning was to reduce the impact of future economic crises.

Butt was concerned that Hall would be converted to the "numerological church" supported by Attlee and the E.P.B. in favouring detailed long-term surveys. Butt felt "numerological" sentiments were just "an emotional reaction" to the accurate fear that too little was being done to analyse the long-term material available. It had become apparent that the Government could do little to implement its designs for labour or investment, and trade predictions had proven inaccurate even for just six months ahead. Small changes in the economy could easily falsify forecasts. Thus the only use for such plans was in exhortation. Butt wrote:
"Plans in the semi-socialist State seem too much what Cathedrals are to the Church; they have an inspiring and soothing effect for the faithful in a wicked world."

Butt accepted that if ministers wanted such products, officials would have to comply, but he felt this wasted civil servants' time. Marris claimed the Economic Section was now arguing that long-term planning was impossible. He felt that the C.E.P.S. was being ignored. He believed that the E.S.W.P. had adopted a passive rôle and urged it to begin investigating the long-term consequences of the dollar shortage. Marris felt the C.E.P.S. had to:

"...help the administrative machine to avoid its usual error in times of crisis of losing sight of the long term wood for the short term trees."  

Douglas Allen was similarly concerned at the demise of planning and felt the Economic Section's revision of the Economic Survey for 1948-52 had removed "every reference to a comprehensive study" just leaving "a general essay on economic development". Marris encouraged Allen to press for the C.E.P.S. to take over the work on the continuing longer term survey.

The devaluation of September 1949 subsumed the arguments over the philosophy of planning. Devaluation removed the danger to reserves and the need for harsh "Schachtian" measures. The meeting of December 1949 to discuss the C.E.P.S. memorandum, "Note on Central Planning", marked a crucial moment. At the meeting officials agreed that there had to be a clear distinction between planning and general economic policy, and between planning, and research and advice. The war had emphasised manpower planning. Now, however, the balance of payments and investment planning, which were Treasury tasks, were paramount. Consequently, Hall suggested that many of the planning tools and the machine to operate them had come to be perceived as "luxuries". 

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The subsequent memorandum "Economic Planning" marked the end of any gosplanning sentiment in the C.E.P.S. It stated that the increasing number of interdepartmental groups were "not suitable for longer term work". Planning had become dependent on what could be implemented. Now that the C.E.P.S. was "made up of administrators and not of experts":

"The purpose of the Central Staff, is, in fact to assist in the more effective evolution and carrying out of economic policy."  

Hall's deputy of the time, Russell Bretherton, claimed:

"...if you keep the Budget Committee, the I.P.C. and the Programmes Committee you have a pretty effective planning machine..."  

He made no mention of the C.E.P.S.. The committees he highlighted were concerned with financial measures alone. By the time of "Economic Planning" Robinson and Berrill had gone, and Marris was about to be transferred. Civil Service debate about planning had ceased and the C.E.P.S. had simply become another Treasury division.

Ministerial Attitudes

Though Cripps was to deny in his 1950 Budget speech that economic planning had been abandoned, this chapter has demonstrated that attempts to formulate comprehensive plans had come to a clear end in December 1949. Cripps's last detailed statement of what economic planning entailed, "The Framework of Economic Planning", had been produced in November 1947 for circulation to the Production Committee. There is no evidence that Cripps's views filtered back to his staff. This statement can be seen as yet another just tossed into the vacuum of indecision on planning.
Cripps re-used the familiar phrase of ensuring that "available resources are fully employed" and consumer choice was satisfied. However, he felt in a time of shortage it might prove necessary to restrict the "consumption of less essentials". Such restriction in "ordinary circumstances" would represent "a failure in planning". Difficulties in maintaining a balance of payments and sufficient saving and avoiding inflation distorted normal conditions. Determining the desirable levels of trade and consumption required "direct and/or indirect means" to implement such decisions. However, the means Cripps suggested really formed a Keynesian package: import controls, investment planning and consumption planning through fiscal means. With Britain so heavily dependent on foreign trade he recognised "hard and fast long term planning" was "impracticable".

Cripps, like Morrison before him, presented worthy but vague ideas. His objectives were: to ensure a sufficient supply of labour and raw materials; that goods were not absorbed by the domestic market and that export sales were to the right markets. He aimed to bring investment into line with available resources, that would have been at around 17% of the national income. This was less than the current French and Soviet plans, the U.S.A. 1925-9 and the British 1938 level of 18%. It is not clear where these figures originated but Cripps was aware of the lack of available savings for higher investment.

Cripps's paper contained the same contradictions as many of the memoranda discussed in this chapter. For example, he aimed to restrain consumption whilst maintaining incentives. Cripps felt detailed plans were necessary for commodities like clothing and food but would be "impossible" for all products. The "ultimate guide" had to be "the demands of the public transmitted through ordinary trading channels". Cripps did state that though the consumer was supreme, there could not be "complete freedom" in the next four years due to the need to reorganize and reorientate industry. Even the possibility of restoring labour direction would remain.
In December 1949, Gaitskell, assisted by Jay, produced a memorandum on planning in response to Production Committee discussion on whether direct controls, which Gaitskell saw as "the distinguishing feature of British socialist planning", had to yield to indirect anti-inflationary measures. Gaitskell felt that this change was being provoked by O.E.E.C. demands. He claimed that hitherto policy had had four objectives: maximum production; full employment; a balance of payments, and fair shares for consumers. Despite the effective use of budgetary, price and incomes policies demand still exceeded supply. Gaitskell saw direct controls as necessary not only to solve the dollar gap and thus to assist European economic viability, but also to maintain full employment and equitable distribution of resources. Gaitskell's focus was less on actual plans than broad social and economic policies. This illustrates how far the perception of planning had come to encompass a macro-economic perspective. Decontrol continued. It was only partly reversed by the Korean War, when some direct controls were used to combat inflation.

**Conclusions**

A number of confusions and contradictions about economic planning have been highlighted by this chapter: the tension between consumer freedom and the need to control; the need for short-term solutions and desire for longer-term remedies, and the wish to plan in detail, whilst recognising that it was impossible to do so. No-one in government had a clear-cut answer and arguments revolved around the degree of control and level of detail that planning should employ. The debate had effectively ended by December 1949. Comparative outsiders like Robinson and Marris had moved into other fields. Those who remained were career civil servants, unlikely to challenge what was handed down on ideological grounds. Sir Kenneth Berrill notes though, that this did not mean there was agreement on how things should be done.

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The debate on planning within Whitehall can be set against the background of a wealth of lectures and publications on the subject at the time from a wide spectrum of writers including Ely Devons, Evan Durbin, W.A. Lewis, Lionel Robbins, John Jewkes, Barbara Wootton and Michael Young\textsuperscript{148}. One can trace the efforts of the planners themselves in trying to determine a formula for planning. Neither side of the argument on detail and economic tools "won". The C.E.P.S. was diverted from any real long-term forecasting, particularly once the Long-Term Programme had been produced, let alone long-term planning, by the series of crises. The C.E.P.S. focused on short-term concerns such as raw material allocations, but in an overarching way, rather than in detail like the economic ministries. As the C.E.P.S. dissolved into the Treasury, ideological debate became irrelevant as planning withered away. Thermosttating survived as it was also capable of guiding general short-term economic policy responses. Planners had sought a mission but the lack of guidance from ministers and senior officials, left staff squabbling over detailed planning and controls. By the start of 1950, British planning had come to fit Ernest Bevin's description: "we don't have plans, we work things out practically"\textsuperscript{149}. 

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15 Let Us Face the Future, (Labour Publications Dept., 1945), London.
16 Ibid., p. 4.
17 Ibid.
20 Ibid., pp. 6-7.
25 Ibid., p. 250.
26 Ibid., p. 79.
27 Ibid., pp. 79 & 291.
28 Ibid., p. 115.
30 Ibid.
31 Ibid., p. 137.
36 P.R.O., CAB 124/890, Sir E. Bridges to J.P.R. Maud, 9/10/1945 & op. cit., Cairncross, Years, p. 321.
38 P.R.O., CAB 124/893, J. Meade to M. Nicholson, 29/1/1946.
43 Alec Cairncross, Austin Robinson, the Life of an Economic Adviser, (Macmillan, 1993), Basingstoke, p. 98.
48 Ibid.
49 Ibid.
50 Ibid.
51 Ibid.
60 Interview with Lord Roll, 18/5/1995.
61 Interview with Lord Croham, 27/6/1996.
74 P.R.O., CAB 124/1079, "Considerations for Long Term Planning", unsigned, undated [4/1947?].


89 Interview with Prof. R. Marris, 16/5/1995.

90 P.R.O., T 229/166, Minute, E.A.G. Robinson, 1/1/1948.


132 P.R.O., T 229/208, "Conclusions of Meeting Held in Mr. Hall's Room on Tuesday 6th December to Discuss Mr. Allen's note on 'Note on Central Planning' (E.C.(S) (49) 33)", 6/12/1949.
133 P.R.O., T 229/208, "Economic Planning", unsigned, undated, [12/1949?].
134 Ibid.
135 Under Secretary with Board of Trade 1946-8 and Economic Section 1949-51.
136 P.R.O., T 229/208, R.F. Bretherton to R. Hall, 1/12/1949.
140 P.R.O., CAB 134/635, Production Committee minutes, 5/12/1947.
141 Ibid.
142 Ibid.
143 Ibid.
144 Ibid.
147 Interview with Sir Kenneth Berrill, 30/3/1995.
Chapter IV
Economic Tools

Introduction

A major difficulty for the planners which inspired much media criticism was the lack of economic tools they possessed to implement plans. At various times officials and ministers perceived the key tools as: investment programming; labour control either through direction or a wages policy; controls over imports and the allocation of raw materials; and fiscal measures, particularly aimed at consumption and inflation. These were interrelated. For example, the greatest focus of investment was construction which was heavily dependent on the allocation of steel and timber. This chapter will only focus on these tools when they were specifically discussed in association with the policy of economic planning. It will analyse the Government's inability to use them to execute a plan.

Discussions about Economic Tools

Tomlinson details the "iron quadrilateral" of assumptions on the economy that hampered post-war planning and the application of certain instruments. These assumptions had been built up in the 1930s by the Labour Party and were reinforced by Britain's victory in the war. They were commitments to: parliamentary sovereignty, consensual tripartitism, free collective bargaining, and the Morrisonian style public corporation for nationalized industries\(^1\). Middlemas sees such paradigms as breeding a complacent attitude towards institutional reform, an approach that was oblivious to foreign models\(^2\).

The Government adopted the "traditional" approach to administering economic planning through inter-departmental official and ministerial committees. Tomlinson states that this was due to Labour's enduring faith in parliamentary sovereignty, developed in the face of inter-war threats to democracy, which precluded developing
bodies outside the mainstream of government. As a result tripartite bodies did little more than disseminate governmental information and seek consensus from both sides of industry for ministerial decisions. This was linked to the maintenance of free collective bargaining, seen as an important element in defining the proper rôles of government and trade unions. Morgan notes that the "government and the T.U.C. made no effort to alter the adversarial character of relations between labour and management." The right to free collective bargaining had been curtailed during the war and Order 1305 effectively banned strikes without first referring the National Arbitration Tribunal. Large unions such as the Transport & General Workers' Union (T&G.W.U.), the Amalgamated Engineering Union (A.E.U.) and the shopworkers' union (U.S.D.A.W.) were generally happy to work in such a system, as even referring to arbitration effectively represented collective bargaining. In 1951 it was replaced by Order 1376 which provided for legally binding arbitration but lifted the restrictions on strikes. Even within such constraints collective bargaining was reasserted and effectively removed the Government's ability to shape labour distribution. Middlemas warns however, against seeing unions as forcing the Labour Governments to abandon physical planning. It does appear their pressure was asserted more against wage regulation.

Officials and ministers held a range of views as to which economic tools should be used for planning purposes. In 1945 Meade favoured financial instruments, seeing them as more sophisticated than physical ones. He believed this was the right direction for planning to develop once shortages were over. He recognised that it would be harder to operate controls over some elements of the economy, such as public consumption than others like demobilization. Alan Budd states that officials saw physical controls as associated with the war and the subsequent transition period rather than being useful in the long-term. In 1946 Nicholson suggested that physical controls should be removed "as fast as the growing efficacy of indirect fiscal control"
allowed. However, there was no certainty how long the transition to a full peacetime economy would take. Meade stated in August 1946 that controls over production, raw materials, prices and investment would only be necessary for about another two years.

Tomlinson suggests that the Government felt it had to respond to, or certainly be aware of, criticisms that controls restricted essential liberties. Attacks of this kind were fuelled by books by Jewkes and Hayek. Both Keynes and Meade were sympathetic to such concerns. In 1948, having left the Economic Section, Meade wrote *Planning and the Price Mechanism*. Though Tomlinson claims he distinguished himself from Hayek, Meade attacked quantitative planning which directed labour and restricted consumer sovereignty. However, he favoured manipulating the economy through fiscal tools to secure full employment and what he called equity and freedom. Hall also advocated a move from direct to fiscal controls. Tomlinson writes that before the war Hall favoured a Liberal-Socialist approach like Meade’s. Even Cripps felt planning should be the way to an economy guided by consumer choice.

There was parliamentary opposition to the extension of economic powers in 1947. Churchill called them "a blank cheque for totalitarian government." Even the King expressed concern that Attlee had underestimated the popular reaction to such powers. He asked for assurance that they would not be used to circumvent Parliament’s rights. Stuart Walkland has written that such criticism led ministers to feel "constrained to publicize its [the Government’s] record and intentions by inflated claims" to justify keeping economic powers. The critical reactions which ministers and officials faced at the time led them to be hesitant and uncertain over what powers should be retained and to question how they might be justified to the public.

One of the strongest Civil Service advocates for the replacement of direct physical controls by fiscal ones was Secord. In 1946, he believed the Government had
to "eschew control by piece-meal restrictions on a priority basis, in favour of indirect
guidance of expenditure by fiscal and other techniques." He saw the prevailing
shortages as being one of the strongest reasons for reassertion of the market price
system and derided physical controls as "politically objectionable". Secord felt the
"elimination of direct controls" should be carried out as quickly as the "growing
efficacy of indirect controls" permitted. Likewise, Mayhew stated that attempts to
influence consumption were counter to "democratic principles" and the "powerful
weapon" of fiscal policy should be used instead. Such assertions of Keynesianism
were possibly expressed most openly on the Working Party on the Means of
Implementing Planning Decisions which met in late 1946 under Sir Bernard Gilbert, a
Treasury Second Secretary. This involved Meade and Butt from the Economic
Section and focused almost exclusively on financial and fiscal measures to rebalance
the general supply and demand position.

Indirect controls did not prove to be as effective as officials had anticipated in
1945-6 and many wartime physical controls persisted. As Bridges had soon
recognised, it would be difficult to make departments, in particular the Treasury, the
regulator of finance, adjust their own policies to fit in with a plan. No-one bar the
Chancellor could guarantee that the Budget would necessarily aid implementation. As
seen below, Dalton was uneasy about any such budgetary link with planning. In
addition, large projects such as the housing programme needed ministerial decisions to
make them conform with other programmes. Officials could advise but it was clear
that to implement a plan needed ministerial co-operation and a shared faith in the goals
of a plan.

Ministers remained as undecided about controls as their officials. In
September 1945, Morrison laid down the principle that controls should not be
removed simply because a particular shortage came to an end. He saw them as
necessary to support measures to promote industrial efficiency and to regulate
industries which were to be nationalized. Given inflationary pressure, senior economic ministers agreed that price control should be retained. The continued need for "negative" controls to restrain economic activity was re-emphasised in July 1947 by Otto Clarke's memoranda on "Alternative Action", forwarded to the Chancellor. These demonstrated that in the face of the exhaustion of the U.S. Loan, the difficulties of sterling convertibility and the possibility of a delay in Marshall Aid or Britain receiving none, a harsh programme would have to be adopted. This programme, which Hennessy terms the "Doomsday Plan", would have used the full power of controls to cut construction and investment sharply, to impose a "famine" food programme and to direct labour into essential industries and exports to dollar markets. Fortunately the abandonment of convertibility and granting of generous Marshall Aid prevented the need for such "a complete and total national mobilisation" and allowed controls to continue to gradually fade.

Moves towards decontrol effectively began with the Board of Trade's review of July-September 1947. This focused particularly on the need to remove price controls to soak up excess demand. In February 1948, Harold Wilson, President of the Board of Trade, and George Strauss, Minister of Supply, appointed officials as Examiners of Controls. That June, the official Controls and Efficiency Committee was established. Chaired by Gilbert, a strong advocate of decontrol, it pressed for the continuing removal of controls. Similarly the official Committee on Economic Controls set up in July 1949, argued that the price mechanism and Budget would increasingly replace controls.

The removal of direct controls was slower than ministers had envisaged in 1945. There was minimal relaxation of price controls before 1949. Until November 1948's abolition of many controls, rationing affected a third of consumer spending. Bread rationing was introduced in 1946 for the first time. The final abolition of rationing on food was in 1954 and for coal in 1958. Rollings argues that controls...
were not really linked to economic planning and were just wartime leftovers prolonged by the Supplies and Services (Transitional Powers) Act of 1945 and the Supplies and Services (Extended Purposes) Act of 1947. Cairncross shows that whilst having little involvement with shaping the economy controls enabled the Government to counter inflation and ensure a more equitable distribution. This was because government control of goods in short supply stopped free competition driving up prices and rationing gave everyone access to at least a basic minimum. Some controls were re-imposed after June 1950 particularly on cotton, special steels, non-ferrous metals and sulphuric acid, because of the Korean War. They were not revived for consumer goods, the main target of those who advocated decontrol, until July 1951.

Morgan claims that in the face of public and media pressure Morrison believed that decontrol would win middle class votes. Neil Rollings, however, counters the view that Morrison and Wilson advocated rapid decontrol. Wilson portrayed controls as "an essential basis for the organisation of economic planning". Morrison supported efforts in 1950-1, to make controls permanent through a Full Employment Bill. Rollings shows that between 1948-50, Cripps, Jay and Gaitskell were also all concerned that decontrol could move too fast. Gaitskell opposed pressure from the O.E.E.C. to weaken such governmental powers.

As is outlined below, controls over manpower provoked some of the greatest debate in government. As early as September 1945 George Isaacs, the Minister of Labour, was keen to see them abolished as soon as possible. In fact, labour controls remained until 1950. The E.S.W.P. feared that without labour direction "measures directed to control supply" might be "impossible effectively to operate against a background of free labour movement". This opened the debate on how manpower was to be moved into the essential industries. Dalton and Secord raised the issue of using a wages policy to effect such shifts but as seen below, no real attempts at such a policy materialised.
Rogow believes that without the Korean War, by the start of the 1950s planning would have become restricted to the Budget and balance of payments controls\textsuperscript{50}. Tomlinson suggests that from the November 1947 Budget onwards concentration shifted to planning the national income and demand through the Budget\textsuperscript{51}. I certainly agree that the Budget increasingly became the central method for shaping the economy, though this was only at a macro-economic level through demand management. The controls which remained were confined to preventing inflation and ensuring fair shares for consumers rather than for moving the economy in a particular direction.

Despite the Economic Section being favourable to a return to a freer economy\textsuperscript{52}, Butt who, in May 1947, produced the summary of the controls the Government possessed, felt that they remained necessary "to implement administrative plans" and without them planning would be "a wholly futile activity"\textsuperscript{53}. However, controls were negative and could only promote an activity by restricting something else. The first consideration of how to make controls more positive came in August 1947. The Cabinet sought ways to boost production in the face of the convertibility crisis. To continue or extend many of the wartime economic powers considered vital for planning needed new legislation\textsuperscript{54}. There was a correct concern that such legislation would provoke controversy in Parliament\textsuperscript{55}, so it was to be couched in terms which showed the desire for a positive use of controls. The Cabinet recognised that supplies were still short and that some might become scarcer, reflecting the deterioration of the economy. The scope of the powers was to be extended to cover: the promotion of increased productivity and exports; the restriction of imports; and powers to ensure the best use of the community's resources\textsuperscript{56}.

The dichotomy between the pressure for decontrol and the objective of retaining them to implement plans came out clearly in Cabinet discussions of 1950-51 over the so-called Economic Planning and Full Employment Bill. The bill was...
"designed to continue on a permanent basis the essential economic controls" which at the time "depended mainly on emergency powers", primarily the Supplies and Services (Transitional Powers) Acts, 1945 and 1947 which extended wartime controls. As an official committee established in Summer 1949 under Gilbert reported, the 1945 Act was due to expire on 10th December 1950. Departments were already running into difficulties, for example, in fixing grain prices to apply after the expiry date. In early 1950, the ad hoc Official Committee on the Economic Planning and Full Employment Bill was established to consider the issue and reported to the L.P.C. in March. By the summer the draft of a bill to make certain powers permanent had been drawn up. Input from departments led to numerous revisions. The L.P.C. was particularly keen to include positive measures to direct industry and commerce to maintain full employment or combat monopolies.

Morrison told the Cabinet the bill was aimed at preventing inflation rather than promoting full employment. He anticipated that defence expenditure and the ending of the wage freeze would revive strong inflationary pressure. Morrison believed that as it was difficult to delineate what powers would be necessary in the future the scope of the powers needed to be wide to be effective. The bill made many existing powers permanent and in less defined terms empowered the Government to carry out planning and to regulate production, distribution, prices and consumption in order to promote productivity, full employment and to shape the economy to the best interests of the community. The Act would come into force through an Order in Council and then its powers could be used by a range of ministries and their appointees, particularly the Board of Trade. However, Morrison was sensitive to the political opposition that the bill would face, including allegations that the Government was seeking to rule by decree. The Cabinet was aware of such dangers and had delayed work on a bill of purely negative measures until after the 1950 election. The draft bill emphasised that it did not seek powers to impose industrial conscription, the acquisition or
requisitioning of property or to suppress any newspaper or publication. However there was provision for inspection and in cases of contravention, for prosecution. Morrison was keen to have positive measures, for example the power to produce any sort of goods in government factories for sale on the open market. The Minister of Health, Aneurin Bevan, chaired a ministerial sub-committee on the issue. It highlighted the potential powers of government departments to produce, buy and sell items. Other positive measures including making or guaranteeing financial advances to the boards of nationalized industries or public authorities to allow schemes not justified by commercial considerations. However, by October, only a few half-hearted proposals had been made. On one hand Gilbert opposed such powers as being ill-defined and of dubious use in a depression. On the other, Jay, now Financial Secretary, opposed reviving a bill simply covering economic controls.

The bill's emphasis was shifted again by Gaitskell becoming Chancellor in October 1950 and the feeling that the long-awaited slump was coming. A new ministerial Committee on the Economic Planning and Full Employment Bill was set up the following month, and the ad hoc Civil Service committee became its official equivalent. Though the ministerial committee was chaired by Morrison, Gaitskell led the way. He envisaged a successor to the 1944 White Paper on employment. Gaitskell saw the focus as being on full employment and "omitting measures of economic planning". Gilbert still disliked the inclusion of anti-slump measures. His fellow Second Secretary, Sir Wilfrid Eady, felt budgetary steps should be included solely in a finance bill and that reference to depression distracted the public from the prime concern of inflation. Butt similarly and correctly saw inflation as the key economic danger and felt that full employment had already become "a dead issue".

Morrison came to share Gaitskell's view and aimed "to knit together the positive and negative powers into a coherent whole" for "the maintenance of full employment rather than on economic planning". Many of the new positive powers
suggested came from the 1950 election manifesto, *Labour Believes in Britain*\(^7^6\). An official sub-committee investigated powers to manufacture, purchase and sell goods, drawing on earlier Production Committee work\(^7^7\).

By the start of 1951, it was clear that the slump and the threat to full employment anticipated in October 1950 had, as Morrison said, "been relegated to a relatively distant future"\(^7^8\). The official committee reported in January 1951. It had become clear that the Korean War meant that a full employment bill would not lead to a rationalisation of emergency legislation. The heightening of the Cold War gave emergency powers continued legitimacy in the public's eyes. The Supplies and Services (Defence Purposes) Act of 1951, which effectively substituted for the Full Employment Bill did emphasise that such powers could be used in a positive way. The need for these powers, however, was due more to new rearmament and inflationary pressures\(^7^9\). The relevance to economic planning had been discarded months before.

Having considered the powers the Government sought to retain, I will now turn to the different types of tools which at one time or another were associated with economic planning.

**Raw Materials Controls**

Cairncross shows that as late as 1950 47% of raw materials were allocated by the Government\(^8^0\). Such controls, however, were crude. In order for them to have been used effectively as planning tools the Government would have had to be able to analyse developments within individual companies. Tomlinson suggests that given the government's support for consensual tripartitism, it was unwilling to use "leverage" such as withholding raw materials to compel companies to follow a particular pattern. It is certain that any government would have faced harsh criticism from the public and business interests for curtailing certain industrial activity and possibly creating unemployment to fulfill a plan. The Board of Trade was particularly opposed to using
this leverage. However, the Ministry of Supply, did operate discriminatory raw material allocation policies towards car manufacturers\textsuperscript{81} and the silk industry\textsuperscript{82}, to promote exports.

Rogow outlines the obstacles to a more vigorous use of allocations. The relations between different government divisions and agencies handling allocations were "labyrinthine"\textsuperscript{83}. The ministerial Materials Allocation Committee was responsible for the global allocation of scarce materials\textsuperscript{84}. However, dealings with industry were through the eight "sponsoring" departments each assigned sectors of the economy. The most crucial were the Board of Trade and the ministries of Supply and Food. The Ministry of Materials, created at the time of the Korean War, took over raw material concerns from the sponsoring ministries\textsuperscript{85}.

The system had been inherited from the Coalition Government. Partly due to the lack of appropriately experienced civil servants, allocation policy was usually implemented by the peak organizations or a leading company in each sector. Rogow states this gave "authority to typical business practices and behaviour" and not necessarily the most efficient\textsuperscript{86}. Unilever had ninety representatives working for the Ministry of Food, Bryant & May supplied the controller of the match industry and Dolcis, the footwear controller. In industries as diverse as cocoa, timber, leather, newsprint and non-ferrous metals, businessmen wielded great power, sometimes even administering controls from their company's offices. Even The Economist believed that controls had been yielded to "private monopolies"\textsuperscript{87}. Rogow demonstrates, however, that even those businessmen involved in administering allocations publicly pressed for the removal of controls\textsuperscript{88}.

Before 1949 the Government imported four-fifths of all food and raw materials itself. However, import control was restricted as a planning tool. Four-fifths of the government's imports were on long-term contracts which could not be changed quickly. By 1949 trade liberalization, driven particularly by the O.E.E.C., was well
underway and restrictions had been lifted on half of all British imports. Discrimination against dollar imports continued until 195989. However, I would suggest such import controls were used more to influence the balance of payments than to shape the domestic economy as the focus was on the source rather than the type of import and so affected the domestic pattern of industry less than allocation of such imports. Even without the pressures for decontrol raw material allocations and import controls could not have succeeded as tools of economic planning, without a radical alteration of the system.

**Investment**

Investment control and programming and their relationship to economic planning have been handled comprehensively in Martin Chick's thesis and subsequent book90 and will only be touched on briefly here. Chick shows how investment control was really only used to deal with short-term difficulties, particularly the balance of payments. Cutting investment reduced demand for resources and allowed priority to be given to industries which could rapidly increase exports91. Chick and Tomlinson suggest that the cheap money policy of low interest rates ran against such a general counter-inflationary policy92. In addition, businesses had large savings accrued during the war that lay beyond governmental control from which investment could be funded93. In 1945, for example, Courtaulds had £40 million and Vickers £12.5 million in liquid assets94. In 1948 company reserves and undistributed profits provided £750 million of £2 billion of total gross investment95.

Building licences had been perceived as a way of controlling investment at point of use. However, Cairncross shows that the amount of licenced construction exceeded the actual work carried out in the first three years of the Labour Government96. The Government also failed to promote the production of sufficient building materials or to move building workers into the types of construction to which
it wanted to give priority. As Dow demonstrates, the purchase of plant, machinery and vehicles, which made up a third of industrial investment, remained unrestricted.

There was also institutional ineffectiveness in controlling investment. The Investment Working Party (I.W.P.) was set up in February 1946 in response to the Economic Survey for 1946. Chick states that it "concentrated on the 'physical' aspects of investment, such as the availability of labour, materials and capacity." The I.W.P.'s successor, the Investment Programmes Committee (I.P.C.), chaired by Plowden, was established initially as a sub-committee of the E.D. Committee in August 1947 with the immediate aim of reducing investment. It was reconstituted in December under Weeks, himself succeeded by Strath in April 1948. As Alford et al outline, the lack of co-ordination between the I.P.C. and Materials Committee, often led to a mismatch between approved investment and the resources available, despite both bodies having a C.E.P.S. secretariat.

Planners overestimated the importance of investment by nationalized industries, which represented only 18.1% of the total. Tomlinson claims these industries acted autonomously in taking decisions about investment and Chick highlights the difficulties that I.P.C. had in getting compliance from the Railway Executive and National Coal Board. Dow states that after 1948, limits on public investment did help prevent inflation but also discriminated against rail modernization and road building.

Tomlinson shows that instead of a National Investment Board, promised in Labour's manifesto, investment control was shared between three ineffectual bodies: the Capital Issues Committee (C.I.C.) set up in November 1945, the Finance Corporation for Industry (F.C.I.), aimed at medium-sized businesses, and the Industrial and Commercial Finance Corporation (I.C.F.C.) for larger companies. The latter two, Tomlinson suggests were founded by the Bank of England to pre-empt more radical reforms. The National Investment Council (N.I.C.) was set up by
Dalton in January 1946 supposedly to prepare a "shelf of works" against a future slump. It was chaired by the Chancellor and included the Governor of the Bank of England, the chairmen of the Stock Exchange, the F.C.I., and the C.I.C., plus representatives of the F.B.I., Co-operative Movement and banks. However, as no slump emerged its work was confined to discussing "marginal issues" and Cripps scrapped it in December 1948\textsuperscript{108}.

The C.I.C. had to approve any capital issues over £50,000 in one year. Its task was undermined by the large business savings. It remained a "cosmetic artifice" confined to advising the Government rather than influencing investment\textsuperscript{109}. The I.C.F.C. and F.C.I. were ineffective and unable to interest banks in long-term investment\textsuperscript{110}. Tomlinson claims that the only real possibility for investment control would have been through government appointees to company boards, as suggested by Wilson in 1950\textsuperscript{111}.

By 1951 gross fixed investment was 14.6\% of Gross National Product (G.N.P.), compared to 10.4\% in 1946. Manufacturing investment, primarily in the private sector was able to reach its peak share of total investment in 1951. Sectors such as the housing programme, coal, education, petroleum and defence to which the Government gave a priority did see investment increases. This did not guarantee success in increasing output, as coal, in particular, demonstrated\textsuperscript{112}. The Government overestimated its strength in programming investment. It also lacked a coherent idea of what it wanted to achieve in the long-term and, as Chick suggests, cuts in investment tended to be simply an immediate response to economic crises as they arose\textsuperscript{113}.
Financial Controls

Financial controls encompassed the varying of subsidies, tax and national insurance rates and allowances or rebates on these. Using financial controls as an instrument of economic planning proved more difficult than commentators like Meade\(^{114}\) had envisaged. Tax rates were set in the Budget once, or at most twice a year. Bridges also recognised that no official "could give a flat assurance that the Chancellor will carry out fiscal measures which were necessary to give effect to a long-term plan"\(^{115}\). As Chancellor, Dalton was uncomfortable with economic planning being associated with the Budget\(^{116}\). Samuel Beer argues that Dalton's first three Budgets showed "little evidence" of even being influenced by the new techniques of national income analysis\(^{117}\). These remained unused until Gaitskell's Budget of 1951\(^{118}\).

Administrative inability to amend tax rates quickly was another obstacle. Complex tax tables were necessary. To have a sufficient effect on consumption financial controls had to work on the mass of consumers who fell into the two reduced rate tax bands or below the taxable level of income. About 14 million people paid tax after the war, but only 17% of these paid the standard rate or above\(^{119}\). Beer claims that the "working classes" share of consumption was a fifth higher whilst that of the middle and upper classes had fallen\(^{120}\). Tomlinson shows that the Inland Revenue was reluctant to consider manipulating tax to affect demand because they felt it would threaten the tax base\(^{121}\). As a result, in contrast to France\(^{122}\), tax variations in Britain could only be used at a crude macro-economic level.

The 1944 White Paper on Employment Policy had referred to the possible use of national insurance as a tool for promoting demand and full employment. The viability of using income tax and national insurance to shape demand was investigated in 1946\(^{123}\). National insurance was seen as more effective because it would affect the most numerous low-income earners whose patterns of consumption changed more
quickly than higher-paid groups. This meant the desired result could be reached by a smaller variation than if using income tax.\textsuperscript{124} To achieve the £100 million variation deemed necessary to have an impact, tax would have had to be varied by 60%, i.e. ± 4s 6d (22½p) on the standard rate of 7s 6d (37½p) in the pound. Alternatively allowances would have to be altered by £35 per "tax family" per year. The favoured option, however, was a flat-rate poll tax of £6 per tax family, levied on every household. A poll tax would affect 25-30 million people compared to 17 million with national insurance variations.\textsuperscript{125} To achieve the £100 million variation national insurance contributions would have to be altered by between 1s 1d (5½p) and 1s 5d (7p) on the standard rate of 4s 7d (23p) for an employed man. This allowed a 4% variation either way on the 8.5% level of unemployment assumed by the national insurance scheme. Throughout 1945-51 unemployment was almost always well below this. In addition, the full effect on consumption would be delayed as changes to the employers' contribution took effect. Setting tax or national insurance rates needed an accurate prediction of likely unemployment, which as Chapter V shows, was something the economic surveys failed to achieve. The need for pre-printed stamps and for tax or national insurance payments to be made more regularly would have rendered them almost impossible to administer as detailed planning tools.

The Budget

It is difficult to see what impact the planners had on the Budget. It is clear that despite the rhetoric, there was never a clear link between what was revealed by the planners, for example, in the economic surveys, and Budget details. Cairncross has certainly detected no such connection and emphasises how far, in the period 1945-7, economic and fiscal policy were divorced from each other.\textsuperscript{127} Ministerial and official
references to the economic surveys tended to be in terms of closing "physical" gaps, such as the manpower shortage, rather than the fiscal ones.

The reasons for Dalton's unease with economic planning are far from clear. Before the war Dalton had advocated a strong Cabinet committee or even an authority to handle planning, keeping it separate from the Treasury. Ben Pimlott claims that Dalton favoured physical controls over fiscal ones, because he felt they were more effective in redistributing wealth. Dalton disregarded Meade and the Economic Section's enthusiasm for demand management to shape the economy. Consequently for Dalton the "planning machinery was essentially a system of rationing scarce resources" and thus he wished it kept apart from the Treasury and the Budget.

Added to these factors, Cairncross states that "it is hard to detect any attempt to bring credit control or any other monetary device into play between 1948 and 1951". Monetary policy was aimed at maintaining the cheap money approach which had prevailed since 1932, in order to keep down the Government's debt burden, and in the post-war years to promote reconstruction investment. Consequently, given these priorities it did not enter into consideration as an economic tool with which to carry out planning. Monetary policy was not even covered in the annual economic surveys until 1952.

Some Budget policies ran counter to what the planners would have suggested, most notably the cutting of purchase tax on cooking appliances and space heaters in the October 1945 Budget at a time when coal output had not recovered its pre-war levels. High demand for power contributed to the subsequent fuel shortage. Plowden and Hall both sat on the Budget Committee and given their Keynesian attitudes, it would be unlikely that they advocated the micro-economic approaches that were necessary to implement economic planning. Throughout 1945-51, and particularly after 1947, the focus was increasingly on using the Budget against inflation and thus building up a surplus. The doubling of purchase and profits tax in
the November 1947 Budget was aimed at this rather than encouraging particular developments in industry and consumption. Thus, once Cripps, who might have been expected to have adopt a more planning orientated approach, produced his first Budget in April 1948, it could be argued that its use as a macro rather than micro-economic tool had been well established. An isolated example of an element of the Budget influenced by planning concerns came in the 1951 when Gaitskell scrapped the initial depreciation allowances to discourage domestic investment and allow the engineering industry to move into production for rearmament. However, this was a crude tool unless backed up by other incentives or penalties. Consequently, it is difficult to argue that the Budget was ever part of a toolkit for carrying out economic planning.

Wages Policy

The first Cabinet discussions about a wages policy were stimulated by the Economic Survey for 1946's emphasis that more labour was needed in essential industries. The stances of the Foreign Secretary, Ernest Bevin, and the Minister of Labour, George Isaacs on this issue were important. Bevin had been General Secretary of the T&G.W.U. and wartime Minister of Labour. The two men were the trade unions' voice in Cabinet. They inhibited new departures in wages and labour policies and in the relationship between the unions, employers and government. Consequently, Morgan suggests, the Cabinet left the "pattern of wage negotiations to the traditional procedures" untouched in "return for union discipline and loyalty."

In March 1946 Bevin told the Cabinet that he was "strongly opposed" to any regulation of wages believing they would prejudice the "development of industrial efficiency". Other ministers felt "it would be difficult to apply the Government's policy of planning for full employment while leaving industrial wages to be determined
without any guidance from the Government". Though having publicly ruled out a
differential wages policy\textsuperscript{137}, Morrison sought a position between the two extremes\textsuperscript{138}.

An Economic Section paper portrayed wage increases as being achieved by "sheer skill" on the part of the negotiators. No change in the system was expected but it was felt much could be "done by general education and persuasion of the Trade Union movement" and public opinion through periodic statements\textsuperscript{139}. The official Working Party on Wages Policy established in October 1945 reported to Morrison in March 1946\textsuperscript{140} along similar lines. It detailed what was to remain the Labour Governments' position on wages, that is the persistence of free collective bargaining periodically guided by governmental statements\textsuperscript{141}.

The report advised creating a National Industrial Conference to educate both sides of industry, workers and employers, about their responsibilities under full employment, in terms of wage demands. However, the working party rejected any state involvement or a "hybrid system" in which collective bargaining worked within government parameters. It was feared that such a system would face the Government with "dangerous sectional passions" that were part of wage negotiations\textsuperscript{142}. By April 1946 Morrison, however, felt that the Government should seek to influence wage negotiations indirectly through a tripartite conference but even this proved controversial. Bevin re-emphasised the dangers in reducing representative bodies' sense of responsibility if the Government intervened too much. He felt there was too much machinery in the wages field which just hampered the resolution of disputes. He wanted wage settlements to be left to individual unions and employers. Others in Cabinet favoured a conference on general issues affecting industry, not just wages\textsuperscript{143}.

The most heated Cabinet debate was provoked by a memorandum in July 1947 by Emmanuel Shinwell, the Minister of Fuel and Power, who, since April 1946, had advocated a more active wages policy\textsuperscript{144}. He felt that as long as the Government paid food subsidies there had to be such a policy. He believed the Government must

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discuss wages with both sides of industry rather than set wages. Shinwell suggested a central body which would advise trade unions on claims and employers on what they should concede. Isaacs saw the proposals as "disastrous" and made a detailed refutation. Like Bevin, he stressed the danger of undermining the authority of unions and employers' associations.

Cripps, James Chuter Ede, the Home Secretary and John Strachey, the Minister of Food, tended towards Shinwell's line, whereas Alfred Barnes, the Minister of Transport, scoffed at any governmental attempts to restrain wage increases. Morrison, Dalton and Tom Williams, the Minister of Agriculture, tried to strike a compromise position. Backing Morrison's compromise proposals, Attlee felt it was "clearly the duty" of the Government to have a positive wages policy, but believed it "unwise" for it to set wage rates.

Intermittently ministers suggested modifications to the arbitration machinery to influence wages more effectively. In October 1946 Shinwell called for a tripartite National Wages Authority to check that wage claims did not undermine price stability, and that they maximised incentives and ensured a decent minimum wage. This suggestion was modified in June 1947 to a Central Advisory Council, composed of experienced wage negotiators who would indicate the likely social and economic consequences of any pay award. Isaacs's feeble counter-proposal was to ensure that "statesmanlike" chairmen sat on as many wages boards and councils as possible to bring their knowledge to a wide range of bodies.

In November 1947, the new Chancellor, Cripps, advocated a Central Appeals Tribunal to which appeals to wage awards could be forwarded by wages councils and arbitration bodies, when it was felt that the wage increases had not recognised the wider economic impact. Bitterly attacking the proposal, Isaacs stated that "it would be far better if they [T.U.C.] could make suggestions to the Government".
felt ministers had to "avoid the possibility of making proposals which the Trades Union Congress would feel bound to oppose"\textsuperscript{154}.

As Chancellor, Hugh Gaitskell made the final suggestion for a central wages body in November 1950. There had been "a sharp divergence" between Gaitskell and Isaacs over wages policy from that April onwards\textsuperscript{155}. Having reviewed the old suggestions, Gaitskell advocated an \textit{independent} body which informed negotiators of the likely social and economic consequences of an award\textsuperscript{156}. Isaacs believed no single body was capable of handling the complexities of Britain's long established wages system and that the "democratic traditions of the British working class movement would be seriously threatened"\textsuperscript{157}. The T.U.C. deemed a conference motion on a national wages board as "not worthy of discussion"\textsuperscript{158}. Despite such opposition the ministerial E.P.C. backed an advisory service, but the proposal disappeared into further negotiations with unions and within the Labour Party\textsuperscript{159}.

The closest that the Government came to establishing a tripartite body on wages was to reconstitute the N.J.A.C. and its Joint Consultative Committee (J.C.C.), both created during the war. Both included T.U.C. and B.E.C. representatives. In July 1946, Isaacs had the N.J.A.C. augmented in place of a National Industrial Council. The new N.J.A.C. was to meet quarterly, its J.C.C., each month\textsuperscript{160}, but they remained little more than communications channels\textsuperscript{161}.

Ministers became frustrated as the same ideas on wages were repeatedly considered. In June 1949, "[m]inisters expressed anxiety at the extent to which the Government was powerless to prevent wage increases, even when these involved increased charges on public funds", thus not only in nationalized industries, but also in those receiving subsidies. Cynicism had grown about the worth of tripartite approaches. The Production Committee felt that "[v]aluable results were not normally attained from joint conferences with both sides of industry; indeed such meetings were likely to do more harm than good"\textsuperscript{162}.

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In July 1950 Isaacs referred to the possibility of introducing "some method to regulate wage increases on the model of those adopted in Holland and the Scandinavian countries"\(^{163}\) and was invited by the Cabinet\(^ {164}\) to investigate options\(^ {165}\). The acceptance that other countries could offer positive examples represented a leap in ministerial thinking, particularly by Isaacs. However, he saw other countries' systems as "inferior" and "alien to the temperament [sic]" of the British. Isaacs advocated "utmost self-government in industry" in order to settle its own problems\(^{166}\). He compiled a comprehensive survey of the wage systems in the northern Europe and the Antipodes\(^ {167}\), where governments pursued a degree of economic planning. However, the seeds of their systems tended to have been sown long before the war, or during and immediately after it. In contrast British ministers were considering these methods over five years after the war had ended.

A number of the schemes, such as the Dutch and Australian systems, set basic minimum wages, sufficient for an unskilled worker to keep a family, above which wages for the semi-skilled and skilled were set by a formula\(^ {168}\). Such schemes did not address the desire to attract workers to essential industries. Isaacs felt a minimum wage would provoke inflation and prevent subsequent wage reductions\(^ {169}\).

Many of the agreements had a set duration, often two years, but Isaacs perceived this as cumbersome\(^ {170}\). Wage regulation also implied restriction of industrial action, yet since the war New Zealand and Australia, with such systems, had lost many more days to strikes than Britain\(^ {171}\). The U.K. lacked the institutions and legislation necessary for a wages policy similar to such models. The exercise just gave Isaacs further opportunity to heap praise on the British system.

The sole tool remaining for the Government to affect wages was intermittent guidance. This was used more as a response to crises than as a consistent policy. The statements basically called on trade unions to think of the national interest when making wage demands. In January 1947 there was the "rather timid"\(^ {172}\) Statement on
the Economic Considerations Affecting Relations between Workers and Employers (Cmd. 7018). The Prime Minister made a further statement to Parliament on 6th August 1947, and, on 4th February 1948, the Statement on Personal Incomes, Costs and Prices (Cmd 7321)\(^{173}\), which importantly formed the basis of wage restraint for the next two years. Similar statements followed, such as the advice of 23rd November 1949 after devaluation which led to the pay standstill. Another on 30th June 1950 was provoked by the slim majority of approval for the standstill at the T.U.C.'s Conference of Trade Union Executives\(^{174}\).

Though these were bland, straightforward statements, the unions were easily upset by them. In August 1947 letters sent to the T.U.C. and employers' organizations drawing attention to the Prime Minister's statement led to an immediate hostile response from the T.U.C. It asked whether this heralded the Government's intention to "interfere with the normal machinery for the settlement of wage disputes"\(^{175}\) and demanded that the Prime Minister receive a delegation. Fifteen trade union leaders, including Vincent Tewson, General Secretary of the T.U.C., met Attlee and Isaacs on 1st October 1947\(^{176}\).

The trade unionists attacked the Government's "indiscriminate" interference arguing the letters had broken the practice of consulting the T.U.C. first. The trade unionists believed such an approach would cause "seething discontent" among their members, and they felt the unions' "forebearance" on wages had been ignored. They also expected the Government to consult the T.U.C. first on any proposals it might consider on wages and prices before publicising them\(^{177}\). The Government was forced to apologise for despatching the letters and had to curtail the policy of communicating directly with the two sides of a pay dispute. Subsequently Tewson was enraged by the creation of a Ministry of Labour section specifically to gather information on changes in wages and conditions\(^{178}\). Tewson by-passed the ministry on this issue and approached Attlee directly\(^ {179}\). Tewson's arrogant attitude implied
the Government should not be free to organize its own departments without T.U.C. approval.

By November 1947, Cripps and Morrison felt talks with the T.U.C. were fruitless. Cripps thought the Government must "accept the implications for wages of adopting a policy of economic planning" and put forward "definite proposals". Discussions produced nothing new and Attlee concluded that all that could be done was to listen to the T.U.C.'s suggestions. A further meeting with the T.U.C. demonstrated that even Bevin and Isaacs had become exasperated by the unions' intransigence. Bevin lamented how union pressure to retain traditional differentials between industries undermined the Government's policies. The trade union leaders were unwilling to grasp the so-called "theory of relativity" at the heart of the Government's efforts to change labour patterns. This was the idea that wages should be increased in undermanned essential industries to attract labour to them whilst restraining wages in less essential sectors. The trade unionists were preoccupied with profits taxes and maintaining subsidies.

The Statement on Personal Incomes, Costs and Prices, was a milestone in Government policy. It pleaded with, rather than exhorted, the general public to cooperate in keeping down inflation. Business was also encouraged to restrain profits and prices. The White Paper stated that the Government was trying hard to keep down the cost of living and it did not want to have to intervene in wage settlements. However, negotiators had to be aware that intervention was possible if settlements were too large. Pressing for wage rises would undermine the position of those on pensions and social benefits and stimulate the black market. Producers who allowed wage costs to rise could not expect price controls to be altered to reflect this. Wage and profit rises could only be justified when productivity rose or in order to influence the movement of labour in the national interest. The wage differentials of the past could not remain.
Despite long-running talks with the Government on wages, the T.U.C. complained immediately that it had not been consulted. The T.U.C. was further offended by a letter outlining the implications of the statement to wages boards which it characterised as government "directives". Having met the T.U.C. on 23rd March Attlee withdrew the letter allowing the conference of trade union executives to endorse the statement the following day, by 5.421 million votes to 2.032 million. This began the period of wage restraint which was to last eighteen months. It was reinforced by the capital levy imposed in the 1948 Budget. In addition, in 1949 Cripps successfully persuaded 90% of companies to limit their dividend payments. He negotiated with industry using businessmen M.P.s, like the Conservative Sir Peter Bennett, as go-betweens. Following devaluation in September 1949 T.U.C. support for a standstill which suspended all the exemptions of the White Paper that had allowed some pay rises, stood at 4.263 million votes to 3.606 million. In September 1950, when rearmament began to affect the economy, the policy was defeated at the T.U.C., but even then by only 220,000 votes. Despite the petulant attitude of the T.U.C. and the growing disillusion with tripartitism, restraint proved successful. Weekly wage rates had risen by 8% in 1946, 5% in 1947 and 4% in 1948, but only 1½-2% in 1949, and 0% in the first nine months of 1950.

Restraint, however, "was not the differential wages policy for which planners had hoped" and the attempts to alter wage differentials between industries proved intractable. This arose partly from the failure to apply the principles, described above, of the *Statement on Personal Incomes, Costs and Prices* and from the lack of effective machinery for determining wages. There was antipathy both within and outside the Government to its involvement in individual claims. In fact, it was already involved in setting the wages of selected industries such as agriculture which had always been low paid and, since the war, undermanned. Attempts to increase agricultural wage rates relative to occupations drawing from the same labour pool failed. Ministers felt,
however, that it was improper even to inform the unions representing rural jobs which rivalled agriculture about the need to change differentials. Even whilst pursuing a policy of restraint, the T.U.C. reserved the right to maintain traditional differentials.

The difficulties in applying the 1948 statement revealed further Government weaknesses. The Cabinet Secretary, Sir Norman Brook, was frustrated by Isaacs's evasion of Cabinet decisions on wages. Isaacs was hostile to Cabinet requests to gather information on public sector wage claims but was forced by the Cabinet to concede. Isaacs also tried to weaken the Government's ability to prevent wage increases by refusing to allow controlled prices to rise in line with any pay increase. In 1945 the Government controlled the prices of items equivalent to half of consumer spending. This "price-sanction" was an element of the 1948 statement and it was used to discourage wage rises in the hosiery dyeing and coal mining industries. Isaacs argued that the Government could not say whether it would permit a price rise before negotiations had been concluded, otherwise it would be tantamount to setting wages. He also asserted the autonomy of the Agricultural Wages Board to make awards without government approval but was defeated in Cabinet.

In Autumn 1949, nine new wages councils created in the retail sector put forward claims which would have increased 1.5 million workers' wages by £15-20 million, pushing them above many other industries covered by wages councils. Such increases went against the 1948 statement, particularly as the retail distribution sector had been drawing labour from the ill-defined essential industries. On 12th August the Cabinet flatly refused to allow such increases. However, Tewson, Bevin and Wilson, pressured the Cabinet so that they "[r]eversed their earlier decision" and allowed all the increases.

Despite these failures, officials saw the 1948 statement as a "moderating influence" on the second post-war cycle of wage claims. Its principles were reiterated in Parliament in May 1949. It was feared, however, that further publicity...
about the statement would imply that it had been ignored and that the policy had failed. There was the false hope of a fall in prices and for a stringent policy of restraint. The tougher wage régime following devaluation was portrayed the suspension of the "normal" policy of the 1948 statement. By Summer 1950, it was clear that given the improvements to the economy, the strict restraint could not continue. However, it was the effects of the Korean War which finally triggered its end.

The Government remained vacillating and divided on wages policy. There is evidence here of elements of Tomlinson's iron quadrilateral, particularly in Isaacs's and Bevin's attitudes which undermined the policy. Wages policy was shaped by what the T.U.C. would concede. It tolerated a policy of restraint, but this allowed it to bring pressure against the differential wages policy which the Government needed to influence manpower distribution. Restraint was primarily an anti-inflation measure. As Evan Durbin had earlier claimed, a differential wages policy was a key planning tool. It was one which the Government was prevented from using.

Labour Controls

Labour controls were the only alternative to a wages policy for changing manpower distribution in the way the Government desired. Labour direction was condemned as unacceptable in peacetime. The Ministry of Labour felt it infringed the Declaration of Human Rights. Beer feels that the unions were more amenable to labour direction than to government interference in collective bargaining because such controls were liable only to work effectively when there was a labour shortage, a condition not expected to last long.

In October 1945 Morrison felt that "[c]ontrols over raw materials and production" were "no effective substitute for labour controls" in planning the economy. Actual direction of labour had almost ceased by Spring 1945, but Essential...
Work Orders covered 9 million workers, tying them to a job until retirement. The Control of Engagement Order was introduced to replace direction. It meant that workers had to use a labour exchange to find work where they could be encouraged to take more essential work. This requirement was being evaded by workers and employers, and it was recognised as being insufficient to affect labour distribution\textsuperscript{218}.

The Cabinet effectively pursued a policy of no change\textsuperscript{219}, partly because demobilization appeared to offer an answer. Each month 500,000 workers were entering the labour market and by mid-1946 it was expected that civil employment would have returned to 1939 levels. It was felt that occupations with recruitment difficulties could increase their attractiveness to workers by introducing better wages and conditions. Directing people into such jobs would absolve employers from making such improvements\textsuperscript{220}. Apart from industries such as coal mining, agriculture and house construction labour controls effectively became moribund\textsuperscript{221}. There was a dawning recognition of future problems, particularly the flow of manpower into distribution. Within two years, such problems led to a reassessment of labour controls\textsuperscript{222}.

The rethink was provoked the convertibility crisis and given impetus by Attlee's economic statement on 6th August 1947\textsuperscript{223}. Subsequently Morrison felt that "some measure of negative or positive direction of labour was necessary"\textsuperscript{224}. Here "positive" meant forcing people into essential jobs. The reintroduction of the Control of Engagement Order was accepted by Cabinet\textsuperscript{225}, ensuring that employers only engaged staff via labour exchanges. People seeking work would be offered four suitable jobs in "essential" industries and would be directed into a job if they refused these. Workers in agriculture and coal mining were free to move within the industries but not leave them\textsuperscript{226}.

Conditions of the order meant women with family responsibilities would not be forced to work "unreasonable distances" from home. Builders would not be allowed...
to escape by setting up their own businesses. The measure exempted managers and professionals. It was felt necessary though to announce that the measure would apply as strongly to employers as workers. Cripps\textsuperscript{227}, Jay and Durbin\textsuperscript{228}, as well as left-wing Labour backbenchers were uneasy at this apparent interference with individual liberty\textsuperscript{229}. However, importantly the T.U.C. accepted direction as a last resort\textsuperscript{230}. Morrison found them amenable to the re-introduction of the Order\textsuperscript{231}. Isaacs was able to reassure them on a number of issues\textsuperscript{232}, which, as Stephen Brooke argues, won them over\textsuperscript{233}. Given the rare success in achieving some consensus, ministerial discomfort that the T.U.C. had taken the lead in determining the nature of the Order was disregarded\textsuperscript{234}.

The 1949 economic survey stated that in 1948 only 300 of the 567,000 workers placed in essential industries had had to be directed\textsuperscript{235}. In 1949 490,000 placings in these industries were made, representing 12\% of the working population. Of these only 162 people had been directed. The Order and other labour controls were abolished in 1950\textsuperscript{236}. The distribution of manpower continued running counter to the Government's designs. Undermanned industries failed to meet their labour targets. Much effort had been expended on measures which proved ineffective.

The issue of labour controls also covered the mobilization of those in "unproductive" employment, in particular street traders classified as "spivs", and the unoccupied, "drones". William Crofts highlights the near "witch hunt" mentality which developed among Conservative and left-wing Labour M.P.s who resented those seen as not contributing productively. They pressed for harsh action such as selective labour direction or withholding ration books. Dalton said "idleness is a crime"\textsuperscript{237}. The T.U.C. raised the issue of getting such people into essential work in talks with ministers\textsuperscript{238}. Attlee mentioned prospective measures in his speech of 6th August 1947\textsuperscript{239} and an official working party was established to investigate\textsuperscript{240}. The aim was to demonstrate that no-one could evade efforts to increase manpower in essential
industries. It also smacked of puritanism as those targeted often worked in nightclubs or the football pools. Civil servants of the officially-titled 'Spivs' And 'Drones' Working Party deemed such work, stimulated by inflationary pressure, as "undesirable activities". However, the policy encountered the same problems that labour direction faced, of keeping track of people and curtailing the individual's right to choose an occupation.

Some ministers felt that the football pools should be banned during the economic crisis to free female labour. More generally it was felt that managers of businesses such as social clubs should register their employees, allowing them to be directed into suitable essential employment. Effective registration would have taken two years and an additional 600-1,000 civil servants. Ministers felt uneasy over enforcing the necessary stop-and-search powers and over the "fairness" to legitimate street traders. The policy became a propaganda exercise, rather than effective labour mobilization. Though evasion was likely, the Cabinet felt it could not risk the charge that it had neglected any source of labour.

The Registration for Employment Order, mainly affecting street traders, came into force in December 1947. By mid-April over 30,000 people had been registered and by Autumn 1949 around 7,200 people from these categories, predominantly women, had been placed in more essential work. This compared to a total of 3.25 million placings by labour exchanges over the same period. It is unsurprising, given all the difficulties faced, that this policy effectively came to nothing.

Information Policy and Economic Propaganda

The final economic tool which the Attlee governments endeavoured to use to shape the economy, was propaganda. The objectives differed to some extent, though not entirely, from the wartime. However, the immediate post-war Labour
governments still aimed to press people to do things they would not otherwise have considered. Most obviously this encompassed the campaigns to encourage people to take employment in particular industries and to increase their productivity so as to raise production across the economy. Given that the Government hoped to alter people's attitudes through the presentation of straightforward economic information, this can also be considered as propaganda activity.

The economic surveys, discussed in Chapter V, faced many difficulties in encouraging the public to change their behaviour in the way ministers wished. Crofts reinforces this picture by showing that across the board, the Government's economic propaganda encountered many hurdles. Ministers such as Attlee, Morrison and particularly Cripps, were convinced that the public could be persuaded to work harder and move into essential industries by being presented with information on the state of the economy. As Chancellor, Cripps emphasised the distinction between informing and exhorting the public, but, despite such protestations, it is difficult to see such a divide in the Government's activities.

At the end of the war, the Central Office of Information (C.O.I.), headed by Robert Fraser, former Daily Herald journalist, was created. It employed 1,601 staff, about a third as much as its predecessor, the wartime Ministry of Information (M.O.I.), for which Fraser had worked. The objective was to have a low-key department which would provide an information service usable by all departments. The focus shifted from the M.O.I.'s wartime rôle aimed at victory to the C.O.I.'s wider explanatory function combining both information and propaganda on social and economic issues. The C.O.I. was supplemented by the small Economic Information Unit (E.I.U.) created in June 1947, headed by Dr. Clem Leslie, former Director of the Council of Industrial Design.

Expenditure on publicity remained high. In 1946 £5 million was spent on domestic information, ten times the pre-war peak. In real terms it remained at this
level until the French Committee report of May 1949 led to cutbacks\textsuperscript{255}. By 1947, the Government occupied a fifth of the country's poster sites and that year sponsored 1,521 talks. Films, publications and newspaper advertisements were also important\textsuperscript{256}. The Government tackled a range of issues, such as health and road safety, but various economic campaigns took the dominant part of expenditure. Examples include the Prosperity Campaign from Spring 1946 to March 1947, which sought to increase output and accelerate improvement of standards of living. Following the crises of 1947, a more sustained approach was adopted, outlining the economy's plight, such as the "Report to the Nation" campaign started in October 1947. Parallel to these was publicity to recruit staff to undermanned industries, especially agriculture, coalmining and textiles\textsuperscript{257}.

There was resistance to what was recognised as governmental propaganda from the Opposition, pressure groups like the National Housewives' League and unsympathetic newspapers hit by newsprint shortages\textsuperscript{258}. Leslie was constantly frustrated by ministers who were over-optimistic about the success of campaigns and yet seemed to have no clear overall propaganda goals\textsuperscript{259}. The Government were slow to hone such skills. It was not until the popular version of the 1948 economic survey and the glossy \textit{Something Done} pamphlet that the presentation of economic information in an interesting and appealing way was addressed\textsuperscript{260}.

The greatest obstacle, however, was the unreceptiveness of the public. The sales of government publications were generally a twentieth of the wartime levels and only 7\% of the population listened to "serious" B.B.C. radio discussions\textsuperscript{261}. After three months of the "Report to the Nation" campaign only 63\% of the public were aware of it, and only 37\% could remember even one of its twenty-six newspaper reports\textsuperscript{262}. Mass Observation showed that the public could misinterpret the message the Government was aiming to impart. Before the award of Marshall Aid, 49\% of the
public thought things were going well economically for Britain compared to 28% who thought things were going badly\textsuperscript{263}. Rogow notes:

"...it was abundantly clear that the whole emphasis of the 1947 and 1948 Economic Surveys had not been grasped."\textsuperscript{264}

Thus the efforts at exhortation in the vaunted annual surveys appeared to be wasted.

The public were often even confused by long-running campaigns, for example on the need to increase exports. The public's attitudes were shaped more as consumers than producers. Few believed their efforts could alleviate the crises. Boredom also developed in the face of incessant exhortation\textsuperscript{265}. There was a lack of follow-up action to campaigns, so even the willing waited in vain to be told how to help\textsuperscript{266}.

Economic propaganda was also aimed at industrialists and managers. There were regular C.O.I. publications, such as \textit{Target} which covered productivity issues. \textit{Bulletin for Industry} was sent to 12,000 leading industrialists and trade unionists, and the one-off \textit{Tell the Worker}, went to 25,000 Managing Directors\textsuperscript{267}. Tiratsoo and Tomlinson portrayed such government attempts to improve industrial efficiency as "weak". This was despite using the Development Councils and the Anglo-American Council on Productivity (A-A.C.P.) which aimed to disseminate information on successful U.S. industrial practice\textsuperscript{268}. Business, experiencing high profits, saw little to gain from such schemes and was able to moderate the extent of government initiatives\textsuperscript{269}. Industrialists felt that they knew best and were only willing to swallow such advice to avoid stronger government measures\textsuperscript{270}.

Given the failure of economic publicity to achieve change it is unsurprising that by 1949 the Government was yielding to pressure to curtail such activity, which, by 1948, was annually costing 6s (30p) per head of population. In 1949 Morrison acknowledged the demands by business, the press and politicians for an enquiry into the propaganda machine\textsuperscript{271}. The Cabinet established the French Committee to
conduct the enquiry. It was chaired by Sir Henry French, Director-General of the British Film Producers' Association, and consisted of three civil servants and a journalist. Its report of July 1949 vindicated the existence of the C.O.I. and recognised some improvement in the public's knowledge of economic circumstances, particularly through focused campaigns. However, it pressed for a sharp cut in general economic propaganda. Most of the report's proposals had been fulfilled by the time it was produced. In the financial year 1949/50, the Government, recognising that this particular instrument, the last one remaining for it to shape the economy, had failed, cut £832,000 from the £6 million overall information budget\textsuperscript{272}. By the 1951/2 financial year the budget was down to £2.42 million, a fall of two-thirds in real terms since 1947\textsuperscript{273}.

Conclusions

Shonfield claims that the "controls were the very stuff of economic planning" producing "in effect a war economy with civilian purposes"\textsuperscript{274}. However, the Government faced a multiplicity of demands and he argues that directing the economy was beyond the ability of the government machine\textsuperscript{275}. Particularly from 1949 onwards the contradiction between the desires to shape the economy and yet remove controls became more acute\textsuperscript{276}. I agree that there was "self-satisfaction" and complacency about the Government's economic policies and a failure to introduce positive "carrot" measures to supplement the "sticks" of control\textsuperscript{277}. Brooke argues that it was the failure to effect a policy to shape the distribution of labour which changed the nature of Labour's socialism and set perimeters to the scope of its policy-making, partly through the unions blocking potential "avenues" of policy\textsuperscript{278}. Tomlinson counters this by pointing to the spectrum of trade union and Cabinet opinion. Instead he highlights the binding effects of the iron quadrilateral assumptions\textsuperscript{279}. I see a path between these two, most clearly with wages policy.

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Isaacs was able to use the ingrained assumptions of most of his colleagues to oppose initiatives which ran counter to the T.U.C.'s line.

Behind these debates lies the issue of how far Keynesian ideas were being adopted. The post-war Economic Section has been portrayed as particularly Keynesian\textsuperscript{280}. Meade's enthusiasm for demand management was apparent in late 1946, though linked to the implementation rather than the replacement of planning. He emphasised balancing long-term supply and demand and the use of fiscal tools to execute plans\textsuperscript{281}.

Tomlinson controversially suggests that true Keynesianism was not attempted until the 1970s, because full employment removed the need for deficit financing\textsuperscript{282}. G.C. Peden claims that Dalton's first three Budgets ran counter to a Keynesian approach. He and Booth feel that the change came in November 1947 with Keynesian methods being used to counter inflation. Booth believes that 1947's crises removed the obstacles which planning represented thus allowing the true adoption of demand management\textsuperscript{283}. In Peden's view, the practical concerns encouraging decontrol fostered the greater use of fiscal means\textsuperscript{284} as Dalton and senior civil servants in fact remained unconvinced about the worth of Keynesianism\textsuperscript{285}. Rollings sees the adoption of Keynesianism as passing through a number of steps: at the 1941, November 1947 and 1948 Budgets. However, he believes that the process was not complete until the mid-1950s\textsuperscript{286}. Clearly Keynesian analysis was adopted years before quasi-Keynesian policies were introduced. By the 1950 Budget it was clear that Cripps and the Labour Party, had been converted to Keynesian-style disinflationary analysis and a degree of demand management. Brooke argues this laid the ground for the subsequent consensus between Labour and the Conservatives on demand management, known as "Butskellism"\textsuperscript{287}.

Booth believes that despite Whitehall becoming amenable to Keynesianism there was no "revolution" as continuities in economic policy outweighed

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discontinuities. As he shows, wartime compromises led to a simplification of Keynesianism away from the subtleties of Keynes's inter-war writings. The Keynesian approach was "contorted, reshaped" and simplified. Its effects were more political than economic, focusing attention on the maintenance of full employment for the next thirty years.

This chapter demonstrates that none of the tools considered for implementing plans worked. However, the adoption of Keynesian techniques was gradual. Demand management did not fully become an effective alternative to direct controls before the end of the Korean War shortages in the mid-1950s. Between 1945-51 the economy was guided by short-term solutions to immediate problems against the background of controls countering the effects of shortages and inflationary pressure. A clear example is the Cabinet's attempt in January 1947 to solve manpower shortages revealed by the economic survey through immediate measures including labour conscription for women, postponing raising the school leaving age and cutting the size of the armed forces and Civil Service. However, no department was willing to countenance such measures. This showed the difficulty of solving such problems even by ad hoc attempts. As discussions around the Full Employment Bill revealed, ministers were aware that time was running out to introduce more permanent long-term instruments, yet due to disagreements and fear of electoral liabilities they failed to do this. Such failure is at the root of the justified charge that the Labour Governments did not run a planned economy 1945-51.


6 Ibid., p.436 & 439


16 Ibid., pp. 162-3.

17 Ibid., pp. 165-6.


20 Ibid., p. 172.


26 P.R.O., CAB 124/890, C.P. Mayhew to H. Morrison, 18/10/1945.


28 P.R.O., T 229/208, Sir E. Bridges to Sir E. Plowden, 24/7/1947.


31 Correspondence with Prof. P. Hennessy, 6/1998.


48 P. R. O., CAB 71/27, Lord President's Industrial Sub-Committee minutes, 29/10/1945.
52 Ibid., p. 171.
54 P. R. O., CAB 128/10, C.M.(47) 68th, Cabinet minutes, 1/8/1947, 14.30.
59 P. R. O., CAB 130/60, Ad hoc committee minutes, 9/6/1950.
60 P. R. O., CAB 130/60, Ad hoc committee minutes, 11/7/1950.
62 P. R. O., CAB 128/18, C.M.(50) 41st, Cabinet minutes, 27/7/1950.
71 P. R. O., CAB 130/60, Committee on the Economic Planning and Full Employment Bill minutes, 10/11/1950.

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83 Ibid., p. 57.
84 Ibid., p. 53.
85 Ibid., pp. 54-5.
86 Ibid., p. 69.
87 Ibid., pp. 61-5.
88 Ibid., pp. 66, 89-90 & 151.
91 Ibid., pp. 21 & 83.


115 P.R.O., T 229/208, Sir E. Bridges to Sir E. Plowden, 24/7/1947.


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125 *Ibid*.
138 P.R.O., CAB 128/5, C.M.(46) 24th, Cabinet minutes, 14/3/1946.
139 P.R.O., T 230/20, "Wages Policy. Memorandum by the Economic Section", Mr. Sayers, 25/2/1946.
141 *Ibid*.
142 *Ibid*.
146 *Ibid*.
148 *Ibid*.

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155 P.R.O., PREM 8/1568, N. Brook to Prime Minister, 18/10/1950.
158 P.R.O., PREM 8/1568, Labour, 11/1950, "Commissars for Wages?".
159 P.R.O., CAB 134/224, E.P.C. minutes, 18/12/1950.
160 P.R.O., PREM 8/1568, G. Isaacs to Prime Minister, 15/7/1946.
162 P.R.O., CAB 134/640, Production Committee minutes, 21/6/1949.
163 P.R.O., CAB 134/644, Production Committee minutes, 5/7/1950.
164 P.R.O., CAB 128/18, C.M.(50) 41st, Cabinet minutes, 3/7/1950 & PREM 8/1568, G. Issacs to Prime Minister, 18/7/1950.
168 Ibid.
170 Ibid.
173 Statement on Personal Incomes, Costs and Prices, (Cmd. 7321), (H.M.S.O., 1948), 3 pp., price 1d.

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175 P.R.O., CAB 128/10, C.M.(47) 77th, Cabinet minutes, 25/9/1947.
176 P.R.O., PREM 8/1568, "Deputation to the Prime Minister from the General Council of the T.U.C. Clarification of the Prime Minister's Statement in House of Commons on 6th August 1947", 1/10/1947.
177 Ibid.
180 P.R.O., CAB 128/10, C.M.(47) 87th, Cabinet minutes, 13/11/1947.
181 P.R.O., PREM 8/1568, "Notes of a Deputation received by the Prime Minister from members of the Trade Union Congress at No. 10 Downing Street, on Monday, 17th November, 1947", 17/11/1947.
183 P.R.O., CAB 128/12, C.M. (48) 12th, Cabinet Minutes, 5/2/1948.
185 P.R.O., CAB 128/12, C.M.(48) 25th, Cabinet minutes, 25/3/1948.
189 Ibid., p. 205.
193 P.R.O., PREM 8/1568, "Claims for Wages by Employees of Local Authorities and Socialised Industries", Sir N. Brook to Prime Minister, 14/4/1948.
194 Ibid.
195 P.R.O., CAB 128/12, C.M.(48) 38th, Cabinet minutes, 11/6/1948.
199 P.R.O., PREM 8/1568, "Price Policy", N. Brook to Prime Minister, 1/5/1948.

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200 P.R.O., CAB 128/12, C.M.(48) 33rd, Cabinet minutes, 27/5/1948.
201 P.R.O., PREM 8/1568, "Retail Trade Wages", B.W.S. to Prime Minister, 11/8/1948.
202 P.R.O., CAB 128/16, C.M.(49) 52nd, Cabinet minutes, 12/8/1949.
203 P.R.O., PREM 8/1568, A. Bevir [sic] to Prime Minister, 16/8/1949.
204 P.R.O., PREM 8/1568, E. Bevin to Prime Minister, 23/8/1949.
205 P.R.O., CAB 128/16, Cabinet minutes, 29/8/1949.
212 P.R.O., PREM 8/1568, Memorandum, unsigned, undated [5/1948?].
225 Ibid.

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228 Durbin was Parliamentary Secretary to the Ministry of Works.
230 P.R.O., CAB 128/10, C.M.(47) 75th, Cabinet minutes, 9/9/1947.
239 P.R.O., PREM 8/606, "Registration of Street Traders (C.P. (47) 301)", E.N. Brook to Prime Minister, 29/10/1947.
246 P.R.O., PREM 8/606, "Registration of Street Traders (C.P. (47) 301)", E.N. Brook to Prime Minister; Cabinet minutes, 30/10/1947, "Control of Engagement Order and the Direction of Labour", W.L.G.B. [Gorell Barnes] to Prime Minister, 8/9/1947.
247 P.R.O., CAB 128/10, C.M.(47) 77th, Cabinet minutes, 25/9/1947.


255 Ibid., pp. 12 & 34.

256 Ibid., pp. 11-12.

257 Ibid., pp 36, 40 & 53.

258 Ibid., pp. 20 & 25.

259 Ibid., pp. 51-2.

260 Ibid., pp. 58, 61 & 69.

261 Ibid., p. 50.

262 Ibid., pp. 67-8.


264 Ibid.


266 Ibid., pp. 44 & 39.

267 Ibid., pp. 61-3.


270 Ibid., p. 82, & op. cit., Rogow pp. 80-1.


275 Ibid., p. 166.

276 Ibid., p. 168
277 Ibid., pp. 173-5.
291 Ibid.
Chapter Va
The Economic Surveys - An Overview

Introduction

Chapter III established that those in government who gave thought to economic planning agreed on the need for a comprehensive survey of the British economy. This impetus led to a series of economic surveys combining information, statistics and forecasts from a range of ministries. The material was presented annually in a form digestible by senior civil servants, ministers and, from 1947 onwards, by the public.

The surveys were the most tangible and public expression of British attempts at economic planning and this is why Chapter V forms the backbone to this thesis. Throughout Labour's time in office, work producing them occupied many of the planners for several months each year and tied in with other forecasting by the planning staff and other departments. Both the files dealing with their production and the surveys themselves allow historians to gauge the evolving opinions of those in government on the policy of planning and their ways of working.

There are a number of common strands which run through the analysis of the economic surveys. The surveys demonstrate the views held on the statistics that were becoming increasingly available to government and, more importantly, the differences over the way information on the economy should be used and presented, particularly in approaches to the public. This chapter also analyses the changing priorities given to different sectors of the economy, a picture admirably illustrated by the surveys. There was a clear move away from the wartime emphasis on manpower and production figures to a greater concern for the balance of payments and reserves. Finally the surveys were the most public face of British economic planning and so allow a study of the response of the press, reflecting public opinion on the policy, an aspect overlooked in other economic studies of these issues.
Background

The desire for a clear picture of the economy was natural given the legacy of the wartime economy and the importance of full employment policies. For many officials and ministers the surveys seemed able to provide the statistics necessary to make economic planning possible. However, as Rogow notes, Cripps commented in January 1950 that "the Economic Surveys were not meant as a basis for economic planning". Cripps argued that the annual review of investment was more important to planning\(^1\). In fact neither was used effectively for planning. Despite this and Rogow's observation that "the Surveys preferred to place the emphasis on patriotic endeavour for the common good"\(^2\) rather than on planning tools, one cannot ignore the planning rhetoric contained in the surveys.

In November 1944 Meade had highlighted the collection of statistics for full employment as a key post-war job for the Economic Section. By December work had begun on national income forecasts for a survey\(^3\). However, the development of such analysis can also be seen as laying the foundations for demand management which ultimately superseded planning as the main post-war technique for shaping the economy.

The survey the Economic Section was preparing in Winter 1944/5 was falsified by rapidly changing developments in the war. Consequently Meade emphasised the need for flexibility and a range of "possible alternative assumptions" when planning\(^4\). By March 1945 the production of forecasts for a survey had been assigned to the Economic Section and the C.S.O.\(^5\). In June Bridges began investigating how the statistics necessary for a full employment policy could be assembled\(^6\). Meade believed that a peacetime survey would have to be concerned not solely with manpower but also national income and expenditure which would reflect demand and hence employment. Such a survey would be the "bridge" between physical and financial controls. Consideration would also have to be given to transition to a full peacetime
economy and to external factors, particularly commercial and commodity policies. That summer the Economic Section and C.S.O. were invited by the Treasury to produce a target for national expenditure which would sustain full employment over the following five years. Meade believed that it was around September 1945 that the idea of long-term economic planning became established in the Civil Service and Britain entered an era of "Joy through Statistics".

By October 1945, with the creation of the E.D. Committee, the machinery was in place to work on the economic surveys. Meade believed that the survey should be based on what departments anticipated for the coming year including probable changes in output and employment. It should show macro-economic aggregates of resources and requirements. The main purpose was to warn of impending inflation or deflation, allowing the government to implement counter-measures and to maintain full employment. Economic Section, C.S.O. and, later, C.E.P.S. officials combined on such work through the E.S.W.P.

The first post-war survey, the Economic Survey for 1946, was circulated to the Cabinet in February 1946. It was not referred to in Parliament. Bridges was concerned about its "mathematical accuracy". E.D. Committee officials worried about revealing a gap between expected demand and resources and did not wish the survey to become "regarded as an annual event". Cairncross writes that the Government was concerned that publishing the survey would arouse public demands for details of an economic plan which it did not have. Such worries persisted even when the Economic Survey for 1947 was readied for publication the next February. The bulk of this third survey was written by the Economic Section's Ronald Tress and the C.S.O.'s Jack Stafford. Otto Clarke drafted most of the public version. Cripps wrote the introduction in the Prime Minister's name.

In Summer 1946, between the 1946 and 1947 surveys, came the Economic Survey for 1946-7. Despite continuing concerns about accuracy, this interim
survey was designed to show how assessing the economy could be an ongoing process. It advanced the figures from the 1946 survey by one quarter into 1947. Though officials anticipated that the survey would "enable ministers to reach conclusions on the basis of which a plan may be drawn up"\textsuperscript{20}, for some unknown reason it was never presented to the Cabinet.

By late 1946, given the interest in the surveys it appeared that they would be an "annual event", possibly with quarterly updates. The production of the 1946 survey had been determined by when the war ended, that is August 1945. A working party, established in September 1946, considered the timetable for subsequent surveys, either by calendar or financial year\textsuperscript{21}. It was argued that the surveys had to provide input into budgetary decisions. However, a white paper of the survey had to avoid revealing Budget secrets. A survey adjusted to accord with the Budget could not be published until May of the year it surveyed. Officials believed that the public would understand a calendar year approach more easily\textsuperscript{22} matching the practice for the national income and expenditure white paper, elements of which would be important for the survey. November or December were deemed the best months for the parliamentary debate but such a timetable would allow ministers insufficient opportunity to digest a survey before discussing it. A survey ready in August or September would be inaccurate by the time of the parliamentary debate.

It was decided to begin work on each year's survey in August and present it to the E.D. Committee by late November. The survey and its draft white paper, including "unadjusted figures" plus E.D. Committee comments, would go to ministers in December. Ministers would be encouraged to make decisions on the basis of the survey before the end of the year. The "adjusted" survey would be returned to ministers by mid-January. There would be a final revision, publication and a parliamentary debate on it in February\textsuperscript{23}. This was the model adopted for the surveys, though publication was increasingly delayed\textsuperscript{24}.

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In November 1946 the Government promised that a large-scale economic debate would follow the survey's publication in February 1947. The debate came a fortnight later, fitting the timetable perfectly\textsuperscript{25}. The Government's tone in the debate was apologetic, blaming the economic uncertainties following the war for the lack of planning previously and for preventing projections more than a year ahead\textsuperscript{26}.

Despite changes to the planning machine in Summer 1947, the E.S.W.P. remained the central body for handling the surveys\textsuperscript{27}. Initially, the C.E.P.S. and Economic Section had joint responsibility for the surveys. However, in October 1947, a dispute arose between Robinson of the C.E.P.S. and Butt of the Economic Section. Both were determined that their organization should be primarily responsible. Plowden was able to resolve this demarcation dispute, aided by his good relationship with Hall\textsuperscript{28}, and the surveys became the C.E.P.S.'s concern with assistance from the Economic Section\textsuperscript{29}.

Originally the Lord President oversaw the surveys. From 1948 they came under the auspices of the Chancellor in his rôle as Minister for Economic Affairs. The survey's figures were collated by the E.S.W.P. which was chaired by the Director of the Economic Section and included the Director of the C.S.O. and a "senior member" of the C.E.P.S.. After the creation of the E.P.B. it also commented on the different versions of the survey. By the end of 1950, the E.P.C. was supposed to carry out the important task of determining how the survey should be presented to the public\textsuperscript{30}. However, the Production Committee, formed in October 1947 and chaired by the Chancellor, had become the main ministerial body for scrutinizing the survey before it was sent to the Cabinet and remained so for the rest of Labour's time in office.

Having established the background to the economic surveys, this thesis will now study each in turn.
1 P.R.O., CAB 134/644, Production Committee minutes, 23/1/1950.
14 P.R.O., CAB 134/188, "Publicity for Planning Estimates", E.D. Committee to the Cabinet, 13/3/1946.


The Economic Survey for 1946

The 1946 survey, though never published, was the first comprehensive examination of the whole economy. Meade had integrated the idea of an economic survey into his model of economic planning and established the link between the two. He saw planning as adapting economic policy in "the light of" the survey. In line with his "Liberal-Socialist" approach, Meade believed that the survey should focus on aggregate figures of requirements and resources, especially manpower, but avoid consideration of individual industries. Despite the emphasis on manpower, which reflected wartime practices, as a Keynesian, Meade believed that monetary indicators best illustrated likely inflationary pressure. By November 1945, the 1946 survey gave national income and expenditure priority over manpower.

The survey's key task was to show the "gap" between requirements and resources. It had three main tables, covering manpower, balance of payments and national income and expenditure. All three showed "gaps", but that for the balance of payments was the only one officials termed "real" as it would result in a trade deficit. The "notional' gaps" of manpower, and income and expenditure would manifest as investment programmes which could not be carried out due to shortages of labour or capital. The level of demand which was indicated was an aggregate of the projects which government departments regarded as of the highest priority. It did not reflect the total anticipated level of potential demand in the economy. The 1946 survey also outlined priorities that proved to be enduring: most importantly the need to increase exports, particularly to dollar markets, and the need for saving to reduce inflationary pressure.

The survey revealed the level of inflationary pressure generated by the £6.1 billion of savings available for consumption in a period of shortages. The gap between
total supply and demand was estimated at 6%. Consumption was expected to be 93% of the 1938 level. Expenditure on tobacco, beer, entertainment and travel had rocketed whilst the consumption of furniture stood at 45% of the pre-war level and of clothes at 65%. Continued high saving levels were needed to counter inflation. No method was suggested for raising them to the 20% of the national income, some £1.54 billion, deemed necessary. In 1938 savings had been only 8% of the national income. Fiscal measures would have to "restrain demand" and investment had to be restricted.

At the time private investment stood at £710 million and public at £325 million, mainly for housing. A 5-10% rise was expected in 1946. Restricting investment soon proved to be a difficult task. The survey ambitiously aimed for a balance of payments by mid-1947. It predicted imports would rise by 35% in 1946 to £1 billion, a level 10% less than in 1938. As exports were expected to reach only £700 million, 75% of the 1938 level, a trade deficit would persist. Rapidly rising import prices was another enduring difficulty. All sorts of supplies had to be increased to reduce prices. Demands had to be "pruned". The survey suggested that the Government would find it easiest to carry out cuts from its own expenditure, then running at £2.275 billion per year. Despite some misgivings in Whitehall about the focus on manpower, it was an important theme in the survey. The metal, chemical and engineering industries had swollen by about 50% during the war. Most industries were expected to return to their pre-war patterns. This would disadvantage export industries, a sector in which the Board of Trade wanted to double the workforce from its current level. The rise could be promoted by reducing domestic demand to encourage more production to go into exports. However, if the supplies available to the home market were not matched by a reduction in consumer demand this would just exacerbate the inflationary pressures.
The coal and textile industries and agriculture were also going to be undermanned. Though unemployment was expected to reach 500,000 by the end of 1946, the search for additional labour continued. The survey estimated that the rate of demobilization planned for 1946 would mean a shortfall of 800,000 industrial workers. In the House of Commons debate on manpower in February Attlee made it clear that there would be no "endeavour to control labour". However, it was feared that cuts in manpower or resources to bring about transfers of labour would not necessarily fall on the least essential industries.

The first complete draft of the 1946 survey was ready by 12th December 1945. It was considered by the E.D. Committee and the L.P.(I.) Sub-committee before reaching the Cabinet on 7th February. The compilers remained concerned about its mathematical accuracy. Its key revelation was that labour demands exceeded supply by 1.3 million and that despite cuts in government programmes, national expenditure would exceed national income by £500 million.

The major consequence was to persuade senior officials of the need to accelerate the cuts in armed forces' manpower and recognise that Britain could not sustain its expenditure on "the whole defence machine" and "simultaneously reconvert" British industry "to peace production". To relieve inflationary pressure it was agreed investment had to be reduced with capital being concentrated on ill-defined "essential" sectors. The Cabinet's confirmation of the suggested cuts in military manpower in February, it can be argued, was the sole achievement of the survey. Aside from the Civil Service, the armed forces were the only sector of employment over which the Government had total control. Service personnel were used as a pool to fill the manpower "gap" but the Government could only give guidance as to which industries demobilised people joined, it could not control their choices.

Towards the end of 1945, disagreement arose over the level of publicity for planning. Though it was recognised that the public believed that a plan was being
prepared, officials felt it would be difficult to make any statement about planning when no plan was ready. It was thought best just to mention that the Government was surveying the country’s resources to ensure their most effective use\textsuperscript{24}. Senior officials\textsuperscript{25} favoured a general parliamentary discussion\textsuperscript{26}. This was realised in the Commons manpower debate of February 1946.

Some officials, including Bridges, referred to the survey as a plan\textsuperscript{27} or "an instalment" of one\textsuperscript{28}. Robinson saw the survey as only a predictor of upcoming emergencies, unrelated to planning\textsuperscript{29}. Meade similarly believed that it did not constitute a plan and feared that any publicity about planning would arouse embarrassing public "clamour" for details\textsuperscript{30}. There were such calls at the British Employers' Confederation conference in March 1946\textsuperscript{31}. That January, however, the M.E.P. had effectively blocked publication of the survey. Morrison thought it was important to use it to secure the co-operation of industry and the public, but Cripps felt that publication could establish a dangerous precedent and could embarrass the Government when the slump came\textsuperscript{32}.

Ministers agreed that some reference should be made to planning in Parliament. Morrison aimed to make a statement that left out complex facts and figures which were uncertain at this experimental stage\textsuperscript{33}. Leslie Rowan, the Prime Minister's Principal Private Secretary, preferred a more technical statement. Morrison was torn between making the M.P.'s "face the hard and sometimes inconvenient facts" about the economy and taking them "too far into our secrets"\textsuperscript{34}. His eventual statement was simple and it came during the manpower debate as Rowan had wished\textsuperscript{35}.

The manpower debate of 27th-28th February was the closest in 1946 that Parliament came to discussing economic planning. It involved Oliver Lyttelton, the Conservative spokesman on trade and industry and former Minister of Production, and Ellis Smith, who had recently returned to Labour's backbenches. They were to be
regular contributors to subsequent planning debates. Attlee stated that despite lacking all the data, the Government had "set itself to formulating a working plan for 1946". Morrison made vague references to the planning machine and the Government being "actively engaged in surveying the resources available" and "economic investigations and surveys", as the first steps towards "sound planning and fuller democracy".

The response to the references to planning were mixed. Demonstrating a degree of consensus between the Government and the Opposition, the Liberal M.P. Frank Byers, and the Conservative Norman Bower welcomed "the age of planning". Another Conservative, Alexander Spearman, criticised the Government "for having no plans or inadequate plans", insisting that an industrialised country like Britain would "have to have planning". Other Conservatives such as William Shepherd and Nigel Birch called for "proper targets and priorities" for industry. Birch claimed correctly that there was "no master plan at the top", leaving a partial "statistical blackout". He wanted more comprehensible economic information to be presented to the public but believed exhortation could not boost production. Birch felt that it was "the job of the State to plan the shape of the national income" and to leave planning at the operational level to business. Ellis Smith called for a Cabinet planning committee and an annual debate to review the progress of planning. In contrast, Lyttelton viewed the attempts at planning as "a sham" and feared the beginning of "a period of government by exhortation". He argued that planning could not work without unacceptable labour direction.

The discussion over publicity for the survey continued within government. In March 1946 Sir John Woods, Permanent Secretary to the Board of Trade, argued that "the fullest possible publicity should be given to planning figures". Oliver Franks, Permanent Secretary to the Ministry of Supply, saw planning as "dependent on cooperation from industry and the public" which made it "essential" to present the Government's plans "in the most concrete terms". Hitchman of the Ministry of Labour
disliked revealing the assumptions about unemployment. However, Douglas Jay, the Prime Minister's Economic Adviser, and Sir Wilfrid Eady, a Second Secretary of the Treasury argued that the public now saw "an unemployment figure of 300,000 - 500,000" as "normal"46.

Meade, by emphasising the lack of experience of the officials producing the survey, discouraged its publication. He suggested that no figures should be made public, certainly not before ministers had decided how to fill the "gaps" and probably not for another year. The advice senior officials gave ministers was even more cautious. They emphasised that the survey's forecasts were "merely intended to indicate the probable trend of events as a guide to policy and administration" and help them take decisions which ensured that the forecasts were "falsified". They felt any publications should be confined to "past results" as it was believed that once the expected slump arrived the survey would simply sap public confidence47. This highlights the dichotomy between the desire to involve the public and a fear of alarming them. However, the survey did demonstrate the kind of statistics it was possible to assemble and how quickly. Meade argued that though unpublished, the survey still had an important rôle, most notably in accelerating demobilization48. Indeed, this was the last occasion that evidence provided by an economic survey led directly to ministerial action.

The Economic Survey for 1946-47

In January 1946 the E.D. Committee recommended breaking the survey down into quarterly as well as annual figures, to chart progress towards the end of year targets49. The Economic Survey for 1946-47 simply advanced the 1946 survey's figures to the end of the financial year 1946/750. Officials felt that the public could be persuaded to accept the unemployment estimate of 550,000 for March 194751 but believed that the Government could not show a gap between requirements and
resources. Secord criticised the continued obsession with a slump. The approach, however, was unchanged. This second survey was still an "experiment", but officials felt it should be "a quantified expression of the pattern which the Government seeks to bring about", linked to the 1947 Budget but not as an "arbitrarily imposed" plan.

The survey was produced between early April and the end of May 1946. It was passed by the E.D. Committee to some ministers in July - precisely which ones is unclear. Though many of the 1946 survey's figures were used, the new survey indicated "some serious problems" and highlighted recent decisions, such as accelerated demobilization, taken by ministers since the spring. The working population was still falling due to retirements and women leaving employment. This was expected to create a gap of 360,000 workers by March 1947. The distortion towards engineering, metals and chemicals persisted, but these were important export sectors. The greatest change was in the armed forces. Whereas the 1946 survey had envisaged 1.75 million in the forces and 850,000 in their support industries by the end of 1946, the figures had now fallen respectively to 1.16 million and 500,000 by March 1947. Concerns continued about undermanning in the coal, textile and agricultural sectors whilst the distribution sector, though still smaller than pre-war, was expanding rapidly and drawing in much labour.

The balance of payments deficit was growing faster, but wages and profits more slowly than had been predicted in the 1946 survey. The interim survey also showed investment, demand and consumption rising, and government expenditure falling. It indicated a gap of around 3% between national income and expenditure. Consumption was now some 95% of the 1938 level, but inflationary pressure remained high.

The "coal problem" was the "all pervasive" element of the new survey, because industries essential for Britain's recovery, in particular steel and bricks, were heavy users. The target had been 740,000 miners by the end of the year but there was
already a shortfall of 40,000. Demand for coal from industry in general had risen by 2½% and by 4% in the gas and electricity sectors. Coal stocks had already fallen to only 6.7 million tons. A gap of 10 million tons was expected by winter, a level likely to cause unemployment. As early as May 1946, the survey had recognised the need for "quick and drastic remedies" to the approaching crisis. It suggested gloomily that there was no real solution, except possibly importing labour63.

Maynard Keynes was sceptical of the surveys' validity. He did not openly attack them, but by supporting use of the calendar year basis and opposing publication, he apparently hoped they would collapse of their own accord. Meade complained in January 1946, that Keynes was making "a nuisance of himself" about the survey particularly on the gap between national income and expenditure64. Keynes did not reveal the full extent of his feelings until April, just before he died, when he argued against continuing the surveys on the grounds that they could neither be accurate nor could the plans drawn from them be implemented65. Though disappointed by Keynes's stance, Meade remained convinced that the surveys were valid and necessary to implement Keynesianism.

The issue of publicity arose again. The E.D. Committee believed that now ministers had taken decisions to close the gaps, the "risks of publication" were "worth taking"66. Nicholson felt that publicity was necessary to secure public co-operation in executing a plan. Additionally when the facts were revealed people would be shocked because they had previously been kept uninformed67. Bridges recognised that the annual publication of economic surveys would be important in showing not just "mere forecasts" but also the Government's objectives. However, given that the economy had not yet returned to peacetime patterns, he felt publication would be premature68. In June 1946 Bridges warned ministers that published targets which proved wrong would "prejudice the whole principle of economic planning in the public mind". Isaacs agreed, but like Bridges, felt that once conditions stabilised the public had to be kept
informed. One can see the enduring conflict between the desire of ministers and officials to satisfy demands for economic information and the fear that mistaken targets would open planning to sharp criticism. This chimes in closely with Hennessy's view of "Whitehall's failure-avoidance culture" whereby officials' behaviour was shaped by the fear that whatever they did was liable to come under critical scrutiny. Though the unpublished surveys' figures may not have been accurate, they did indicate the direction the economy was moving in terms of industrial patterns, the continued inflationary pressures and the forthcoming coal and employment problems. However, as demonstrated in Chapter IV, ministers did little about the problems that were revealed.
4 P.R.O., CAB 134/186, "Draft Progress Report for Submission to the Industrial Sub-Committee of the Lord President's Committee", unsigned, 8/11/1945.
6 Ibid.
7 Ibid.
8 Ibid.
11 P.R.O., CAB 124/892, "Economic Survey for 1946", Campbell Secord to M. Nicholson, 18/12/1945 & P.R.O., CAB 134/503, "Economic Survey (C.P. (46/32, 35 and 40)", Sir N. Brook to Prime Minister, 6/2/1946. Secord and Brook were keen for the survey to concentrate on national income and expenditure rather than manpower.
14 P.R.O., CAB 134/188, "References to Economic Planning in the House of Commons Debate of Man-Power. 27th-28th February.", M.T. Flett, 21/3/1946.
16 P.R.O., CAB 134/186, E.D. Committee minutes, 18/12/1945 & P.R.O., CAB 124/893, E.D. Committee minutes, 21/12/1945.
17 P.R.O., CAB 134/188, "Economic Survey for 1946. Note by Chairman of the Official Committee. Submission to the Lord President's Industrial Sub-committee prepared under the guidance of the Official Steering Committee on Economic Development", Sir E. Bridges, 10/1/1946.
20 Ibid.
21 Ibid.
25 Sir John Woods (Permanent Secretary, Board of Trade), Sir Godfrey Ince (Permanent Secretary, Ministry of Labour) & Sir Bernard Gilbert (Second Secretary, Treasury).
26 P.R.O., CAB 124/892, "Steering Committee This Afternoon. Notes on Agenda", P.D. Proctor to Sir E. Bridges, 18/12/1945.
32 P.R.O, CAB 134/503, M.E.P. minutes, 21/1/1946.
34 P.R.O., CAB 134/188, "References to Economic Planning in the House of Commons Debate of Man-Power. 27th-28th February.", M.T. Flett to Cabinet, 21/3/1946.
35 P.R.O., PREM 8/319, T.L. Rowan to Prime Minister, 12/2/1946 & T.L. Rowan to D. Jay and Williams, 13/2/1946.
37 Ibid., 28/2/1946, col. 2128.
41 Ibid., 27/2/1946, col. 2007.
43 Ibid., 28/2/1946, cols. 2184 & 2186-7.
44 Ibid., 27/2/1946, cols. 2032 & 2034.
45 Ibid., 27/2/1946, cols. 1938 & 1948
46 P.R.O., CAB 134/187, E.D. Committee minutes, 15/3/1946.
59 Ibid.
62 Ibid.
63 Ibid.
65 Ibid., p. 250.
69 P.R.O., CAB 134/503, Morrison, Dalton, Isaacs, Bridges & 6 officials, meeting minutes, 17/6/1946.
Chapter Vc
The Economic Survey for 1947

Despite lingering qualms about what could be publicly revealed, the 1947 survey was the first to be published. The survey's immediate purpose, however, was to provide information to enable ministers to produce what officials termed a "rough programme" for the economy^1. It portrayed 1947 as the "terminal year" in the transition to a peacetime economy^2. Demobilization was ending and the armed forces and their support industries could no longer be regarded as a labour pool for industry.

Work on the 1947 survey allowed the success of the two previous surveys' forecasts to be gauged. Rather than rising by 125,000, as predicted in the 1946 survey, the working population had fallen by 220,000^3. The armed forces' strength had been trimmed back from 2.758 million in March 1946^4 to 1.385 million at the start of 1947^5. This compared to 1.75 million predicted in the 1946 survey^6. The interim survey for 1946-7 had proven slightly more accurate. Unemployment was 90,000 less than it had forecast. Its predictions of the working population had been wrong by only 72,000 on a total of around 20 million. The 1947 survey anticipated a shortfall of 325,000 workers, mainly affecting the coal mining, textiles, clothes, brick and clay industries^7.

Though manpower remained a central concern, national income and expenditure dominated the 1947 survey. It adopted two models of consumption: Assumptions A and B. Both were very optimistic about the amount of saving that the public would undertake voluntarily. Assumption A was based on the level of saving of 1938, 7.3% of national income, and B used the minimum level of saving that would permit every government department to fulfil its investment programme, that was 12%. Assumption A's pattern would result in a gap between national income and expenditure of £648 million, for B, £226 million^8. Early drafts of the survey suggested this could be reduced by employing more women and foreigners; increasing
productivity and reducing government expenditure. Investment would have to be limited as it would be difficult to fund from the savings anticipated⁹.

Inflationary pressure was viewed as a growing potential problem because the abolition of controls was "a major objective of policy"¹⁰, emphasised by Morrison in his October 1946 speech¹¹. By November 1946 the objective was to "target" a national income which would avoid inflation. However, the Chancellor, Dalton, never enthusiastic about the surveys, intimated that forecasting capital expenditure would be impossible until the distribution of physical resources had been determined¹². Nicholson pointed out this meant planning decisions would be left too late to be effective¹³.

Unemployment, at 350,000, was lower than had been expected and wages were 7½% higher than in 1946. This meant an increased potential for consumption and hence inflationary pressure¹⁴, especially as supplies to the consumer had been hampered by export needs and deteriorating terms of trade. Though exports were 50% greater than in 1938 they now only paid for the equivalent of 83% of 1938's imports¹⁵. The balance of payments deficit was expected to be £218 million¹⁶, thus more manpower was needed to boost export industries. The industries designated as being in Group III, mainly metals, chemicals and engineering, had grown greatly during the war and were important for exports but drew labour from the traditional basic industries such as coal, textiles and agriculture. These sectors plus building materials still needed more workers and their shortages hit export and raw material production¹⁷.

The economic survey showed that coal output and the attendance record of miners had improved but this was countered by the release of men drafted during the war into mining, the rise in the school leaving age and the five-day week. To get the 190 million tons of coal needed, productivity had to rise by 30 tons per man per year. A shortage of 3-5 million tons was expected by 1947¹⁸. The harsh weather
exacerbated this and stocks fell below 4 million tons which was deemed to be minimum needed to satisfy the nation's demands. Domestic shortages ruled out any coal exports which prevented the import of timber in exchange and affected the housing programme. The electricity shortage was linked both to coal and to the need for more generating equipment.

In later drafts of the survey officials stated that "the distribution schemes for scarce materials" could be "a potent influence in determining the general shape of the economy", contrasting to comments in earlier versions about controls becoming "increasingly unreal". The emphasis on controls reflected a ministerial rhetoric which had not been thought through. The survey continued to show an increasing awareness of how interlinked the economic problems were. With its emphasis on national income and expenditure it also reflected a more Keynesian approach. Despite this shift targets for individual industrial sectors remained, reflecting the persistence of support for more quantitative approaches.

The E.D. Committee finalised the first draft in December 1946 before forwarding it to ministers. It was accompanied by a detailed minute on how the survey's objectives could be achieved. Nicholson wrote to Morrison that he felt that the "worst bottleneck" was the slow progress in providing the public with economic information. Morrison, however, remained keen for the surveys to look more than one year ahead though some ministers remained reluctant. Cripps feared that with so much information unavailable, planning could be discredited. Dalton remained concerned about revealing Budget secrets. However, to avoid this risk, as early as November 1946 Meade had already suggested producing a separate public version. Officials revised the survey to make it accessible. Bridges encouraged a colloquial tone.

At the M.E.P. meeting to consider the draft in January 1947, Morrison, soon to fall ill, suggested the survey would be the basis of a white paper, a popular version.
and an associated parliamentary debate. It would guide immediate administrative action for long-term planning and negotiations with the N.J.A.C. and N.P.A.C.I.29. M.E.P. supported the E.D. Committee's controversial recommendations to postpone raising the school leaving age and to conscript women to work in factories to fill the manpower gap30.

The Cabinet scrutinized the 1947 survey more than any other. They discussed it five times in the month to mid-February, mostly focusing on altering manpower distribution. Due to Morrison's illness, Cripps took his place in presenting the survey. He called for a "concerted plan" to close the supply and demand gap revealed by the survey. It was emphasised that quick Cabinet decisions were needed so that they could be debated in Parliament by the end of February31.

Ministers recognised that though the survey's statistics were open to error, there was "no escape from the broad conclusion that the nation's economy was overburdened". They felt that "special efforts would have to be made to present to the public the broad facts" to encourage "increased efficiency and effort"32. The Cabinet rejected all the manpower recommendations so Cripps doubted whether "it would be wise" to publish a survey which failed to propose any remedies. Some ministers felt it was enough for the survey just to form the basis for appeals for increased productivity and wage restraint. Due to the "divergent" views of ministers the final decision on publication was postponed33.

William Gorell Barnes, the Prime Minister's personal assistant, was "very disturbed" by the lack of a firm decision on publication. He argued that harsh decisions could be portrayed positively34, but that failure to publish would draw criticism from the Government's sympathisers as well as its opponents35. Sir Norman Brook, the Cabinet Secretary, told Attlee to simply announce to the Cabinet that publication would proceed36, which he did37 and work began on preparing it for public consumption.

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Bridges portrayed the survey as adopting "the same general approach as the Monnet Plan" in that it needed the "combined effort of the whole nation and demanded co-operation between Government, industry and the people". This suggests that leading officials saw the survey as potentially providing part of a comprehensive economic plan. The draft version for publication was first scrutinized by an ad hoc committee of ministers and senior officials, chaired by the Prime Minister. The officials were keen on publication and a date was confirmed. The meeting effectively established a number of faites accompli for the Cabinet which eased this draft's passage. For example, it was determined that the facts should be revealed, however "unpalatable" they were.

Officials had decided that the published version had to be "degapped", i.e. the income and expenditure deficits had to be concealed. Bridges wrote that the survey still demonstrated Britain's "grave" position and the possibility that the country might "never restore the foundations of our national life". A version in late January 1947, stated, revealingly, that "priority has been given to the short-term job" though a plan was still "being developed". Such candid material from the early versions was later expunged. Instead, the final version adopted a tone of enthusiastic sacrifice.

The manpower gap of 350,000 was deceitfully shown as 250,000 which could be overcome by a 1½% increase in productivity. The targets for exports of 150% of the 1938 level and for 1.5 million workers in textiles, were retained though departments knew these could not be met. The survey emphasised the balance of payments and rebuilding the basic industries. Meade felt that it was important to include details of how a plan would be executed. The sections which were included in earlier drafts referred vaguely to drawing up supply and demand "budgets" and the various economic "instruments" the Government had. These were omitted from the final version, due to uncertainty among officials about the availability and effectiveness of relevant economic tools.
Unlike the version printed on green paper\textsuperscript{51} to inform officials and ministers, the White Paper aimed to elicit public support. The White Paper was only 36 pages compared to the "green"s 53, as much was summarised or omitted. The White Paper was like a manifesto, with an introduction in the Prime Minister's name. It requested everyone to devote "themselves unflinchingly to the task"\textsuperscript{52} of reviving the economy. In return the Government would "take the people frankly into its confidence"\textsuperscript{53}. There was a constant emphasis on a "democratic" approach to avoid criticisms that the Government was behaving dictatorially.

The two popular versions of the survey were \textit{The Battle for Output, 1947}, compiled by the Central Office of Information (C.O.I.) and the eleven-page \textit{Labour's Plan for 1947}, written for party members by Douglas Jay who had ceased being Attlee's economic assistant to become a Labour M.P. in July 1946. \textit{The Battle for Output, 1947} was 48 pages long and priced at 6d (2\pence); it sold 200,000 copies. Despite a few diagrams it was little different from the White Paper\textsuperscript{54}. Rogow demonstrates that the language of both the White Paper and \textit{The Battle for Output, 1947}, was shown to be confusing and often misinterpreted by the public\textsuperscript{55}. Mass Observation viewed the popular version as "incapable of directly influencing most of the population to any great degree", including "millions of sensible and intelligent citizens in responsible production jobs."\textsuperscript{56}

\textit{Labour's Plan for 1947}, costing 2d (4\pence), portrayed the survey as "a detailed Plan". It was an eulogy to the Government's economic record. It reiterated that recovery needed the public's co-operation and suggested smoking less American tobacco, being economical with fuel, and pressed women to work in essential industries. It smacked of Stakhanovitism and spoke of forming groups of "shock workers"\textsuperscript{57}.

The White Paper presented the survey as the "blueprint" for reconciling requirements and resources and ensuring that the essentials had priority\textsuperscript{58}. Though
personal choices were important, some would be restricted by shortages. The five main priorities were, *in order*: defence, paying for imports, capital equipment and maintenance, personal consumption and public services. The balancing of conflicting demands would be achieved by "budgets" which would indicate the availability of various resources and the demands upon them. It stated that the economic tools available could not bring rapid or fine adjustments.

The survey stated that the changeover to peacetime production, including demobilization, had been accomplished without much dislocation. Unemployment had not risen above 400,000. The survey tried to be positive about consumption. Supplies of consumer goods were rising though, exports at 115% of the 1938 level, would only pay for 75% of 1938's volume of imports. To avoid shortages in 1947 production had to rise 25% in 1947 and exports climb to 150% of the 1938 level. The trade deficit would drain reserves and the loans provided by the U.S.A. and Canada in 1946. The Americans had lent Britain $3.75 billion and the Canadians $1.25 billion, equivalent to U.S.$1.159 billion. The dollar shortage was acute. Britain took half its imports from the dollar area but sold only an eighth of its exports there. This should have been a warning of problems ahead, given the approach of sterling convertibility which had been a condition of the U.S. loan. The fuel and power picture remained bleak with an electricity supply shortfall expected by Winter 1948. Supplies to domestic consumers would have to be restricted. In other sectors - steel, railways, shipbuilding and agriculture and housing the survey was proud of the achievements but encouraged further effort.

The last seventh of the White Paper was taken up with objectives for the year ahead including for exports and housing, and for investment which was to rise 15%. To combat labour shortages the survey appealed to women and those over retirement age to work. The coal output target was 200 million tons. To achieve it 770,000 miners were needed. This was 50,000 higher than the target figure circulated among
officials. More effort and more efficient industrial production would generate a larger national income allowing more for consumption. To achieve this restrictive practices and pressure for wage rises and a shorter working week had to be avoided. The survey invited constructive criticism of "these plans" from the whole population and emphasised that they were not rigid or final.

The survey's launch on 21st February 1947, which included a press conference, made a big impact on newspapers. Despite the newsprint restrictions of the time they reproduced large tracts of the survey, often taking up a quarter of an edition. The survey was also covered in thirty-five films produced by the C.O.I. both for cinema and non-cinema distribution, that is in workplaces and institutions. Attlee made a radio broadcast on it in March and it was discussed on a number of B.B.C. programmes.

At the press conference Cripps, standing in for Morrison, emphasised that the survey was only "a short-term plan" and a longer-term one would follow. He played down the impact of the fuel crisis and misleadingly said it had been taken into consideration when producing the survey when, in fact, many of the figures had been calculated months earlier. Cripps did warn that "economies" would have to be found from domestic fuel consumption. He asserted that the "right of the individual to choose his own occupation" would be preserved and that there was no intention to interfere in collective bargaining. The Government could only "induce employers and employees to conform to a pattern of industrial production" and work "for the benefit of the nation and produce as much as possible."

Across the political spectrum newspapers tended to see the "gloom" of the survey. Many called for an "operational plan" to supplement this "strategic picture". The centrist News Chronicle believed it would only have real value as part of "a master plan for a much longer period - five years at least". It felt, however, that the survey was "valuable" in preventing Britain's "descent into the economic abyss".

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Right-wing commentators in The Economist, the Financial Times and the Spectator felt it contained little more than "recitals of the difficulties", with its "sights" set "too low" and complained that it had come too late.

The popular press such as the Evening Standard, Daily Graphic & Sketch and Daily Mail saw it simply as "a defence of the Government and Socialist policy" and a "repetition of the obvious" that foresaw a year of "[h]ard toil, more exports, drastic power cuts". The News Chronicle said the public could expect "only an endless era of austerity". In contrast, the pro-government, Daily Herald, called the survey "the most human document ever issued from Whitehall" which demanded "the active cooperation of every citizen".

The Wall Street Journal had a clear Hayekian perspective and suggested that the fuel crisis had shown that "Planning with freedom" was failing in Britain. To succeed it was likely that the Government would have to tighten controls and curtail personal freedoms. British planning could only work as a system for rationing scarcity so Britain's standard of living was lagging behind the laissez-faire economies of Belgium and Switzerland.

In contrast, there was a mixture in much of the British right-wing between condemning planning and calling for more. The Daily Mail attacked the "horrid" survey as a model for dictatorship yet also called for greater controls over electrical appliances and tobacco. It complained "the thing lacking in the White Paper is the Plan". Though the Financial Times felt labour direction was "a gross interference with individual liberty", the newspaper conceded it was not "quite the same thing to restrict the areas of free choice to 25 per cent when national survival is involved". The Times attacked the Government for having done "too little planning" with too much resting on "pious hopes and good intentions" to prevent further crises. The Daily Telegraph similarly concluded that the "Government of would-be planners" had "no plan at all."
There was widespread criticism of the lack of tools to implement planning. The Daily Mirror\textsuperscript{97} and News Chronicle criticised the Government for having no wages policy\textsuperscript{98}. Likewise the Daily Graphic & Sketch\textsuperscript{99}, Evening Standard\textsuperscript{100}, Daily Telegraph\textsuperscript{101} and The Times attacked the Government's lack of "root-and-branch remedies" which should have followed "inexorably from their analysis"\textsuperscript{102}. Instead the survey offered just "a running commentary on the failure of the Government"\textsuperscript{103}. The Daily Graphic & Sketch savaged it as "a kindergarten exercise" indulging in "wishful thinking" and "speculations" and written "as much for the education of Ministers as of the man in the street"\textsuperscript{104}.

The Times was particularly alarmed, with good reason, that the "astute Chancellor" seemed to have "contracted out of" planning. It believed accurately that monetary and fiscal concerns were perceived as "a parochial Treasury affair" unconnected with planning\textsuperscript{105}. The New Statesman & Nation believed there needed to be a ministry with Cabinet representation and a range of planning tools, not only financial ones, at its disposal\textsuperscript{106}. In contrast, the Daily Mail attacked attempts "to arrange taxation or purchase tax" to "discourage people from going into an industry where we do not want them"\textsuperscript{107}. However, as the Manchester Guardian concluded, all this left was "the negative inducement of disaster to the country if the people do not act as they are asked"\textsuperscript{108}, a tactic used repeatedly in the surveys.

Some newspapers\textsuperscript{109} blamed the unions, through their pressure for shorter working weeks\textsuperscript{110} and better pay, for harming the "country's prospects"\textsuperscript{111}. Publications as diverse as the Communist Daily Worker\textsuperscript{112}, The Economist\textsuperscript{113} and the Daily Graphic & Sketch charged the Government with failing to provide "decisive" and "inspiring" leadership\textsuperscript{114}. The Daily Mail\textsuperscript{115} and Financial Times felt the Government had left the working out and execution of the plans to the public without giving any guidance\textsuperscript{116}. The News Chronicle called on the Government to "offer
some glimpse of the dawn", a "definable hope" in return for the sacrifice it expected\textsuperscript{117}.

Overall, though welcoming the survey's frankness many newspapers took the opportunity to attack the unions and the Government's failure to plan effectively. Officials, such as Gorell Barnes, told Attlee that the press reception was positive. Civil servants believed that the public and the Opposition would recognise the dire position of the country and not only accepted but were demanding "drastic measures" and would judge the Government by its ability to take hard decisions\textsuperscript{118}.

The three-day House of Commons debate on the survey began on 10th March, two-and-a-half weeks after the launch which meant M.P.s had had time to familiarise themselves with it. With the Budget less than a month away there was some constraint on what could be discussed\textsuperscript{119}. Cripps introduced the survey for Morrison, who remained seriously ill. As seen in Chapter III, Cripps outlined his philosophy of planning before moving on to the survey's substance\textsuperscript{120}.

Using the survey, Cripps highlighted the previous year's economic achievements and uncertainties such as bread rationing and the coal shortage\textsuperscript{121}. The 1947 survey outlined "the challenge" to the British people rather than their "failure or their impotence"\textsuperscript{122}. Cripps saw an export target of 140% of the 1938 level, below the survey's 150% target, as attainable. However, success depended on industry's efforts rather than governmental controls\textsuperscript{123}. Cripps countered claims that the survey contained no indication of how Britain's difficulties were to be overcome, but said these were expressed in democratic rather than totalitarian terms. He added that the survey did outline a wages policy which was that "despite the difficulties created by full employment, employers and employees should remain free to settle the conditions of work or wages". Wage negotiators, however, were urged to be more aware of broad economic trends. Undermanned industries had to develop their own incentives to attract labour yet avoid provoking the "prices wages spiral". Again, the "best way"
was to leave such development "to the leaders of both sides of industry". Assistance from the Government was limited to the new British Institute of Management (B.I.M.) which it subsidised, the Board of Trade's advisory body, the Production Efficiency Service (P.E.S.), and Ministry of Labour courses. This revealed how meagre the Government's policies were.

The debate which followed revealed both criticism and a degree of consensus. Cripps said:

"we all recognise that there must be some method of planning in the post-war world".

Even Oliver Lyttelton believed it was "absurd" to suggest that the Opposition thought "that the Government should not have a central and overall plan" with "key controls". Fellow Conservative, David Eccles, believed his party had to "convince itself and the nation that it knows how to prevent a return to an over-priced and under-employed society". Some on the Opposition benches like the industrialist Sir Andrew Duncan the former Minister of Supply, and Robert Boothby complained that there was too little planning and called for "a comprehensive production plan for several years ahead", a view shared by the Liberal Leader, Clement Davies.

Despite the air of consensus, Churchill turned the debate into a confidence issue, deriding the "false and foolish" "Socialist dream" which had "seduced" the electorate. He accused the Government of introducing a system that was "destructive of free life" yet felt that of "course the State must have its plan", but one which liberated the energy of the people. Attlee emphasised consensus in his concluding speech. He said there had been "general acceptance of the principle of economic planning" and agreed with Churchill that controls should not exist simply for "control's sake".

Harold Macmillan, who Attlee described as the "very eminent exponent of planning", was reluctant to contribute. He was only drawn into the debate by
accident to replace the Conservative frontbencher, Oliver Stanley, who had fallen ill. Macmillan was pleased that planning had become "acceptable", but he argued that the survey contained "no plans, no specific proposals" and he offered no constructive comments.

Lyttelton complained perceptively that the survey was "completely out of date when it was published". He contrasted the "diagnosis" produced by "competent officials" with the lack of "action" by ministers. He saw the fuel crisis and policies such as removing purchase tax from electrical appliances as demonstrating such failure in the Government's planning. Lyttelton felt that the Government was "wedded" to "economic planning of the sort" which required labour direction, the "antithesis" of cooperation with industry. Cripps professed to be pursuing. Lyttelton believed instead that financial tools such as "taxes designed to drive labour and resources away from the unessential and towards the essential industry" should be used. He derided the intention "to create artificial unemployment in certain industries by cutting down their allocations of fuel and raw materials".

There were Opposition calls for the Government to "tell the people what the facts are" though the Government was seen as ignorant of these itself. Yet the survey also drew criticism, from the Financial Times's chairman and Conservative M.P., Brendan Bracken for being a patronising, morale-boosting exercise. Both the Independent M.P., Sir John Anderson, the former Chancellor of the Exchequer, and Lyttelton accurately recognised the difficulty in mobilising the public to tackle a problem which was "invisible and intangible".

Some solutions offered by the Opposition demonstrated their distance from the Government. Quintin Hogg, Eccles and Anderson saw nationalization and achieving the necessary national unity as "incompatible". Most extreme was Peter Roberts who sought not only the end of nationalization, but the postponement of "some of the most expensive items of health, education and insurance" and the re-
establishment of a coalition under Churchill\textsuperscript{149}, though Churchill himself rejected this call\textsuperscript{150}.

Labour backbenchers focused on particular sectors like coal and said little on planning. Thomas Hubbard argued there was no alternative to Labour's approach as the Conservatives only suggested a return to the reduced wages and longer hours of the inter-war years\textsuperscript{151}. The performance of Labour ministers in the debate was also generally unconstructive and poor in content, especially A.V. Alexander, Minister of Defence and Arthur Greenwood, the Lord Privy Seal\textsuperscript{152}. Though the Government had feared embarrassing attacks on its economic planning policy the debate demonstrated the proximity of the two sides of the House on many issues. However, Morrison, Cripps and Attlee arrogantly did not even respond to positive suggestions that were made. They seemed convinced that Britain was the only country in the world really pursuing a policy of planning. Attlee portrayed France as having suffered from discontinuities which had "militated against planning". Wrongly, he suggested that the French Government had "not got the same kind of consultation between the two sides of industry" that Britain had been developing "over so many years". Overall he implied that little could be learnt from elsewhere\textsuperscript{153}.

Though the annual economic survey had been dealt with by March 1947, work producing supplements for it continued in Whitehall. The Progress Records, circulated in governmental circles, were four follow-up reports to the survey. Issued by the C.S.O. in April, July, August and September 1947 they consisted of one sheet with quarterly figures of imports and exports, details of industrial output and raw material stocks, and of manpower distribution\textsuperscript{154}. Progress Record No. 2 was the first to include C.E.P.S. comments. It showed that the coal production target was being achieved but that the housing target had had to be reduced. It also highlighted the failure to attain targets in exports, electricity generation and agricultural manpower\textsuperscript{155}. 

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Progress Record No. 3 showed that the summer months had been good for exports, especially to the important hard currency markets. Coal and housing were on target. Unemployment was 104,000 less than mid-1946, though agriculture continued to lose labour. Progress Record No. 4 looked back two months so it did not cover the effects of the collapse of convertibility in August. It did reveal that vehicles were providing 30% of British exports, over £3 million worth. Though total exports were the highest since 1920, the level of imports, mainly of raw materials, was rising. The trade deficit was around £64 million per month by July. Unemployment of 260,000 in June, the lowest for two years, was seen as abnormal. It was expected to rise to 400,000, by the end of 1947. The economy proved capricious. The target for workers producing exports was suddenly greatly exceeded, whilst Civil Service numbers began to fall. Textile labour increased slowly, but agricultural manpower had only just returned to its December 1946 level, far short of any target.

The Progress Records then ended, probably as work was gearing up for the 1948 survey and the division of Marshall Aid. Though they fulfilled earlier designs of having a rolling survey the Progress Records revealed both the Government's inability to move the economy in the desired direction and how erratic the economy could be. Progress Record No. 3 showed scant awareness of the approaching holiday period and that the booming production of the early summer would fall away, as was revealed in the following report.

The 1947 survey demonstrated that though the C.S.O., Economic Section and C.E.P.S. were able to collate a comprehensive set of figures, it is questionable how beneficial these were either to a Keynesian approach through the national income and expenditure figures, or for a more Gosplanning method using production and manpower targets. The survey could only show what had happened and identify broadly what problems would occur. Even at the dawn of economic planning in the public eye, serious flaws were becoming apparent that were not to be overcome.
3 Ibid.
10 Ibid.
11 P. R. O., CAB 134/189, "Lord President's Speech to the Institute of Public Administration, 17th October 1946", E. D. Committee Joint Secretaries, 23/10/1946.
15 Ibid.
17 Ibid.
18 Ibid.
22 P. R. O., CAB 134/187, E. D. Committee minutes, 9/12/1946, 12/12/1946 & 19/12/1946.
26 Ibid.
28 P.R.O., CAB 134/503, M.E.P. minutes, 7/1/1947. Bridges, Woods, Ince, Meade, Nicholson, Gilbert & Stafford were present.
31 P.R.O., CAB 128/9, C.M.(47) 7th, Cabinet minutes, 16/1/1947, 11.00.
32 P.R.O., CAB 128/9, C.M.(47) 8th, Cabinet minutes, 16/1/1947, 21.00.
33 P.R.O., CAB 128/9, C.M.(47) 9th, Cabinet minutes, 17/1/1947.
34 P.R.O., PREM 8/646, W. Gorell Barnes to Prime Minister, 18/1/1947.
35 P.R.O., PREM 8/646, S.W. [?] to Prime Minister, 20/1/1947.
36 P.R.O., PREM 8/646, Sir N. Brook to Prime Minister, 22/1/1947.
37 P.R.O., CAB 128/9, C.M.(47) 11th, Cabinet minutes, 22/1/1947.
38 P.R.O., CAB 134/190, confidential annex to an E.D. Committee minute, 26/2/1947.
40 P.R.O., PREM 8/646, Meeting of Ministers minutes, 4/2/1947.
41 P.R.O., CAB 128/9, C.M.(47) 21st, Cabinet minutes, 13/2/1947.
42 Ibid.
46 P.R.O., CAB 134/190, "Draft White Paper for Meeting on Monday at 3p.m.", Sir E. Bridges, 31/1/1947.
48 Particularly, op. cit., P.R.O., CAB 134/190, "Draft", 21/1/1947, which includes sections entitled "How the Plan is Made" and "Carrying Out the Plan".
51 Actual Green Papers were not introduced until 1967. Final versions of the surveys and other reports circulated in government were printed on green foolscap.
53 Ibid.
56 Ibid., p. 134.
59 Ibid.
61 Ibid.
64 Ibid.
65 Ibid.
68 Ibid.
69 Ibid.
70 P.R.O., PREM 8/646, Meeting of Ministers minutes, 7/3/1947.
72 *Evening Standard*, 22/2/1947, "Only A Short-Term Plan, Says Cripps. A Long-Term Scheme Comes Later".


News Chronicle, 22/2/1947, "Direction By Taxes - Cripps' Hint".


Spectator, 21/3/1947, "News Of The Week".

Spectator, 28/3/1947, "Waiting For The T.U.C.".

Financial Times, 22/2/1947, "Framework For 1947".

Daily Mail, 22/2/1947, "Challenge To The Unions".


Daily Herald, 22/2/1947, "Govt. Sets 1947 Manpower, Output Targets".

Ibid, "Attlee's Call To Arms".

Wall Street Journal, 21/2/1947, "Review And Outlook. The British Plan".


Daily Telegraph, 23/2/1947, "Frozen Guides".

Daily Mirror, 22/2/1947, "Workers and Wages".


The Times, 22/2/1947, "No Help From Mr. Dalton", City Notes.


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111 Daily Mirror, 22/2/1947, "Workers And Wages".


113 The Economist, 22/3/1947, "NCOs Of Industry".


120 Ibid., 10/3/1947, cols. 964 & 968.


122 Ibid., 10/3/1947, col. 976

123 Ibid., 10/3/1947, col. 977.


125 Ibid., 10/3/1947, col. 992.


129 Ibid., 10/3/1947, col. 1058.

130 Ibid., 11/3/1947, col. 1166.


133 Ibid., 12/3/1947, col. 1428.


137 Ibid., 10/3/1947, col. 1002.
138 Ibid., 10/3/1947, col. 1008.
139 Ibid., 10/3/1947, cols. 1003 & 1005.
140 Ibid., 10/3/1947, col. 1008.
141 Ibid., 11/3/1947, col. 1176, Davies.
143 Ibid., 10/3/1947, col. 1027.
145 Ibid., 10/3/1947, col. 999.
147 Ibid., 11/3/1947, col. 1215.
158 Op. cit., P.R.O., CAB 134/190, "No. 3".
159 Op. cit., P.R.O., CAB 134/190, "No. 4".
Chapter Vd
The Economic Survey for 1948

The 1948 survey grew out of the abortive Economic Survey for 1948-51, which is discussed in Chapter VI. It was the first to include substantial input from the C.E.P.S. Data for the survey was still collated by the E.S.W.P., chaired by Hall, and the Economic Section remained closely involved. The survey was prepared with publication in mind. Emphasis was laid on the popular version and the press conferences. As early as September 1947, a "dummy" format for the published version using old data was circulated to officials. It was clear that trade and the export industries would be of primary concern. A secret annex forecast a trade deficit with the Western Hemisphere of £250 million within eight months and reserves as low as £135 million by the end of 1948. Old problems such as coal and manpower were included, though with a lower priority than before. Producing the survey was treated as routine. Robinson believed only a couple of E.S.W.P. meetings were necessary. Hall agreed, feeling that "huddles" of officials could handle it.

The level of Marshall Aid Britain received would determine imports from the Western Hemisphere which were crucial for food and steel supplies. The aid was expected to start arriving in February or March 1948. The compilers aimed to portray the economy in a fashion that elicited as much aid as possible. Comments which could upset the Americans or Canadians were avoided. Unrequited exports were seen as having "serious public relations implications." These were exports to countries which could pay in neither dollars nor gold. Otto Clarke argued that it was morale-sapping to ask the British public to go short to allow such exports. It was felt the Americans would be loath to give dollars to the British if they were not attempting to earn their own.

Clarke also pointed out that it was inadvisable to show that Britain expected only £543 million of imports from the Western Hemisphere when the U.S. Congress's
estimate was £730 million. He feared a low target would lead to a reduction in Britain's Marshall Aid allocation. The survey had become almost more important for publicity than as a statistical tool. Cripps saw it as being "deliberately" addressed to readers "on both sides of the Atlantic".

Robinson played an important rôle in the debate on including targets in the survey. Meade had earlier condemned him and Cripps as Gosplanners. This was an attitude which appeared to be verified by Robinson's memorandum to the E.P.C. which praised the Ministry of Agriculture's targets. Robinson also argued that the targets previously set for coal output had boosted production. He believed others should be determined for steel, cotton yarn and other industries.

Robinson's approach soon generated discussion among officials and ministers. One C.E.P.S. paper emphasised the need to limit targets to "essential" items like specific types of steel, textile and chemical production. To be worthwhile the targets had to push for some increase, but also had to avoid "limiting the flexibility of action". It had already been recognised that labour targets were impossible to implement. Robinson complained, however, that the Ministry of Labour were overly cautious. He also felt it pointless to set a target without a completion date. Clarke, who had considerable doubt "about the desirability and opportuneness of publication" of the survey, believed that targets would be "a hostage to fortune".

For the first time the surveys were scrutinized by the E.P.B. which made suggestions on style and presentation. Having considered the first full draft of the survey in mid-December the E.D. Committee highlighted controversial points for ministers. It was recognised that modifications would be necessary as the likelihood of Marshall Aid increased. Cripps emphasised to the E.P.C. in January the dire implications for Britain if aid was not forthcoming. E.P.C. agreed that whatever the expectations, production targets should be set and it was hoped to extend these to
individual companies. Despite the gloomy prospects it was felt important to produce a version for publication\textsuperscript{25}.

The E.P.B. was the first body to scrutinize the public version in February 1948. Most of its suggestions aimed to improve the survey's clarity. However, it also felt that the coal output target was too low. The Board supported production targets but was less enthusiastic about manpower ones. It felt, though, that manpower targets should be retained for their psychological impact in encouraging labour into undermanned industries. Ince, however, thought they could give industries "an alibi" if they failed to achieve their production targets\textsuperscript{26}. Ince and Plowden took the E.P.B.'s views to the E.D. Committee meeting on the survey, which also focused on style. This led to redrafts\textsuperscript{27}. The E.D. Committee and E.P.B. alike emphasised the importance of the survey in giving the public a proper picture of the economy.

By late February it was clear that more time was needed to discuss the survey, especially given the problem of reconciling the production and manpower targets for the textile industry\textsuperscript{28}. There were two brief Cabinet meetings in February which included discussion on the survey. Cripps warned his colleagues of the worsening terms of trade, the poor balance of payments and ongoing loss of reserves highlighted by the survey, nineteen months before Britain was forced to devalue\textsuperscript{29}. The second meeting was concerned mainly with the coal and textiles output targets. Gaitskell, the Minister of Fuel and Power, convinced the Cabinet that raising the target for coal production from 211 million tons to 220 million tons would encourage wage demands and the additional output would have to be exported to countries receiving Marshall Aid\textsuperscript{30}. In contrast, Nicholson later argued that only by setting an "apparently unattainable" target in the previous survey Britain had avoided another fuel crisis\textsuperscript{31}. The textile manpower target was maintained due to optimism that new factories could be opened. It was felt that the surveys were an important part of educating the public
about economic conditions. Due to all the minor amendments, re-writing continued to 26th February and the final release was delayed until 9th March.

The inclusion of more targets meant the differences between the version printed on green paper circulated to officials in December 1947 and the final White Paper were far greater than between the different versions of the previous survey. The White Paper had twenty-eight statistical tables, almost three times more than the "green" version, and they were more detailed. A new section headed "Targets for 1948" was added "to give concrete expression to the nation's industrial needs in 1948" and to set targets for certain industries. "Production units" were encouraged to set their own targets "in accordance with the overall figures". The targets included coal output, manpower and machinery; output of different sorts of steel and textiles, and production of items like oil tankers and railway wagons. However, they represented yet more exhortation rather than a form of gosplanning. Targets were included to show that the Government was striving to improve things.

In both versions the agriculture sections included the most comprehensive targets and adopted "socialist realist" language. Each called for volunteers, including the unemployed and school children, "people from all walks of life" to gather in the harvest. The "green" version explained the problems of the poor harvest, the need for a larger animal feed ration; increased agricultural manpower and investment, mainly in agricultural machinery. The White Paper outlined the "four year plan", the Agricultural Expansion Programme started in 1947, in detail. It included year-by-year target yields of a range of produce up to 1951-2.

The coal section was extensively re-written and proved far more positive in the White Paper. U.K. output targets had been set by the inter-governmental Committee for European Economic Co-operation (C.E.E.C.), at 211 million tons in 1948 and reaching 245 million tons by 1951. Both versions of the survey outlined the year-by-year increase. However, the "green" version was far more negative, fearing that the
C.E.E.C. would compel Britain to export coal thus restricting domestic consumption. Even if longer working hours and more foreign miners could be introduced to British pits, the C.E.E.C. target was felt to be unattainable. The White Paper used the C.E.E.C. figures as targets yet recognised the same difficulties and urged the public to use less power.

Following the failure of convertibility, investment had been cut the previous autumn to restrain inflationary pressure and reduce the demand for scarce materials. The target for total gross domestic investment was less than £1.8 billion and the housing target fell from 250,000 to 140,000. Unlike the White Paper, the "green" version went into far greater detail, comparing the investment figure with pre-war and foreign examples. This revealed its nature as a "working" document for governmental use.

It was hoped export quotas would help shape private investment, for example, towards specialized machinery for producing exports. Industry would be asked to delay any investment which did not contribute "quickly and significantly" to exports, import saving or the maintenance of basic industries. The investment plans for electricity, coal, iron and steel, petrol, the Post Office and the Agricultural Expansion Programme would continue unchanged but there would be limits to investment on the railways, in health and education.

The differences between the conclusions sections of the two versions were some of the greatest. The White Paper described 1948 as a year of "transition", and "the first year of the great upward turn in European economic recovery". People needed to restrain income rises and work to maintain exports. Reserves would continue to fall. Marshall Aid would not relieve hardship but would buy time to effect policies to ensure a healthy economy. The country's future was "at stake". However, the changes were portrayed as "insignificant in relation to the underlying strength of our people".

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The same section in the "green" version, though similar, was six times longer and included far more on the prospects for 1949. The duration of the gold and dollar reserves was a matter of "guesswork". Exports had to increase and be more competitive. The leakage of dollars through the Sterling Area had to be halted\textsuperscript{49}. Tomlinson shows that capital flowed out of the Britain to other Sterling Area countries. In turn this promoted their increased demand for dollar imports, particularly in the Dominions which resented Britain's control over their expenditure. In 1947 £643 million in capital had left Britain, especially to Australia and South Africa. Consequently in the financial year 1947/8, Australia exceeded the dollar spending limit of $80 million (£19.9 million) it had been set by $120 million (£29.8 million)\textsuperscript{50}.

The "green" version saw Canada and Argentina, rather than the U.S.A., as likely to be the best markets in which to earn dollars. It was hoped to be able to divert more imports away from dollar sources and to achieve an invisible surplus of £15 million. Three different models of how the terms of trade could go were suggested, reflecting higher or lower import prices. Reserves were expected to fall to between £240 million and £440 million. Even this level would be difficult to maintain, and it was believed that "extensive unemployment" and "widespread malnutrition" were possible\textsuperscript{51}.

The form and level of Marshall Aid remained unknown. It was feared that the allocation of aid could worsen Britain's position by distributing to other countries what Britain would have otherwise bought on the open market. British objectives continued to be to maintain reserves and rehabilitate industry. Raw material imports to sustain industrial production were the priority. Increased food imports were only acceptable if necessary to secure sufficient nutrition to maintain output\textsuperscript{52}.

The "green" version did speculate on implementation of these policies. Steel allocation needed to be linked more closely to companies' export programmes. It was
suggested controls could be "tightened" though this depended on the "willing collaboration of industry"\textsuperscript{53}. It was hoped that presenting "a full and frank account of the national situation" to the public could promote increased effort\textsuperscript{54}. It was recognised, however, that "exhortation" could "do little to increase output". Short-term methods included longer and staggered working weeks. Long-term solutions involved improving labour mobility, increasing the number of technical students and promoting greater efficiency\textsuperscript{55}, through the B.I.M., P.E.S.\textsuperscript{56} and Development Councils\textsuperscript{57}.

To achieve the desired pattern of labour distribution a wage structure which attracted labour into undermanned industries was necessary and even a limit on non-textile industries in textile areas. The controls on the engagement of labour revived in 1947 had not been in place long enough for their success to be measured. European Voluntary Workers were played down in the "green" version as a solution due to the dollar cost of housing and feeding them\textsuperscript{58}. The White Paper's section on manpower showed that the public utilities, transport, distribution and service sectors were popular sources of employment, but increases in their workforce were undesirable whilst essential industries were undermanned. Ceilings on recruitment and fiscal measures to reduce the pressure of demand for such work were suggested\textsuperscript{59}. Raw material shortages were expected to halt the growth of the metal, chemical, engineering and building industries. Unemployment was higher than had been expected, brought on, it was believed, by temporary shortages and distortion of employment patterns caused by inflationary demands. For most workers hours of work had fallen\textsuperscript{60}.

Inflationary pressure remained and enforced saving was likely as more products were diverted to export markets. In the past 2½ years Britain had proven itself unable to adapt successfully to post-war economic conditions. The survey recognised that all the forecasts could be falsified by outside events or failure in one
sector. However, it hoped for a repeat of 1947's improvements in production and exports. The "green" version correctly diagnosed the problems of the balance of payments and the shortage of reserves that were to worsen throughout the year. The White Paper was torn between revealing the bleak reality and not wanting to demoralize the public. Consequently, much of the bad news was expunged in favour of patriotic appeals.

The White Paper's introduction was as cautious as the previous surveys. Its caveats seemed to undermine the survey's validity. The reader was warned that European Recovery Programme (E.R.P.) funds provided by Marshall Aid had to be used to sustain and develop production rather than ease living conditions. Morgan comments that this austerity and its later success in boosting exports, "were often linked in the popular mind with the government's new emphasis on planning."

The survey's thrust came from the balance of payments issue and the continued need to increase exports. The previous year exports had been £1.125 billion, £75 million short of the objective. Targets for 1948, were trimmed for popular consumption from 164% of the 1938 level to 150%. Other sections on trade reveal qualms about disclosing Britain's dire position. Unrequited exports were portrayed positively as sustaining multilateral trade for the future. The survey showed that imports from the Western Hemisphere had to be cut by 10% which would affect investment, especially house building. Further import plans had to wait for the allocation of E.R.P..

The survey gave the public a worrying view of the future. It warned that without aid all imports would fall by an eighth and of some raw materials by a fifth, leading to unemployment and industrial dislocation. The survey stated that if dollar expenditure persisted at its current rate Britain's reserves would most likely be exhausted by the end of 1949. The survey also revealed the inter-war roots of the trade problem which had been concealed by invisible earnings and triangular trade.
using the Sterling Area. This had rested on colonies selling raw materials to earn dollars which the U.K. could then draw from the common Sterling Area pool to buy goods from the U.S.A.

Other targets revealed shifting economic patterns. The trend of converting from coal to oil was being reversed as the 70% growth in U.S. oil consumption had caused shortages. Though the textiles sector, still an important export earner, was set unrealistic demands, it was feared that it would be impossible both to retain the existing clothing ration and maintain exports. The transport section revealed the extent of exhaustion of plant which hampered the movement of raw materials, particularly by rail.

The White Paper contained short sections on investment, national income and manpower. The national income section came only after all the more "physical" elements had been covered. It represented a plea to the public to save despite the desire to replace worn possessions. The figure for 1947's national income was £8.6 billion and the estimate for 1948 was £9 billion, assuming no change in working hours and a small rise in wages. Increased dollar earnings and reductions in imports would allow greater expenditure. The survey aimed to reduce the trade deficit by £250 million. At the existing tax rates it was believed more purchasing power would be removed from the economy than returned to it by governmental expenditure. To cover planned investment, saving by the public had to rise sharply to £575 million, a level it was unlikely to reach. The capacity for consumption was estimated at £7.675 billion, a level that could not be satisfied with existing supplies. The calorific intake of food, already below wartime levels, would continue to fall. Without E.R.P. aid even these diminished levels could not be maintained.

The previous year's objectives had mainly not been achieved. The 1947 survey had aimed for 80-85% of the 1938 import total, in fact only 74% had been imported. However, because of rising prices these imports had cost £1.6 billion compared to the
£1.45 billion anticipated. Exports had only risen to 120% rather than 140% of the 1938 figure, so the trade deficit was £655 million instead of the expected £330 million. Coal output had fallen 3.5 million tons short of its 200 million tons target and steel output by 0.25 million tons of its 12.75 million tons target. Housing had suffered from cutbacks in investment and only 58% of the 240,000 permanent houses aimed for, had been built.

The working population had risen 333,000 more than had been expected due to 95,000 foreign workers and more female and retirement aged workers staying in industry. Coal mining, agriculture, building materials and public utilities had suffered labour shortfalls, mainly as consumer services and distribution had exceeded their ceilings. These results, the survey suggested, proved that the Government could "encourage" but it could not "compel" fulfilment of its targets. The Statement on Personal Incomes, Costs and Prices, had been delivered to Parliament in February 1948 and was attached as an appendix to the White Paper.

The importance of the White Paper as a public document can be seen by the arrangements made by Clem Leslie who was responsible for media coverage of planning. Two versions were available to the public: the full White Paper and the "popular" version. The latter summarised the government's objectives, concentrating on "facts". It was aimed at "the reasonably intelligent factory and clerical worker", rather than experts or "political illiterates". It was sixteen pages long, with two colour charts and cost 3d (1½p), whereas the White Paper was 62 pages long and cost 1s (5p). The popular survey had a first section on balance of payments and reserves, a "centre-spread" showing 1948 export targets followed by passages on production and manpower targets, and on personal income. It sold 440,000 copies and the White Paper, 60,000. This can be compared with the sale of 635,000 copies of the best-selling 1942 Beveridge Report.
As seen in Chapter IV, Mass Observation noted that, in Rogow's words, "the whole emphasis" of the survey "had not been grasped." It can be argued that the survey's attempts at exhortation were wasted. However, it was the issue of targets and the workload of producing the surveys rather than this failure which provoked the planners' declining enthusiasm for the annual surveys.

The survey was released on Tuesday 9th March, with a radio broadcast about it made by Cripps the next day. The lobby correspondents had received the final revised proofs on the previous Friday and were able to question Cripps and Plowden at a conference held on Monday 8th. A series of press conferences followed the presentation of the survey to Parliament. The first was for the City Editors, hosted by Cripps. This was followed immediately by one for the U.S. press. Other conferences were given by the Treasury and E.I.U. for British industrial and Commonwealth correspondents. In fact the newspapers made little use of the press conferences and instead simply lifted or paraphrased huge chunks from the survey.

The statement printed for the American journalists asserted that Britain remained "one of the two, fully developed industrial systems left intact in the world." The statement outlined Britain's grave balance of payments position especially in relation to dollar countries, and the need to "reshape" the whole economy and increase trade to sustain people and industry. Without outside help Britain could not import more than was sufficient for its own self-preservation and thus would be unable to assist European recovery. The survey indicated the optimum pattern of imports for the British economy to allow it to emerge as "a well-established great power" capable of safeguarding world stability. The statement was written to appeal to U.S. policymakers and to demonstrate that aid would not be wasted on "luxuries".

Officials expected the White Paper's release to be used to cross-examine the government on its wider economic policies. Much effort was put into anticipating the domestic press's questions. However, this reflected more closely officials' concerns.
rather than those of journalists. Many of the suggested answers were evasive. They also demonstrated an austere attitude and a "wait-and-see" approach to Marshall Aid. Officials worried that there was no guarantee that the 1948 targets could be fulfilled when the 1947 ones had been missed so badly. The suggested answers blamed changing world conditions and claimed that the targets were not "over coloured either by optimism or pessimism." A similar approach was adopted for questions on personal savings and the feasibility of cutting investment. Unrequited exports were seen as a dangerous issue for the Government. The line suggested was that a healthy level of multilateral trade of whatever kind, was to be desired.

The launch of the 1948 survey caused more stir in the newspapers than any of the other surveys, due partly to the bleak facts it revealed. It drew attention to Britain's economic plight. The survey's honesty in exposing the difficulties faced disarmed its press critics on the right, but made it hard for liberal and left-wing newspapers to make positive responses.

The Times and especially the Evening Standard viewed the survey as "grim and depressing" with "many ominous warnings." The News Chronicle saw some "patches of sunlight" in the survey's "black shadows" and these were grounds for "hope and encouragement." The Daily Herald, the labour movement's own newspaper, deemed the survey "a hopeful document." The Manchester Guardian, the Financial Times, The Economist, The Times were a bit more positive and believed that despite the gloom the survey was "candid" and "at least had the outlines of a policy." The Daily Mirror saw the survey as a "climax" to its own recent "Face The Facts" campaign on the economy, which
had attracted the attention of officials and Morrison who saw them as "useful"\textsuperscript{113}. The \textit{Daily Mirror}'s attitude was generally positive, though disappointed that no four or five-year plan had emerged\textsuperscript{114}.

The survey did emphasise to the press how important Marshall Aid was to the British economy. Until it was allocated the \textit{Daily Herald} believed "uncertainties" would remain about the economy\textsuperscript{115}. The \textit{Daily Telegraph} noted that the survey revealed that without aid the future would be "distinctly unpleasant"\textsuperscript{116}. The \textit{Economist} saw this dependence on foreign aid coming "near to defeating planning in any real sense"\textsuperscript{117}. In fact Marshall Aid was to prove a boon to France in carrying out its economic plans. In contrast, the \textit{Manchester Guardian} argued Marshall Aid was necessary for any of the Government's objectives to be successful\textsuperscript{118}. The right-wing \textit{Daily Graphic & Sketch} saw the survey "warning of distress and unemployment", even with foreign aid forthcoming\textsuperscript{119}. The Communist \textit{Daily Worker} similarly saw 1948 portrayed as a "year of ever-tightening austerity"\textsuperscript{120} but believed that Marshall Aid was helping to build "a military bridgehead for the U.S." with funds being "frittered away in military expenditure"\textsuperscript{121}. Only the \textit{Evening Standard}, owned by Lord Beaverbrook, suggested that Britain should "refuse" any "more charity, any more doles, any more loans from the kind-hearted American people" and instead develop the British Empire into the "richest trading area in the world"\textsuperscript{122}.

From the U.S.A. itself, the \textit{Wall Street Journal} adopted a more understanding tone than in 1947. It welcomed the realism of Cripps, the "Economic Czar", and emphasised how much austerity the British public had had to face in the past decade, and would continue to endure, even with Marshall Aid, as consumer goods had to be exported for foreign earnings. It was less sympathetic to Britain's swollen public expenditure and bureaucracy\textsuperscript{123} and high taxation\textsuperscript{124}.

As before, newspapers suggested economic policies that the Government should pursue. The \textit{Daily Mail} favoured \textit{laissez-faire} and unrealistically called for a
return to Britain's pre-Great War trading position which it saw as having been wrecked by planning. It pointed to the Belgians, whose concentration on consumer industries had soon restored their standard of living. In Britain even the focus on basic industries had failed to raise output. The Times and the Daily Telegraph urged cuts in government expenditure. The latter wrongly believed that the Budget was going to play "a significant part in furthering the objects of the Survey".

The Spectator rejected laissez-faire as an "absurd" alternative to planning. However, the journal focused on the difficulty of reconciling the trade unions to planning in the conditions of "over-full employment". Sir Graham Cunningham, a member of the E.P.B., who did not see planning as a permanent feature, did argue in the Spectator that during the present crisis the "tentacles" of planning had to embrace all economic resources and key industries, but must only "intimate" what was required. The Financial Times argued that the Government had little "constructive policy" and had to recognise that Britain was in the grip of world forces and planning was "virtually powerless". The "violent revisions" of its trade calculations threw "doubt on the value of any official estimates". The problem of having to revise figures was subsequently harped on in Parliament.

The survey was released two weeks before the Budget which meant that holding a separate debate on it would be difficult. As Leader of the House of Commons, Morrison moved to combine the two debates. He argued that now the Chancellor was also Minister for Economic Affairs it was sensible that both financial and economic aspects should be covered together. The combined debate was established as the model for the remainder of Labour's time in office. Churchill, initially hostile, softened to the idea and highlighted "the advantage" of dealing with Cripps, the "overlord" of Britain's "economic life". However, Dalton, though no longer Chancellor, persisted in suggesting that the Budget and survey should be kept as far apart as possible. There was more acceptance of the combined debate from...
Opposition frontbenchers like Harry Crookshank, Oliver Stanley and the Liberal Leader, Clement Davies. The debate began on 6th April. Cripps highlighted the changes in the planning machinery since the previous survey. The Budget was now portrayed falsely as "complementary to, and, indeed, in some sense a part of the National Economic Plan".

The survey was both praised and derided by the Opposition. Harold Macmillan and the backbencher, Austin Low, found the document gloomy, but effective. Nigel Birch, however, attacked its "dishonest accounting". M.P.s on both sides questioned how much impact the survey would have on ordinary people. The Labour M.P., George Benson, praised the courage of the Chancellor in speaking "forthrightly" but argued that a way still had to be found to convince people to restrain their wage demands. Barbara Castle, Parliamentary Private Secretary to Harold Wilson at the Board of Trade, reminded M.P.s that the survey had to address people not living "in a world of White Papers, Blue Books and statistics", but with ordinary "human hopes and fears" otherwise it would be ignored. Marcus Lipton, for Labour and the Conservative, Alexander Spearman echoed James Hutchinson's call for "the Government to make the position clear and to paint the picture in such a way that the man in the street can understand".

Conservatives, Sir Waldran Smithers and Oliver Lyttelton highlighted the previous survey's errors of 30% - 1,900% awry of the actual outcome and expected no better in 1948. The portrayal of British planning by Labour's Donald Bruce was very perceptive. He argued that the Opposition imagined:

"themselves to be in a perfectly safe and strong position to say that, whatever the Survey or plan produced by the Government, there must be no deviation from it at all, otherwise they can immediately criticise."

This had been a worry of officials and ministers which had encouraged the emphasis on flexibility in planning. Bruce believed the survey's objectives were "impossible to
achieve with any great degree of accuracy" as so much of it depended on "the self-discipline and co-operation of a whole people", and the Opposition were aware of this. Bruce recognised that the Government's ability to shape the economy rested on the use of "raw material allocations to cause redundancies in certain industries" to encourage "a movement of manpower from one industry to another"\textsuperscript{152}, which was an unstated assumption behind ministers' ideas on planning.

Cripps stated that the survey's forecasts were always uncertain, particularly given the prevailing inflationary pressure, but that it was important to provide as much information as possible to those involved in production. In a democracy the "economic plan" was not something of which "any Government" could "guarantee the execution". The Government was countering this inflationary pressure, by encouraging wage restraint and stabilizing prices, but remained opposed to fixing wage rates\textsuperscript{153}.

The Labour backbencher Ellis Smith, again calling for a four-year plan, attacked the Government's "present system" as "a device to prevent real democratic planning". He argued that the diversity of civil servants involved in planning, in the C.E.P.S., the Office of Economic Affairs, the Economic Section and the C.O.I. diffused their efforts. He called for "a Ministry of Economic Affairs with full authority"\textsuperscript{154}. Smith's line had been supported by seven fellow backbenchers and the \textit{Daily Worker} which advocated a planning commission\textsuperscript{155}, though this probably undermined Smith's credibility in Labour circles. His views were echoed by the Communist M.P., Phillip Piratin, and the Labour left-winger, Lester Hutchinson\textsuperscript{156}. Piratin accused the Government of not adopting neither "a planned democracy" nor "a Socialist approach but a capitalist policy" which was simply "toadying to big capital and industry"\textsuperscript{157}. Even Conservatives, such as Oliver Stanley\textsuperscript{158} and Sir David Robertson called for the Government to fulfill its promise of long-term planning\textsuperscript{159}. Lyttelton saw the survey as marking "the complete failure of planning" through which
the Government had intended "to direct the whole of the production and economic activity of the country from Whitehall"\textsuperscript{160}.

As ministers attacked the far left for advocating undemocratic means\textsuperscript{161}, they were similarly criticised by the Conservatives\textsuperscript{162}. Smithers, a far-right Conservative accused Cripps of carrying the "bludgeon of the totalitarian dictator"\textsuperscript{163} with policies that held "contempt for the law" and turned the public into government cyphers\textsuperscript{164}. Lyttelton believed, accurately, that as the Government had suspended the price system they faced the fact that without labour direction it was "manifestly impossible" to plan such a complex economy in the way the Government suggested\textsuperscript{165}. Spearman felt, however, that Cripps, unlike Dalton, had recognised that the Budget was "the prime instrument for guiding the economy"\textsuperscript{166}.

There was common ground on the issue of controls. Labour and the Conservatives were not as far apart as some M.P.s made out. Spearman said Cripps also recognised that controls had only limited effectiveness in combating inflation, and numerous, trivial controls distorted the economy\textsuperscript{167}. Harold Wilson, the President of the Board of Trade, acknowledged the problems of controls\textsuperscript{168}. He was currently overseeing the removal of control as fast as inflationary pressure permitted\textsuperscript{169}. He argued, however, that the Opposition's only policy for shaping the economy would be to increase unemployment\textsuperscript{170}.

Concluding, Cripps highlighted the degree of consensus and pointed to the "uniform acceptance of both the facts and the analysis of the facts" in the survey. Yet he suggested that the Opposition saw just two alternatives for the economy - either complete freedom or a rigid plan with labour direction. In fact Britain was pursuing a third option which was to achieve the best for the country without interfering with individuals' freedoms. He insisted it was wrong to say that democratic planning had failed\textsuperscript{171}. The debate, however, encapsulated the bulk of the concerns that the Government had about its planning policy. M.P.s could see the dilemmas of trying to
predict the future accurately, and in attempting to execute a plan without curtailing personal freedoms. Ministers were less confident of their abilities than the brave front presented in the debate by Cripps, Wilson and Jay suggested\textsuperscript{172}.

The survey clearly alerted the public, officials and politicians to the problems that Britain was facing. It also showed how essential Marshall Aid was to any kind of recovery. Though 1948 can be seen as the last year that any section of the press really believed in the possibility of planning, the faith of politicians lingered for another year. Given the crises in the British economy there was an expectation across the spectrum of newspapers and among many M.P.s, that the Government would have to effect some sort of plan to revive the economy. Nothing as co-ordinated as this ever materialised.


5 Their capitals letters. Primarily U. S. A., Canada & Argentina, occasionally other countries in the U. S. economic sphere in the Americas and Far East.


14 Ibid.


22 P. R. O., CAB 134/210, E. P. B. minutes, 5/2/1948.


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25 P.R.O., CAB 134/216, E.P.C. minutes, 9/1/1948.
26 P.R.O., CAB 134/210, E.P.B. minutes, 5/2/1948.
27 P.R.O., CAB 134/191, E.D. Committee minutes, 5/2/1948.
28 P.R.O., T 229/46, H. Weeks to Sir E. Plowden, 20/2/1948.
29 P.R.O., CAB 128/12, C.M.(48) 14th, Cabinet minutes, 16/2/1948.
30 P.R.O., CAB 128/12, C.M.(48) 16th, Cabinet minutes, 23/2/1948.
37 Ibid.
38 Ibid., Chapter II, section h).
43 Ibid., Chapter II, Section c).
46 Ibid.
48 Ibid.
52 Ibid.
53 Ibid., Chapter VII.
54 Ibid.
55 Ibid.
60 Ibid.
61 Ibid.
62 Ibid., Foreword.
63 Ibid.
66 Ibid., Chapter I, Section h).
67 Ibid., Sections b)-f).
68 Ibid., Section h).
69 Ibid., Chapter II, Section d).
70 Ibid., Section g).
71 Ibid., Section f).
72 Ibid.
73 Ibid.
75 Ibid.
77 Ibid., Appendix I.
78 Ibid.
79 Ibid., Appendix II.
82 Ibid.
89 Ibid., Rogow's italics.
93 Ibid.
96 Ibid. Questions of this sort were suggested both in op. cit., T 229/46, "Possible Press Questions" & "Points on Questions".
98 Ibid.
105 The Economist, 28/2/1948, "The Cost Of Ignorance".
110 The Times, 10/3/1948, "Britain's Crisis".
117 **The Economist**, 13/3/1948, "Sink Or Swim?".
121 **Daily Worker**, 11/3/1948, "Freedom Or Beggary".
123 **Wall Street Journal**, 10/3/1948, "Britain's Burden Hasn't Lightened".
126 **The Times**, 10/3/1948 "Drain On Reserves".
127 **Daily Telegraph**, 10/3/1948, "Industrial Targets For 1948".
129 **Spectator**, 16/1/1948, "Planners And Wages", Honor Croome.

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152 Ibid., 12/4/1948, col. 691.
159 Ibid., 13/4/1948, col. 863 & cf Cripps's comment on this col. 905.
162 Ibid., 12/4/1948, col. 635.
171 Ibid., 13/4/1948, cols. 905-6 & 912.
With Robinson in Paris involved with Marshall Aid, his job in preparing the economic survey fell to the C.E.P.S.'s William Strath and Butt of the Economic Section. Butt disliked Robinson's Gosplan-style approach, though he did not oppose including all targets. In fact, Butt fought to prevent the survey becoming a collection of vague aspirations. Following the success of the previous popular survey, the 1949 version took a further step towards becoming a brochure for the Government's economic policies. It encouraged the public to express its patriotism through harder work and sacrifice. However, the previous hints of socialist realism were replaced with a more patronising tone.

The first hurdle that the compilers had to overcome was opposition from officials to producing another "Economic Survey of the traditional kind." Clarke complained that it would put "fantastic pressure" on the Treasury. He felt that the existing workload meant the quality of statistics was "falling off" and left insufficient time to "apply policy" to them. Clarke wrongly believed that Cripps would not press for another economic survey. Hitchman, Plowden's deputy, sympathised but made it clear that the Chancellor's enthusiasm meant a survey had to be produced. Hall felt that Clarke was exaggerating the burden.

Hall and Butt were keen to start work on the survey to avoid last minute rewriting. By September 1948, Butt was making suggestions for the form the survey should take. Clarke remained recalcitrant. Even in November he would not submit a Programmes Committee report which was vital to the survey. Clarke argued that it was too late to implement any import policies within that financial year. Consequently any problems the survey revealed would "have solved themselves" by the time of publication. Additional figures would just burden ministers unnecessarily.
The function of the surveys continued to be debated. It was seen, probably by Douglas Jay, as:

"lamentable that both officials and Ministers should consider the Survey annually prepared for them merely as material for exhortations to voters."\(^{12}\)

The surveys did represent "a general check up" of the economy, but it was argued that planners had to be "prepared to take a 'serious' Survey seriously" or not bother. The alternative was a "White Paper wholly designed from the beginning to meet public relations needs"\(^ {13}\).

Butt suggested creating two surveys, one each for ministerial and public consumption. Fleming, the Deputy Director of the Economic Section, felt the "window-dressing Survey" for the public should be the E.I.U.'s job\(^ {14}\). Butt emphasised that the survey should present ministers with a set of recommendations rather than having the C.E.P.S., "prescribe" a solution separately\(^ {15}\). Dow of the Economic Section wanted the survey to be more a review than a forecast. "Forward planning", he argued just fell "apart into a continuous series of imperfectly co-ordinated decisions". The Government's economic tools could only be "a predictable modification of trends which can be forecast rather than potent instruments of conscious decisions". Dow did acknowledge that the surveys could be "an aid to exhortation"\(^ {16}\). Fleming was sympathetic but believed devoting half of the survey to the previous year was too extreme\(^ {17}\).

Despite such debates the established procedure was in progress. It was clear that Cripps was keen to proceed and to include material from the recent Long Term Programme\(^ {18}\). In mid-September 1948, Plowden sent Bridges the first timetable for producing the survey. This envisaged the survey being considered by the E.P.B. and the E.D. Committee before Christmas 1948 and by the E.P.C. in the new year. Delays meant that these meetings were held in February 1949\(^ {19}\). Ultimately the Production
Committee, rather than the E.P.C., scrutinized the survey before it went to Cabinet. Clarke was proved correct in identifying the burdens placed on the officials. In February 1949, Butt wrote of the "intense pressure" of the work leaving "no time for consultation" with departments.

Though the E.D. Committee acknowledged Clarke's concerns, Hall, Plowden and Bridges did not doubt that there would be a survey. The key question was its form. It was recognised that Cripps had created the expectation, in fact a false one, of a:

"new concept of handling Government economic and fiscal policy as a whole on the basis of annual reviews of the economic position of the country".

The survey had to inform the British public what the Americans and the O.E.E.C. had been told and outline the investment decisions ministers had taken. As Cripps's target publication date of 20th January came before the balance of payments figures would be available, material prepared for the O.E.E.C. was used to fill the gap. The E.D. Committee decided that "manpower targets and chapters dealing with specific commodities might be omitted from the 1949 Survey". The preparation of the survey was put under the "general supervision" of Hitchman. By October 1948 work was underway.

The American European Co-operation Administration (E.C.A.) confirmed that the British could publish the survey on 20th January 1949 without upsetting the plans of the U.S. Congress. The fear was that as the survey contained elements of the programmes submitted to the O.E.E.C., it might be undermined by the Americans publishing these programmes first.

In fact, it was soon apparent that the original timetable could not be fulfilled. The review of 1948 had been produced in October, but the forecasts took longer. Owing to the varying times when different statistics became available, in November,
Jackson and Saunders of the C.S.O. suggested dividing the survey into a version covering production released in February with a financial section following in April. Hall dismissed this as going against "the whole idea" of the survey as a comprehensive view of the whole economy.

By December, Hall reported that the compilers had been working "very much against the clock" to get even the first draft completed. By late December the date of publication had been pushed from 20th January to 8th March 1949, thus adopting a similar schedule to the previous year. Cripps subsequently agreed to push publication back a further week to incorporate figures on profits and wages. It was difficult to keep figures up-to-date when they had to be scrutinized by the E.P.B., the E.D. Committee and the Production Committee. Between January and mid-February the compilers were showered with "a hail of suggestions" from across Whitehall.

The section on controls, which the Production Committee had been eager to include, suffered the most from the "horrid scramble". The Board of Trade's paper arrived just a month before final publication and Butt was forced to have its elements "blended in". Though it was "not what Ministers asked for", it caught the essence of what they had sought. The paper recognised that controls were obstacles to enterprise and efficiency. They were expensive both in money and manpower and so would be simplified or removed when no longer necessary for countering inflation or for "production plans or other purposes of economic policy".

The E.I.U. was able to produce the "short" survey, Survey '49, almost independently. It aimed, however, to exhort the public to tackle the problems indicated in the full survey. The short survey was designed to appeal to the general reader and made use of numerous photographs showing things such as housing, different forms of production, imports, and the type and destination of exports. Six charts originally included were discarded due to the Ministry of Fuel and Power's...
opposition to any details on the coal industry and the E.P.B.'s and E.D. Committee's feeling that if the survey contained charts they had to cover the whole economy. The tone of Survey '49 was patronising throughout. Mass Observation noted that the compilers did not grasp the difference between "popularisation" and "vulgarisation" nor that to "talk to everyone is not" to "talk down". Survey '49 also smacked of American-style advertising which Rogow states was becoming more commonly used by British companies at the time. The 48-page short survey broke the economic position into simply titled issues like "Our Food", "Our Jobs", "Making Ends Meet", "The Coal Plan" and "For Us to Choose". They relied on numerous rhetorical questions to draw the reader in, but some were overly complex. From the start the survey stated that 1949 could not be "an easy year", but represented "a further step" to economic independence for Britain. Above all, the survey emphasised the need to boost exports and this depended on the "wisdom (or folly)" of the choices the public made. The "four big ideas" which ran through the survey were: increasing dollar exports and production; assisting recovery in Europe and developing the Sterling Area. The popular survey emphasised the economy's dependence on imports from the Western Hemisphere. The difficulties faced in securing sufficient exports to buy these were stated as: increasing production; other countries' import restrictions and the difficulty of finding sufficient buyers "at our present prices". This was not an indication of the forthcoming devaluation but part of the survey's consistent call for wage restraint.

Current sacrifice for a better future was another theme, for example limiting home consumption to allow exports which in turn paid for necessary imports. Survey '49 stated that consumer shortages were likely to persist for "a few years more". The benefits from increased production could not be realised quickly. Extra production was going into increased exports, new construction, health and education rather than to reduce prices. Thus the reader should:
"remember that when we feel that our personal incomes are not going up as we should like - it is coming to us in other ways."  

Budd claims that the popular survey "read like a cross between a sermon and a call to arms" and this part certainly had a sermonising tone. Choices about where exports went could only be made by "some of us" but behind them stood "others in which millions have a voice". This led neatly into productivity, and a choice for the ordinary worker. The "choices" sections were asking for wage restraint, harder working, and an acceptance of shortages for years to come.

Parts of the popular survey had a more traditional approach and covered similar manpower and output objectives as the White Paper. In particular details were taken from the Agricultural Expansion Programme. Survey '49 set no productivity targets. Throughout industry there were now shorter working hours and longer holidays which affected productivity, so the way to improve output was to embrace new practices.

Budd has commented that the popular survey's "discussion of inflation was particularly pious". The choice was "how much to take today or save for tomorrow". The "final choice" for everyone was whether to follow the "easy way" and "be selfish", spend savings and "press for higher wage rates" or pursue the "harder way", but by implication, the necessary one: "hold back a little longer, to make-do and mend", to limit wages and to release sufficient for export. Survey '49 painted an unappealing picture but fitted with Leslie's goal of presenting the benefits "of a disciplined, informed democratic people". The only critique of the popular survey came from Robin Marris who was sensitive to its public reception. He questioned some of its more dubious claims, for example that tractor production was a current triumph, that the prices of basic groceries would fall or that an additional 7-12 million tons of coal could be mined.
Historians tend to portray the surveys' decreasing number of targets as a
ggradual denudation. However, one can point to clear decisions in 1949 which
initiated the discarding of particular targets. Gaitskell, at the time the Minister of Fuel
and Power, was strongly opposed to targets for the coal industry. In January 1949,
Butt feared the re-writes would at the "last minute attempt to convert the document
into a 100% vote-catcher", but the motives for re-drafting instead arose from a lack
of confidence in forecasts.

In January 1949 the Production Committee agreed that the survey should
include no target for coal output or manpower. Officials felt this decision would be
"very damaging" in terms of "political consequences" and would make drafting
difficult. The alternatives were to drop all the targets from the survey or to continue
without figures for coal, which would arouse comment. Butt felt the generally
"cheerful" survey could "easily carry a few confessions" that the Government was not
"omniscient". He expected a revival of the "old controversy" of how far the
planners were giving hostages to the press and Opposition by setting targets. Butt
believed that commentators welcomed "honesty and frankness" in the surveys.

The National Coal Board had produced targets for individual pits. Its
chairman, Lord Hyndley had announced that at the current rate of production, output
would not exceed 202 million tons of deep-mined coal. The Daily Telegraph later
highlighted the difference between this and the 210 million tons necessary to fulfill
Britain's commitments to the O.E.E.C. Butt felt it essential to support the
nationalized industries' targets and enlisted the help of Plowden and Cripps. Despite Cripps's intervention, Gaitskell continued to oppose including any coal target.
He did not expect total production to exceed 217 million tons, and was unwilling to
face a repeat of the previous year's criticism when output of 208 million tons fell 3
million tons short of the target. Gaitskell felt it better to face criticism for leaving out
a target in the early months of 1949 rather than for not fulfilling it later, closer to an
election\textsuperscript{84}. The furthest Strath would go to "meet" Gaitskell's objections was to include an "estimated" range of 215-220 million tons, 7-12 million tons more coal than in 1948\textsuperscript{85}.

Butt resented the "reactionary suggestions" from ministers to drop statistical tables which undermined the basis "a complete survey"\textsuperscript{86}. As late as mid-February Strath complained of demands for a "holocaust" of tables\textsuperscript{87}. The question over how productivity should be defined\textsuperscript{88} was evaded and Hitchman felt the best approach was to make any section on it as unnumerical as possible\textsuperscript{89}. Butt was frustrated\textsuperscript{90} by the Production Committee setting a range for steel output between \(15\frac{3}{4}-15\frac{1}{2}\) million tons\textsuperscript{91}. This compromise, however, was included in the final draft\textsuperscript{92}. Officials mistakenly hoped that Jay could resist the Production Committee's tendency to discard statistics\textsuperscript{93}. Jay did feel the Government had "now gone too far in getting away from 'Targets'" and opposed the "defeatist" approach including a forecast of 725,000 for mineworkers rather than the previous target of 736,000\textsuperscript{94}. The Ministry of Labour countered that the industry could absorb no more miners. It felt that the failure to meet the 1948 survey's coal and textile manpower targets of the previous survey had led to unwelcome American criticism\textsuperscript{95}.

As in 1948, planners criticised the Ministry of Labour for being overly cautious. Hitchman saw the manpower table as "a vital feature" and felt the ministry wished to omit it because it revealed "a real and unsolved problem"\textsuperscript{96}. However, the Ministry of Labour now had the support of the Ministry of Fuel and Power and the E.P.B. In January the E.P.B. favoured general appeals rather than manpower targets, due to the problems in increasing labour in the undermanned industries. The Board however, did support certain production targets\textsuperscript{97}. Hall believed that the manpower targets would be unattainable without additional foreign labour, but the Ministry of Labour publicly ruled out much increase from that source\textsuperscript{98}. 

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The E.P.B. considered the first full draft of the survey on 6th January. Hall portrayed the outlook as reasonably hopeful, but for "publicity" purposes the survey would explain that in "climbing out of a deep pit it was possible to climb a long way and still not be at the top" and that economic improvements were heavily dependent on E.R.P. aid. The Board suggested that the survey should: make more of the success in wage restraint; indicate ways to raise productivity and show the effects of co-operation with the O.E.E.C.\textsuperscript{99}. Subsequently the E.P.B. pressed for the Ministry of Fuel and Power to produce a section on oil. Details had been excluded on grounds of security and commercial considerations. The main point made to ministers, however, was to omit the charts\textsuperscript{100}.

The E.D. Committee's meeting of 13th January on the survey was mainly spent on minor alterations. Hall portrayed the survey as still being "experimental" and including "tentative" figures, particularly affected by uncertainties over relations with the O.E.E.C. The officials felt it was "useful" to blame labour immobility for the failure "to meet the targets". The committee recommended that in future, "forecasts" rather than "targets" should be used - an approach now prevalent at all levels of government\textsuperscript{101}. The subsequent meeting on the published version added little\textsuperscript{102}.

The Production Committee, scrutinizing the survey on 26th January, still perceived it as an "effective instrument for economic planning" but felt that previously it had included "too much in the way of forecasts". The survey illustrated "notable achievements", but also that "the Government's powers of control were insufficient for the effective implementation of its economic policy". The committee felt "feeble and defeatist" sections on manpower distribution and exports to hard currency areas should be re-drafted to demonstrate the Government's "intention to continue to tackle" these issues. There was a concern, however, not to "suppress the true facts" for example on the electricity supply shortfall\textsuperscript{103}. Debate continued on the 22nd February\textsuperscript{104} and briefly in Cabinet on 28th February. The coal manpower target of
795,000 was retained; the principle of referring to "requirements" rather than "targets" was enshrined and small amendments were made to avoid upsetting U.S. and Commonwealth sensibilities. The survey was now ready for publication.

The compilers worked to a very tight schedule, with revisions still coming in through February. The deadline for amendments was set for 2nd March, and the publication date as the 15th. Cripps was closely involved in the finishing touches. The Ministry of Labour still resisted his attempts at compromise and even wanted the word "forecast" discarded from the coal section. They suggested the inclusion of a global figure of 795,000 workers in the industry to conceal specifics about coal manpower. It took Cripps's weight in Cabinet to resolve this long running dispute. As Strath showed, arguments had become "fighting over trivialities", representing less than 1% of the coal industry's labour force. The attempts to remove or generalize targets and quantitative forecasts reflected the fear that unfulfilled or inaccurate figures would lead to intolerable criticism. The E.D. Committee still acknowledged that "mistaken estimates in forward planning could not always be avoided and should not be concealed". However, Hall felt the survey had been "emasculated" to "the minimum" that would "get by Permanent Secretaries" and ministers.

Some issues remained to be resolved. The definition of productivity had been settled as output per man-year, but arguments arose about the expected increase. Following the E.P.B. and Production Committee meetings of mid-February, the figure was lowered from 3% to 2 1/2%, the same as used by the C.S.O. for the national income estimate. Between 1946-8 productivity had risen on average 4 1/2% per year. Even without governmental intervention between 1924-35 it had been rising at 2.8% annually.

The balance of payments figures and the estimates of the national income and expenditure were the last elements to be included so that they could be up-to-date. Clarke produced the trade figures so late that they could not be properly scrutinized.
Cripps adjusted them himself before they were included in the survey. Hall resented the way that the Treasury's Overseas Finance Division had been able to evade the E.S.W.P., E.P.B. and E.D. Committee stages through which all other contributions had had to pass.

Jay reported that ministers on the Production Committee had been concerned about the length of the White Paper, particularly as it was to include a fourteen page investment appendix. Ultimately, however, it was no longer than the first draft. Many of the amendments suggested, particularly by Jay, were to simplify the language and make the tone more positive but left the White Paper less detailed than its draft. The review of 1948 was halved for the final version and the language, especially in Part II, was softened. Forecasts were more generalized and references to agricultural "targets" were discarded. However, the White Paper was less hesitant about investment than the first draft. The one section which was expanded between the first draft and the White Paper, was on E.R.P. aid. The first draft focused on reserves, the White Paper instead tied the question of American aid more explicitly to saving and earning dollars.

The first draft had predicted a "very low figure for unemployment". It railed against manpower targets, as 1948 had shown that high targets were unattainable without "very drastic measures". The White Paper emphasised the successes in agriculture and textiles using nothing harsher than the Control of Engagement Order. The stance towards foreign labour changed dramatically. Though neither version expected that more than 5-10,000 foreigners could be recruited, the first draft emphasised how important it was to have direct control over foreign workers. It argued "most of them" were "unlikely to make good industrial workers". The White Paper talked of continuing to bring in foreign workers without going into much detail. Both versions complained of the resistance of the British to the employment of foreigners.
The first draft believed that wage restraint could not "be expected to persist indefinitely" and that it would be easy to return to highly inflationary conditions. The "cure" of deflation "would be worse than the disease". In the White Paper detailed analysis was replaced with general comments. The White Paper also neglected productivity, controls, the export of capital, and analysis of the balance of payments problems in relation to E.R.P. Whereas the first draft argued that productivity was really a matter "primarily" for "management", the White Paper encouraged the whole population to greater efforts, but acknowledged that there was a prevalent "mentality conducive to stability rather than progress".

The draft expressed the fear that the E.R.P. allocation would impose "unwelcome" conditions that Britain would find difficult to accept such as greater European integration. Even if this was so, Britain could not refuse the aid which paid for three-fifths of its imports and without which the country would be in danger of industrial slump and unemployment. In contrast, Britain was supplying less than 1% of the U.S.A.'s imports.

The White Paper consisted of 63 pages, with three main sections and an appendix on investment programmes. The review of 1948 demonstrated in general terms that despite the failure to fulfil the coal and textile targets, output was sufficient to allow exports. Steel production had been a particular success. Despite a deterioration in the terms of trade, the balance of payments and national income and expenditure had all improved allowing more for domestic consumption. The survey stated that civil employment had increased by more than expected, prices had remained stable and wage restraint had persisted, though without going into detail.

The White Paper included coal and steel output forecasts, though it acknowledged the difficulties in reaching them. Other raw material supplies were affected by the ability to pay for imports and the amount of aid Britain was allocated. Electricity remained a "disappointing" sector as growing demand exceeded generating
capacity. The textile industry was set clear targets as its products were still seen as important for export. The Agricultural Expansion Programme determined the agricultural objectives though the survey indicated the progression towards these.

The survey recognised that it had proved difficult to reduce investment in the past, and it encouraged the public to save, thus enabling investment. Investment programmes were expected to exceed 1948's by £120 million, but delays would mean actual investment would be below the forecasts. There would be a slight fall for housing and social services but a rise for education. Investment in railways, electricity and petroleum production would increase whilst that in roads, shipbuilding, and commercial vehicles would fall.

Britain had achieved a current account balance of payments surplus of £30 million in the last half of 1948, from a deficit of £150 million in the first half. The running deficit stood at £630 million, compared to the overall deficit of £200 million for 1949/50 anticipated by the Long-Term Programme. It remained essential to cultivate non-dollar sources of supplies. The Government aimed to spend no more dollars than could be earned or supplied through E.R.P., which at around $1.26 billion (£313 million) was currently sufficient. All the survey's forecasts were based on continued receipt of dollars through the E.R.P.. However, a major British goal was to be economically independent as soon as possible and so the U.K. had to work with Europe, the Commonwealth and the colonies to improve the economic position.

Export targets were included unashamedly. The overall aim was 155% of the 1938 volume. Except in textiles, the previous year's targets had been achieved, despite the worsening terms of trade. The vehicle and machinery industries had been particularly successful. It was felt that the peak in U.S. demand for primary products had been reached and the prices would fall, benefiting British industry. The import programme was set to match the increase in supplies. Shipping, tourism and general export receipts were expected to rise, but uncertainty over the level of E.R.P. aid after
June 1949 made predictions of the balance of payments further forward, difficult to compile. As the survey was produced in March, this showed it could only look three months ahead\(^{141}\).

There were five main objectives for trade: saving on dollar imports by greater domestic food and chemical production; increasing exports to the dollar area; diversion of imports away from countries demanding dollar or gold payments; development of the colonies and the surpluses they earnt, and assisting the Sterling Area to economize on its dollar imports. Britain needed to produce more goods which could compete in the free market and British manufacturers had to "overcome" their "reluctance" to undertake new ventures\(^{142}\). Recognition was developing that the British economy could not be forced back into its pre-war patterns. Yet the attachment to textiles remained as their raw materials were more readily available than those for machinery, vehicle and chemical production.

Manpower figures were calculated on a new basis that included all workers over pensionable age, domestic servants and part-time workers previously omitted, giving the total industrial population as 22.075 million, 2.6 million higher than on the old basis\(^{143}\). The working population had fallen by 100,000 in 1948, only a third of the anticipated level. There was still the hope that employment in the undermanned industries could be increased and the Control of Engagement Order was deemed sufficient. Recruitment to the coal industry was matching the loss of 70,000 workers per year. Any expansion was hindered by an unwillingness to accept foreign labour. Unemployment was to reach 350,000, mainly consisting of workers between jobs\(^{144}\).

The survey warned that its national income and expenditure "calculations" could not "claim to give more than a broad illustration of the tendencies at work". Consumption forecasts, formulated before the Marshall Aid payments or the bumper potato harvest, had been "unduly pessimistic". In 1947-8, consumption had risen at a rate slower than the growth in national income. Food consumption was set to rise but -220-
would remain below the wartime average. Rationing, though removed from footwear, remained necessary for food and clothing. Government expenditure was to increase by £125 million from £1.914 billion in 1948, mainly due to N.H.S. expenses\textsuperscript{145}.

Disinflation would continue in 1949 with a current account surplus of £415 million and restrictions on home consumption to allow increased exports. Personal savings of £210 million were needed to fund the required investment. Investment was unlikely to reach the forecast level but restraints would remain on credit to prevent excess investment. Combating the "evils of inflation" was "necessary for economic and social stability" and the public had to restrain wage demands or face fewer imports, falling standards of living, and rising unemployment\textsuperscript{146}.

The public were also urged to greater productivity to increase British prosperity and eventually enable economic independence. The Government would ensure that controls did not "distract the energies of management and hamper the progress of efficient firms" and by promoting initiatives such as the B.I.M. and the Training Within Industry scheme of vocational training for workers by the industries themselves. Joint consultation on improving efficiency in the workplace was also encouraged. Given prevailing full employment, workers were told not to perceive change "with suspicion"\textsuperscript{147}.

The main part of the survey concluded that the country had left the period of "re-adjustment" and "the improvisations of crisis" and moved into the era of "steady" policies of a long-term programme. It wrongly predicted that there would be no great changes in 1949\textsuperscript{148}. Though the survey suggested that export prices were too high, this was used as an argument for restraining labour costs rather than for hinting at devaluation. The dollar and gold reserve figures should have raised greater concern than appears to have been the case.

Despite the reluctance to include quantitative forecasts, the sixteen-page investment appendix was very detailed. It outlined the anticipated investment for
many of the economy's key sectors and compared these with the 1947 and 1948 actuals149. The Government of Northern Ireland handled its own investment of £27 million but the survey stated it would ensure "harmony" with Great Britain's, though no details were given of its plans. Coal investment was aimed at improving output and making the job more attractive. The previous year's predictions of the rate of investment for the electricity industry had proved to be overly optimistic. Despite this, the 1949 targets were double the pre-war rate of expansion and treble that of 1948. Most of the investment in gas would go on new equipment and extension of the system. However, such expansion was hampered by the heavy demand for machinery for other projects and for exports. To alleviate the pressure on coal and to reduce dollar expenditure, the domestic British petroleum industry had seen vast growth. The Government had decided to double British refining capacity by 1953 and this was linked to developments in the petro-chemical industry150.

Railways were unlikely to receive much new investment as the cost of maintenance was so high and renewal could only be permitted where it was necessary for safety. Roads faced similar treatment and maintenance was limited to avoid drawing labour from agriculture and building. The number of commercial, and public service vehicles, such as buses and trolley buses available to the domestic market would be slashed to encourage exports. Investment in shipping would be limited by steel and would focus on tankers to tie in with the increase in British oil refining. The work on ports still had to replace heavy war damage and to accommodate the growing size of shipping. Civil aviation investment would concentrate on new aircraft and on developing Heathrow Airport. To make up for the wartime backlog Post Office investment focused heavily on telephones. Industry and commerce would receive priority over domestic consumers who would face continued delays in connection151.

Agriculture and forestry, control of which was mainly in private hands, were already tied into long-term plans - agriculture within the five-year Agricultural
Expansion Programme, and forestry through the fifty-year scheme of 1946. The Government's contribution to farming would be in research and college facilities plus workers' houses. Mechanization had increased greatly and it was hoped that this would annually increase output per worker per year by \(2\frac{1}{2}\%\)^{152}.

Steel, still in the private sector, was crucial for a number of investment programmes. Investment would go into increasing blast furnace capacity though some earlier schemes were coming to fruition. Investment in manufacturing had revived after a dip in early 1948 and most of the building licences were now being aimed at industries which would "substantially" increase exports or save dollar imports, would overcome shortages of common components or that were developing technical advances^{153}.

Housing investment in England and Wales was set to fall from £465 million to £375 million, however, in Scotland the pattern was different. Generally house building had attained a better balance of construction in relation to the labour and materials available so the construction of temporary houses was being halted. In education, the number of pupils had risen from 4.7 million in January 1947 to 5.2 million in 1948 due to the school leaving age being raised from fourteen to fifteen in April 1947^{154}. A £40 million building programme was being started to provide additional places^{155}. School canteens, teacher training, and schools for the handicapped would get little. Most of the investment in the N.H.S. covered building work and maintenance, which had been neglected during the war. Construction would focus on relieving mental institutions' overcrowding and on nurses' accommodation, as 60,000 beds were empty for lack of staff, presumably in England and Wales alone^{156}.

None of the armed services had reached their 1948 targets for new buildings and repairs as much due to staff as raw material shortages. Their focus continued to be on reconstruction. Investment in government buildings similarly aimed to overcome wartime neglect and build some new Civil Service premises^{157}.

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As they were circulated with the survey for the first time, the investment programmes received a higher profile, even though the Government recognised how limited was its ability to direct investment. Yet, sections such as those on electricity, steel, agriculture and forestry clearly included plans which looked further ahead than just a year.

Shortly before the survey's publication, Sir Oliver Franks, now the British Ambassador to the U.S.A., was concerned that it would displease the Americans. Consequently the Foreign Office (F.O.) asked for the survey to be re-checked with "Washington repercussions and frayed tempers in mind". The survey was already with the printers, and Hitchman re-assured him that F.O. staff had seen the drafts which had been written with an eye to American reactions. A 3,000-word summary had been produced for American journalists who would receive special attention at the launch. The summary talked of the "timely assistance" of the U.S.A. and the "great" E.R.P. Though much was taken from the White Paper, the order was changed. Consideration of trade was placed before rather than after the production statistics. It emphasised that the British would "continue" their "exertions" to achieve "economic independence". Britain would "develop a keen and adventurous spirit" and make "a further major effort", in production, productivity and exports. In contrast to the private apprehensions concerning European integration, the summary stated that Britain was "joining whole-heartedly" in the "endeavour", including the co-ordination of the long term plans with other O.E.E.C. members. A brief summary of key statistics from the survey was produced for the British press.

The survey was released on 15th March 1949 almost two months later than originally intended and less than a month before the Budget. Cripps presented both the White Paper and the short survey version to Parliament and then hosted two press conferences, first with the Americans, and then with the general British press. A day earlier, Jay addressed the lobby correspondents, who had received an advance copy.
Further press conferences followed for the City editors and for the industrial correspondents, handled by senior officials including Strath, Hall and Butt. The Balance of Payments White Paper was launched on the same day, but only the City editors were expected to refer to it. Unlike in 1948, officials expected Cripps to be too busy to make a radio broadcast.

There were again attempts to anticipate the questions that would be asked at the press conferences. Officials' concerns revolved around issues such as targets, investment control, balance of payments, productivity, the standard of living and the nature of the survey itself. An assault on the whole basis of the surveys was expected such as:

"does the Government now recognise that precise planning is fruitless, and that all that is possible is to gauge the main trends and go with them?"

Some proposed responses seemed to fit that mould. The answer suggested on productivity stated that it was "impossible to generalise with precision". It was argued that the Government had never aimed to "undertake precise and comprehensive plans" and its system of encouragement and restraint had proven to work. Plowden was concerned about some of the suggested answers and put forward amendments but added that precise plans were "impossible and undesirable in our sort of democracy". In talking to the press, the Chancellor had to be careful not to reveal Budget details nor comment on controversial issues such as housing. The survey expressed housing targets in money terms. Aneurin Bevan, the Minister of Health, had avoided answering the question on the target number of houses in Parliament, but had not withdrawn the figure of 140,000 from the Investment White Paper. Cripps was advised to be evasive on the issue.

Cripps did announce some supportive measures for the survey's policies such as helping exporters to the Western Hemisphere by providing dollars for advertising.
Cripps stated that the exchange rate would remain unaltered even if there were persistent difficulties in exporting, though six months later the Government devalued\textsuperscript{174}. He portrayed the survey to American journalists as an "instalment" of the Long-Term Programme, yet was evasive on how conflicting O.E.E.C. countries' programmes would be reconciled. Cripps said he believed the sellers' market was coming to an end, but did not fear German or Japanese competition in the year ahead. He welcomed the restoration of exports by other O.E.E.C. countries to rival British ones.

Rearmament was already a concern for the American public and the British Communist newspaper, the Daily Worker saw "spending on war" hanging "over the whole Survey"\textsuperscript{175}. Cripps, however, said he assumed no change in British armament expenditure\textsuperscript{176}. At the press conferences Cripps also corrected errors in the survey\textsuperscript{177}. The questions proved to be more straightforward than anticipated and Cripps was able to get through it with a combination of generalities, evasion and reference to Budget secrecy. He was helped by the failure of the British press to make much use of the conferences for challenging the Government. The Daily Mail, Evening Standard and Spectator, for example, had no coverage of the 1949 survey.

The survey was broadly condemned by the press\textsuperscript{178} as "uncertain" and "confused"\textsuperscript{179}. However, both the Manchester Guardian\textsuperscript{180} and The Times praised the "excellent" popular survey\textsuperscript{181}. The most negative view came from The Daily Worker which saw the survey as "full of blatant capitalist propaganda"\textsuperscript{182}. In contrast, the News Chronicle felt the survey was written "with unusual care and skill" that allowed "every citizen" to "understand his role"\textsuperscript{183}. Unsurprisingly, the Daily Herald, stated that it was a "citizen's duty" to buy a copy, understand and discuss it\textsuperscript{184}. The Wall Street Journal's coverage of the surveys became more sympathetic by the year. As in 1948, it portrayed Cripps as proceeding cautiously to improve Britain's

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trading position and emphasised that the British public would continue to face economic hardship\textsuperscript{185}.

The \textit{Manchester Guardian}\textsuperscript{186}, \textit{Daily Telegraph}\textsuperscript{187}, \textit{Financial Times}\textsuperscript{188} and \textit{The Times} all argued that if the counter-inflationary policy was to succeed, attempts to curb investment had to be accompanied by cuts in tax and public expenditure\textsuperscript{189}. The \textit{Daily Telegraph} focused on the difficulty of increasing exports to the U.S.A. when a slump was expected there. The price of British exports and other countries' import restrictions were also obstacles\textsuperscript{190}. However, the \textit{Financial Times} alone raised the question of devaluation. It stated exporters were happy to make easy profits in soft currency markets with overpriced goods, but this just perpetuated the disequilibria with the Dollar Area which would bite once Marshall Aid ended\textsuperscript{191}.

The \textit{Manchester Guardian} countered the survey's claim that the Government's labour policy had "met with a large measure of success" and pointed to some "large increases" in wages\textsuperscript{192}. The \textit{Daily Worker} complained, though, that production had increased in 1948 by 12\%, but wages had risen by only ½\%. Increased production without increased consumption, it argued, could only lead to redundancies and mass unemployment. The newspaper argued that the survey suggested "a greater degree of exploitation" of the workforce to achieve improved productivity and criticised it for appearing "quite happy" about unemployment at 350,000\textsuperscript{193}. Cripps claimed this was below what "had been considered the 'practical minimum'"\textsuperscript{194}.

The \textit{Financial Times}\textsuperscript{195}, the \textit{Manchester Guardian}\textsuperscript{196} and \textit{The Economist} criticised the survey's lack of "any positive signs of policy or planning"\textsuperscript{197}. The \textit{New Statesman & Nation} believed it marked the adoption of "a Keynesian regimen of full employment, low interest rates and controlled capitalism"\textsuperscript{198}. Thus, some of the press continued to see the survey as the public manifestation of planning, though the focus was increasingly on what it revealed about finance and trade.
Opening the Commons debate on 6th April Cripps suggested that it was now "generally accepted" that the Government had to frame the Budget "with the fullest regard" to their "economic plans"\textsuperscript{199}, a trend welcomed by Labour backbenchers\textsuperscript{200}. Such a connection was in fact never made in Government policy-making. Cripps felt that the survey had successfully warned the public about the economic conditions so they would not be shocked by the Budget\textsuperscript{201}.

Strangely, Labour's George Wigg saw Cripps's "Tory Budget", as "the Economic Survey carried to its logical conclusions" and believed it neglected signs of deflation\textsuperscript{202}. The Conservative frontbencher, Harry Crookshank, welcomed the move away from the previous "over-enthusiasm for planning" which meant ministers had "overlooked" the fact that it was impossible to forecast in such detail\textsuperscript{203}. However, Labour's Ellis Smith continued to call for a "real plan" and the adoption of "a scientific method of planning"\textsuperscript{204}. Harold Wilson again pointed out that opponents of the Government's economic policies had been unable to suggest viable alternatives\textsuperscript{205}.

In 1948 the Conservative frontbencher Oliver Lyttelton, had believed that that year's targets had not been feasible and felt the dollar problem would falsify those for 1949. He thought the survey neglected the part played by U.S. aid and private industry in the improving the balance of payments\textsuperscript{206}. Lyttelton argued a 2½\% rise in productivity would be difficult to achieve given the prevailing high level of taxation which sapped incentive\textsuperscript{207}. In 1949 the Government did not face a sustained attack on the survey either from the Opposition or its own backbenchers. In general the survey was taken as a valid core set of statistics to be used to reinforce points made by M.P.s on either side\textsuperscript{208}.

The launch of the survey ended five months' work. Compilation had taken far more time than previously. Together the C.E.P.S. and Economic Section had worked on data generated across Whitehall. There had been lengthy arguments on both the general nature and the specifics of the survey. The E.I.U. had become far more...
involved than before and the popular survey was very much its product. The preparations also showed up how much the annual survey was now trying to be something for everyone. The first draft was an internal document to inform and alert officials and ministers to the current and anticipated economic problems. The White Paper was for a wider audience and generally outlined the economic trends. The popular survey was a manifesto with a proselytizing approach to exhort the public to greater self-restraint and effort. Concern over presenting the right image to the different audiences and avoiding statements which could cause embarrassment, overshadowed work on the survey even more than in previous years. Consequently there was a rising tendency to opt for safe, generalized statements which undermined the survey's key rôle of alerting people to the reality of Britain's economic circumstances. The age of "Joy through Statistics" was coming to an end and the bonfire of controls was now followed by a holocaust of targets.
5 Ibid.
6 Ibid.
8 P.R.O., T 229/152, R. Hall to E.A. Hitchman, 24/9/1948.
13 Ibid.
18 P.R.O., T 229/152, Sir E. Plowden to Sir E. Bridges, 18/9/1948.
24 Ibid.
26 Ibid.

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28 P.R.O., T 229/152, Economic Section minute, untitled, undated [10/1948?].
29 P.R.O., T 229/152, T.L. Rowan to T.K. Finletter, 18/9/1948.
31 P.R.O., T 230/147, R. Hall to E. Jackson & C. Saunders, 16/11/1948.
32 P.R.O., T 229/152, R. Hall to Sir E. Plowden, 10/12/1948.
42 P.R.O., T 229/153, Section D, Section III, "Economic Survey for 1949" [does not include appendix on investment, 22/2/1949?].
44 P.R.O., T 229/152, "Controls", unsigned, undated [13/2/1949?].
48 P.R.O., T 229/152, Short Survey attached to N. Cowen to W. Strath, 9/2/1949.
50 Ibid., p. 140
51 P.R.O., T 229/152, J.M. Beales to W. Strath, 14/2/1949, a 24 page version had also previously been an option, op. cit., "Grand Plan".


53 Ibid.

54 Ibid., "Why this Book has been written" Section.

55 Ibid., "Making Ends Meet" Section.

56 Ibid., "Why this Book has been written" & "What the Jobs Are" Sections.

57 Ibid., "Our Food" Section.

58 Ibid., "Our Jobs" and "Jobs From Overseas" Sections.

59 Ibid., "Paying for the Food and the Jobs (and the Clothes)" Section, original italics.

60 Ibid., "Our Homes" Section.

61 Ibid., "Our Pleasures" Section.

62 Ibid., "Our Homes" Section.

63 Ibid., "Making Ends Meet", Section.


66 Ibid.

67 Ibid.

68 Ibid.

69 Ibid., "For Us to Choose" & "And the Productivity Plan" Sections.

70 Op. cit., Budd, p. 71


72 Ibid., Concluding Section.


74 P.R.O., T 229/152, minute, R.M. Marris, 10/2/1949, & handwritten additions to Short Survey, 9/2/1949.


77 P.R.O., CAB 134/640, Production Committee minutes, 26/1/1949.

78 P.R.O., T 229/152, D. Butt to W. Strath, 27/1/1949.

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Ibid.


82 P.R.O., T 229/152, D. Butt to W. Strath, 27/1/1949.


84 P.R.O., T 229/152, H. Gaitskell to Sir S. Cripps, 11/2/1949.

85 P.R.O., T 229/152, W. Strath to Sir E. Plowden, 12/2/1949.


88 P.R.O., T 229/152, illegible (Ministry of Labour) to W. Strath, 9/2/1949 & P.R.O., T 229/153, Production Committee minutes, 22/2/1949.


90 P.R.O., T 229/152, D. Butt to E.G. Penman, 28/1/1949.

91 P.R.O., CAB 134/640, Production Committee minutes, 26/1/1949.

92 P.R.O., T 229/152, W. Strath to Sir E. Plowden, 12/2/1949.


97 P.R.O., T 229/152, R. Hall to Sir E. Plowden, 18/1/1949.


100 P.R.O., CAB 134/212, E.P.B. minutes, 21/2/1949.

101 P.R.O., CAB 134/192, E.D. Committee minutes, 13/1/1949.

102 P.R.O., CAB 134/192, E.D. Committee minutes, 21/2/1949.

103 P.R.O., CAB 134/640, Production Committee minutes, 26/1/1949.

104 P.R.O., CAB 134/640, Production Committee minutes, 22/2/1949.

105 P.R.O., CAB 128/15, C.M.(49) 16th, Cabinet minutes, 28/2/1949.
109 Ibid.
118 P.R.O., T 229/153, "Economic Survey for 1949", first proof, D. Jay's annotated copy, undated, [paras. 84-143 only].
122 Ibid.
123 Ibid.
129 Ibid.
130 Ibid.
131 Ibid.
132 Ibid.
133 Ibid.
135 Ibid., Part I.
136 Ibid., Part II.
137 Ibid.
138 Ibid.
139 Ibid., Part III.
140 Ibid., Part II.
141 Ibid.
142 Ibid.
145 Ibid.
146 Ibid., Part III.
147 Ibid.
148 Ibid.
149 Ibid., Appendix.
150 Ibid.
151 Ibid.
152 Ibid.
153 Ibid.
157 Ibid.

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179 *Manchester Guardian*, 16/3/1949, "Uncertain Ground" & "Prospects And Tasks For 1949".
180 *Ibid.*, "Personal Consumption".
183 *News Chronicle*, 16/3/1949, "Pilgrim's Progress".
184 *Daily Herald*, 17/3/1949 "This Year".  

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185 Wall Street Journal, 16/3/1949 "Britain's Belt Due For Tighter Tug, Cripps Reports".
186 Manchester Guardian, 16/3/1949, "Uncertain Ground".
188 Financial Times, 17/3/1949, "What Price The £?".
189 The Times, 16/3/1949 "Promoting Exports To North America".
190 Daily Telegraph, 16/3/1949, "Dollar Drive To Be Intensified", Political Correspondent.
191 Financial Times, 17/3/1949, "What Price The £?".
192 Manchester Guardian, 16/3/1949, "Last Year's Lessons On Man-Power".
195 Financial Times, 16/3/1949, "Economic Survey".
196 Manchester Guardian, 16/3/1949, "Uncertain Ground".
197 The Economist, 19/3/1949, "Economic Survey For 1949".
200 E.g., ibid., 8/4/1949, col. 2523, Williams & col. 2562, Mitchinson.
204 Ibid., 7/4/1949, cols. 2280-2281.
208 E.g., ibid., 7/4/1949, cols. 2313-4.
Chapter VI
The Economic Survey for 1950

By Autumn 1949, compilation of the surveys had become routine. The first E.S.W.P. meeting on the 1950 survey in October 1949 stated that "the usual arrangements" would be followed. In line with Cripps's decision the compilers aimed for publication in mid-March 1950. Hall recognised that the first draft would form the basis for the White Paper but the two would differ. Later he made it clear that all of Part II, "Prospects for 1950", of the first draft, was unsuitable for publication. All "secret, controversial or undecided points" were highlighted. The large amount which fell into these categories emphasised the extent of the variation between the two versions.

By mid-December the first full draft was complete. The handling of amendments was particularly important in 1950 because, with ministers busy with the coming election, more initiative was left to officials. The E.D. Committee considered the first draft on 6th January and the version for publication on the day of the general election, 23rd February 1950. Bridges stated it had been prepared "without very close Ministerial scrutiny", consequently it would "be more confined to factual matters" than before. Officials considered it wrong to conceal "unpleasant facts" about rising prices and felt that the assumption of the level of E.R.P. aid for 1950 had been overly optimistic. Unlike the E.P.B. which wished to highlight the issue, the E.D. Committee wanted no "undue" emphasis on trade uncertainties.

The Production Committee considered the first draft in late January. Cripps believed that the concerns of officials and the E.P.B. about the survey's optimism were unjustified. The committee also felt that production targets were acceptable but for manpower there should just be forecasts. However:

"[i]t was argued that the existing policy of publishing annual Economic Surveys was open to the criticism that it did not provide
an adequate framework for effective planning related to the actual rhythm of production."13

Given the long-term nature of programmes such as housing, it was felt the annual surveys caused "unnecessary and wasteful fluctuations in the flow of production". Now the "main purpose of the annual Economic Surveys was not to serve as a basis for planning"14, but the survey still provided "a convenient occasion for reviewing past progress and for laying down the broad objectives of economic policy"15. Despite some ministers' qualms, production of the survey continued as before.

The Production Committee rubber stamped the public version in March16. At its meeting of 16th March, the Cabinet did not discuss how anything the survey suggested could be implemented. It was mainly concerned with style, especially to avoid offending the Americans or making "unduly optimistic promises". It also aimed to make the survey "easily understood by the intelligent reader" as some paragraphs were "far from clear to most members of the Cabinet"17.

By February it was apparent that publication on 15th March was impossible. Plowden allowed an additional week's work18. A dispute arose between the C.E.P.S.19 and the I.P.C.'s secretariat now staffed by the Economic Section20. Both sides disclaimed responsibility for reconciling different sets of investment figures in the survey which conflicted. Eventually the I.P.C. secretariat took on the work21.

Despite the ever increasing emphasis on trade, the survey's introduction opened with production. In 1949 industrial productivity had risen 3½% and output by 5½%. Production in shipbuilding, vehicles and engineering had risen sharply. The survey conceded that without "any measure of potential productive capacity" it was impossible to know whether to "feel satisfied with this result or whether we should have done better"22. The deterioration in reserves had proved far greater than anticipated and Britain had faced problems of over-priced exports. Devaluation in
September 1949 had been the last resort, but it had broken the "world deadlock" of exchange rates.

The "elimination" of the Sterling Area's dollar and gold deficit of $1 billion (£357 million) remained the "most urgent task". Commonwealth finance ministers had agreed to reduce it and produce a surplus in 1950. Britain needed to boost its dollar exports and invisible trade. However, the language of the public version was toned down from that of early drafts which complained that there was "no certainty that British exporters, if left to themselves would make the efforts required".

The survey hoped British exports would rise in volume by 5-6%. British invisible trade was expected to improve except with the dollar countries, the largest earnings coming from oil. Britain's overall imports, which were increasingly governed by what was available from non-dollar sources such as Argentina and Eastern Europe, were expected to rise by about 4%, particularly of food, feedstuffs and petroleum. Imports of U.S. tobacco, machinery and manufactured goods would be restricted. Currency re-adjustment was expected to mean an 8% rise in average import prices.

The survey recognised the difficulties of maintaining export sales and gave the first specific warning in a survey of German and Japanese competition.

The survey also featured the Gross National Product (G.N.P.) for the first time. The survey argued that increased productivity was the only real way to greater output. The forecast of a 2½% rise in productivity, equivalent to an additional £250 million to the national product was retained, though it had been exceeded in 1949. The G.N.P. in 1950 was expected to be £13.1 billion, with a trade surplus of £20 million. Public consumption would take two-thirds but Government expenditure and capital formation, with a sixth each, had absorbed the bulk of the previous year's rise. There was "no firm information" available on national or local government expenditure, but it was assumed that the former would not rise and the latter would increase by £50 million. These were unrealistic assumptions in a normal year that
were completely falsified by the impact of the Korean War which broke out in June 1950. To avoid revealing Budget secrets, all taxation, and social welfare payments at £735 million, were assumed to continue unchanged. However, subsidies were to fall from £515 million in 1949 to £485 million. These figures gave a Budget surplus of £550 million, up £70 million on 1949\textsuperscript{36}.

Fixed investment was similarly difficult to forecast. The survey could only "guess" at the level of stockbuilding. Increased profits meant more funds were available for investment. Previous attempts to reduce investment had proved to be slow, though the Government felt it had successfully restrained bank credit\textsuperscript{37}. The aim for the end of 1950 was to reduce the yearly rate of investment by £140 million down from £2.133 billion\textsuperscript{38}.

For consumption, the survey suggested about a 1\% increase in goods and services available to the public in real terms. It was expected that this would not mean excessive demand remained\textsuperscript{39}. Prices of some consumer goods had fallen, particularly for the home and especially radios\textsuperscript{40}. Other prices were rising, some more than the increase in import prices brought on by devaluation\textsuperscript{41}. The price of utility clothing and household textiles had been brought down by the Government\textsuperscript{42}. This section on prices and profits was detailed and perceptive but potentially contentious when officials felt so uncertain of their statistics. If published it could have upset the wage restraint agreement. The survey anticipated slight increases in expenditure on clothing now that rationing had been abolished and on food, household goods and fuel. As more essential items became readily available, expenditure on travel and alcohol was expected to fall, and on tobacco and entertainments to stabilise. Shortages of many household goods had "disappeared" and daily food consumption had returned to the pre-war level of 3,000 calories\textsuperscript{43}.

The survey also featured the now traditional details on production. Despite the falling workforce, productivity had increased 3.4\% in the coal industry. Sufficient had
been mined to allow exports of 3 million tons\textsuperscript{44}. The slow increase in electricity generating capacity was blamed on previous poor investment\textsuperscript{45}. Shortfalls during peak demand periods would continue "for many years to come". As raw material supplies had improved steel was given a more positive output forecast of 15.75 million tons, allowing 2.2 million tons of finished steel for export. Demand remained uncertain with cuts in construction balanced by increased demand from metal-using industries\textsuperscript{46}. The massive demand from rearmament was unforeseen. As always the assessment of British agriculture was comprehensive. Output, particularly of livestock, had risen successfully in 1948/9, though it remained below pre-war levels. Guiding farmers' planting choices and gauging shifts in land use were difficult especially with changing supply conditions and subsidies\textsuperscript{47}.

Engineering provided work for a ninth of those in civil employment, and two-fifths of exports by value. Delivery times, of eighteen months on average, meant difficulties in satisfying the expected rise in demand brought on by devaluation. This worry was apparently brushed aside and not revealed in the public version. Vehicles represented a tenth of all Britain's manufactured exports. Car output had risen 20% in 1949 and exports were triple the pre-war high\textsuperscript{48}.

The "ambitious" targets for textiles had been met or exceeded, except in cotton and synthetic yarn. Productivity was rising though some sectors' recruitment remained "disappointing". Wage restructuring, initiated by the industry itself, to encourage the manufacture of cloth demanded by the Commonwealth shows an isolated step lacking elsewhere in economic planning. To thrive, the rising rayon sector needed "a substantial change in consumers' habits". In addition, the continuation of utility clothing, which was produced cheaply to government set specifications, and high taxes on clothes and textiles hampered domestic sales and the ability of manufacturers to switch between domestic and export markets\textsuperscript{49}.

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The final part of the main survey considered the "general pattern of employment". Most trends were still running counter to the Government's objectives but no great change was anticipated. Labour continued to enter the consumer industries and coal manpower to fall. Unemployment was low, at 340,000, 1.7% of the insured working population, close to the 1949 forecast. No target was set for 1950. An early draft suggested "a high level of general unemployment" might be necessary to increase employment in the undermanned industries and reduce the quantity of labour in the building and building materials industries in line with investment cuts. However, it was recognised that there was "no direct way" of bringing about the Government's desired pattern of labour distribution except by continuing to "control the movement of labour from job to job", though by "persuasion rather than compulsion" using the Control of Engagement Order.

The detailed investment appendix showed the main objective was to reduce fixed investment by 6.5%, or £140 million, in 1950 to allow more resources to flow into projects deemed "urgent", especially industries earning or saving dollars. Britain still faced a maintenance backlog and the need to expand electricity generation. This, rather than new projects would take the bulk of investment. Cuts were to fall on those sectors over which the Government had greatest influence such as social services, defence construction and government buildings. Housing faced the reduction from £499 million to £475 million.

Investment in the coal and gas industries was projected to continue steadily. However, in order to save dollars and boost the chemical industry, investment in petroleum was to literally double in 1950. Railway investment was kept up due to the vast costs of depreciation and maintenance. The purchase of buses and haulage vehicles was to be cut sharply to restrain investment and act as an incentive to increase exports. Investment in roads would be reduced, bringing maintenance to below its pre-war level. Much of the work connected with ports and shipbuilding would be
directed towards boosting the oil industry and repairing war damage\textsuperscript{58}. Expenditure on civil aviation was to be slashed. Other sectors continued to follow their investment programmes as planned\textsuperscript{59}. The survey acknowledged that investment cuts could only be achieved by "vigorous and sustained action on a whole number of fronts"\textsuperscript{60}. Even so, it was doubted whether any further disinflationary measures would have an impact on the high level of domestic demand or the destination of exports\textsuperscript{61}. These so-called "controversial" paragraphs on investment were included, however, to "avoid future embarrassment in reconciling forecast figures with actual achievement"\textsuperscript{62}.

A section on the long-term balance of payments problem was produced at the end of December 1949\textsuperscript{63}. The investment appendix was not ready until February 1950\textsuperscript{64}, two months after the body of the survey. A concluding section\textsuperscript{65}, and one on Marshall Aid\textsuperscript{66}, compiled mainly to please the Americans\textsuperscript{67}, were added in March. Not all the additional material was incorporated, for example Cripps's piece on bilateral trade agreements. This section had been unpopular with Eddie Playfair, the relevant under secretary at the Treasury\textsuperscript{68}.

The E.I.U. was keen to have "good quotable" statements on E.R.P. in the survey for use in Washington, rather than "scattered and indirect" ones\textsuperscript{69}. Leslie supplied an appropriate paper showing that the health of the British economy remained closely tied to E.R.P. Marshall Aid had financed imports equivalent to 2.5\% of Britain's Gross Domestic Product and was particularly important for food, metals and machinery. However, trade with Europe had increased, aiding European recovery and saving on dollar imports. Britain still aimed to achieve economic independence by 1952\textsuperscript{70}.

The impetus for the paper on the longer-term balance of payments position seems to have come from the E.S.W.P.\textsuperscript{71} and the E.P.B.\textsuperscript{72}. It acknowledged that Britain faced a "stupendous task" in earning sufficient dollars to replace the annual $1.27 billion (£454 million) input of Marshall Aid and Canadian credit. Interest and
loan repayments would take $168 million (£60 million) per year and reserves were insufficient to settle these debts. Officials and ministers had become wary of the susceptibility of the British economy and Sterling Area exports to the vagaries of the American economy, such as its 1949 slump. Reserves were a fifth of their pre-war level and had to rise considerably before convertibility or another U.S. recession could be faced. It was hoped that imports from the U.S.A. would fall below 20% of the British total in 1950 compared to 23½% in 1938 and 37% in 1947. Viable alternative non-dollar supplies were needed which also implied buying inessential items to keep open markets for British goods in the Sterling Area, South America and Eastern Europe.

The survey had been drafted "in such a way that it could be handled rapidly after the Election". Labour returned to power with a majority of six and an intention to publish the survey. Progress began on parts which focused more on policy, including the conclusion entitled Part IV. It emphasised that the most had to be made of the opportunities derived from devaluation. To achieve "security, independence and improving standards of life", efficiency and productivity had to rise and "competitive grabbing by each sectional interest" avoided. Good progress was being made on the path to fulfilling the objectives of the Long-Term Programme. The goal of exports equivalent to 150% of the 1938 level had been achieved in January 1950 and had to be maintained. The dangers of the "vicious spiral" of inflation were highlighted more forcefully in a new version written a fortnight later.

By mid-March all the survey's additional elements and the popular version, Survey '50, were ready. Both Part IV and the investment appendix had arrived too late to be altered much before inclusion. Survey '50 was similar to its predecessors though more rhetorical than patronising in tone. It asked the reader "who are you?" and went on making statements in the vein that "[t]he effort cannot be too great: it can very easily, and disastrously, be too little". It aimed to make it apparent that all
economic developments impinged on the individual. It was well illustrated with photographs showing production and trade\textsuperscript{80}. There was an attempt to make the survey appear relevant to everyone and to have a down-to-earth feel. Early passages rambled on about the possible identity of the reader and contained an eclectic range of rhetorical questions\textsuperscript{81}.

To counter the public's insularity, the survey tried to show that Britain's economic, political and military mission in Europe and the World continued. Britain was the World's second largest exporter, almost half as much again as the rest of Europe combined. It was the greatest importer, buying in twice as much as the whole of South America. Together the U.S.A. and Canada supplied a third of Britain's raw materials and a sixth of its food\textsuperscript{82}. Britain also had a rôle supplying coal and machinery to O.E.E.C. countries in return for food, raw materials and some manufactured goods. The growth of multilateral trade in Europe was reducing the dependence on dollar imports and U.S. aid\textsuperscript{83}.

Survey '50 described the usual factors upon which the economy depended, such as low production costs, sufficient exports and a mobile workforce. It portrayed the economy as a table "having four legs: production, trade, investment and consumption". These were interdependent and if anything went "wrong with one of the legs", "some of the things" would "start to slide off"\textsuperscript{84}. However, the "prospect" was "on the whole cheerful and encouraging". Raw material shortages had been overcome and a rise in exports was anticipated\textsuperscript{85}. Survey '50 stuck mainly to very general terms and exhortation without much explanation or many statistics. It said there had to be self-sacrifice, people had to move with their families to different towns and into essential industries\textsuperscript{86}. If overall demand in the economy increased faster than the amount of supplies it would lead to prices rising and exports falling. Thus the public had to prevent wages rising out of step with productivity and production costs had to be kept down to allow dollar exports\textsuperscript{87}. The future balance of trade was
uncertain as it could not be assumed that British exports would compete successfully or that U.S. business activity would thrive. The price of imports could rise more than expected and, despite cutting dollar imports to 75% of the 1948 level, the deficit with dollar countries persisted.

The survey did give some of the facts and figures that the public had come to expect - on jobs, food, consumer goods and housing. Unemployment remained low. As supplies improved, the wartime distortion of the pattern of consumption was fading and people were buying more food, clothing, household items, cars and televisions. One begins to detect hints of the coming consumer boom of the 1950s. Like the full survey, Survey '50 stated that the backlog of wartime repairs and maintenance was taking up to a fifth of Britain's output. Investment remained at about £2.25 billion, around £100 per employed person. Slightly over half of this would go directly into buildings and equipment. Savings by the Government, companies and the public were still important, but it was anticipated that the public would get £2-300 million more to spend than in 1949.

Untypically, Survey '50 concluded with technical notes rather than inspirational ones and listed the trends in the British economy which the public should follow through government publications. Statements which concluded the popular survey, for example that the Government would not be concerned if unemployment was less than 500,000 and details of the agreement with the T.U.C. on wage demands, were points strangely missing from the White Paper.

By mid-March, the White Paper was ready for publication. The first drafts of the survey had been produced by the joint secretaries of the E.S.W.P., Downie and Kelley but J.G.P. Spicer of the C.E.P.S. brought together all the amendments. As before, his immediate superior, Douglas Allen, acted as a clearing house for survey material coming into the C.E.P.S.
The level of productivity to be included was a controversial issue. Douglas Jay, backed by Cripps, favoured a 3-3½% target as a psychological boost to the public. Plowden supported by Allen, countered that any increase above 2½% could only come from a vast rise in engineering output and entailed even greater investment at a time when it was being slashed. Allen did not "think that anybody" was a "sufficiently accurate prophet to be able to decide whether 2½% or 3½%" would be "nearer the actual outcome". Plowden's and Allen's figure of 2½%, though lower than the figure given to the O.E.E.C., prevailed.

The White Paper produced in 1950 can be seen simply as a summary of the draft version with much detail discarded. It adopted a familiar pattern, with four main sections plus the investment appendix. The review of 1949 highlighted the improvement in the gold and dollar reserves following devaluation and the continuation of disinflation. The survey showed Britain was increasingly facing "keen and growing competition" in "important markets". Though the "greatest possible increases in output per head" were required, no productivity target was set. The balance of payments remained a central issue. Despite Britain achieving a trade surplus with non-dollar countries, a dollar deficit of $785 million (£280.4 million) was anticipated in the U.S. financial year 1950/1. Devaluation had "opened up great opportunities" and it was hoped to increase overall exports by £250 million thereby reducing the general trade deficit below £170 million. The survey warned repeatedly how "comparatively small variations in United States' demand" had "disproportionately large effects" on the British economy. The White Paper was not optimistic about Britain's chances of exporting to the U.S.A.. The Sterling Area's dollar imports were to be restricted to 75% of the 1948 level, though increased trade liberalization would make this difficult. The revival of Japan and Germany was another worry. Given all the uncertainties "no detailed forecast" for trade could be included. 

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National income and expenditure was handled equally hesitantly. Much data was "incomplete and provisional". It was even admitted that with "different assumptions the conclusions themselves would be different". The goal for savings was a rise of £55 million on 1949 to £245 million. Wage restraint, had to be "adhered to strictly" so consumer prices would only rise in line with import prices. Cutting the trade deficit would provide an additional £300 million worth of goods and services to the domestic market, half the 1948-9 rise\textsuperscript{102}.

The White Paper's coverage of production was shorter than that of the draft. The agriculture section was particularly terse. Controversial elements had been removed, for example on electricity\textsuperscript{103}. The manpower objectives of 1949 had been "substantially realised", though some industries remained undermanned. Unemployment was expected to rise by 100,000 to 400,000 by the end of 1950, through cutbacks in civil servants and investment in building\textsuperscript{104}. Investment received a cursory consideration in the main body of the survey. Over half the cuts would fall on building, just under half of that on public sector construction\textsuperscript{105}. The survey's conclusion warned particularly of the danger of inflation. It ended with the familiar cry for moderation in income demands and a willingness to save\textsuperscript{106}.

The White Paper was, as senior officials had predicted, comparatively short and contained little speculation. It reiterated the well-worn themes of wages, exports and labour mobility. The greatest detail, as before, came in the investment appendix. The perceptive analyses of trends in sectors such as agriculture and textiles had been discarded. These were for officials and ministers alone, not for Parliament or the public.

The launch of the White Paper followed the established pattern, though it was the first to be handled by Gaitskell as Minister of State for Economic Affairs. He had been appointed to the post in February to relieve the burden on the ailing Cripps. The \textit{Manchester Guardian} saw Gaitskell's "assumption" of "economic planning" as
encouraging, expecting naïvely that it would lead to improvement in the administrative "empire" of the Treasury. It praised Gaitskell for not "parrying awkward questions" as Cripps had done\textsuperscript{107}, though Gaitskell was able to evade difficult questions by referring to the secrecy of the Budget, with which Cripps still dealt.

Meanwhile Leslie tried to anticipate questions Gaitskell might face. These tended to be "less sensible and penetrating" than officials had expected\textsuperscript{108}. Much attention was paid, however, to the Manchester Guardian's discussion of the lecture delivered at Manchester University by the leading Swedish economist, Gunnar Myrdal\textsuperscript{109}. He attacked planning in the democratic countries as leading to inflation, a disincentive to take risks and a tendency to autarky\textsuperscript{110}. Myrdal focused on the financial aspects which concerned officials rather than physical ones that apparently most interested ministers\textsuperscript{111}. Leslie's suggested answers reflected both points raised in the article\textsuperscript{112} and officials' concerns. Suggested questions included ones on the export drive, the reserves, the end of E.R.P., wage rises, productivity increases, investment and the recruitment of miners\textsuperscript{113}. The E.I.U.'s Guide to the Economic Survey for 1950, a summary for journalists, included answers\textsuperscript{114}. Uncertainty about the future was again the universal response to difficult questions.

The survey was published on 28th March 1950. After presenting it to Parliament Gaitskell faced 200 journalists at the press conference. Gaitskell stated that there were no production targets as the objective was unlimited. It was "unwise", however, to predict anything more than a 2½% increase in productivity. He portrayed the survey as providing the background for the Budget debate\textsuperscript{115}.

Officials' concerns about potential criticism of the surveys was vindicated by letters to the press over errors. The whole validity of the surveys was attacked in newspapers and in Parliament on the grounds that the global figure for Government expenditure in 1948 had been raised by £145 million and that for gross capital formation by £238 million, between the 1949 and 1950 surveys\textsuperscript{116}. All the estimates,
particularly covering investment and those including local government expenditure, were subject to revision as more information became available. However, such revisions continued to dent officials' confidence in the surveys.

The right-wing press saw the survey as "non-committed" and demonstrating "the paralysis" inflicting the Government's policies. As usual the Wall Street Journal focused on the implications for British trade and consumption. It again reported Cripps as continuing with the domestic austerity programme to promote exports. The Daily Mail claimed the survey was "wildly inaccurate", and along with the News Chronicle and the Evening Standard, saw the survey as "a chilly and joyless document" implying continued restrictions on consumption. The left-wing Reynold's News and the Daily Worker also criticised the continuing "Crippsian austerity policy". Whilst shareholders' earnings had risen by 6½%, workers earnings had gone up only 1%. The Daily Worker believed the survey encouraged workers to tolerate restricted social services and wage restraint to meet the anticipated "low wage competition" from Germany and Japan.

As before, a major press criticism was that the survey failed to indicate remedies to the problems it highlighted. The Times and the Daily Herald tried to present it as a "steady as it goes" survey lacking "positive plans for workers". The Spectator, The Economist and the Manchester Guardian felt that the survey had dropped the "pretence" of planning. The Government no longer tried "to suggest that its own actions" could "determine whether or not" its "guesses" would come true. The Daily Telegraph believed "true planning" now had to allow others to begin organising the emerging "abundance".

The Financial Times sided with what it called the "majority" of M.P.s who saw the survey as lacking any indication of policy. The Economist saw the survey as a "wager" on the economy not facing great difficulties because ministers were "determined to do nothing about the dangers ahead". The Daily Mail, Daily...
and the Daily Herald emphasised the "formidable task" Britain faced and the problems likely once Marshall Aid expired.

The Manchester Guardian, The Times and The Economist accurately saw the survey as marking the abandonment of "any pretence of manpower policy" with the ending of the Control of Engagement Order. However, this was welcomed wholeheartedly by the Wall Street Journal. The picture drawn of the distribution of labour may have been "realistic" but it did not "suggest much sign of planning - or of policies to achieve the result of planning". Reduced government expenditure was the only economic remedy that publications such as The Times, the Daily Telegraph, the Spectator and the Financial Times could suggest. These newspapers felt that the priorities which the Government gave to different demands on the national income were wrong. As a result they argued that public expenditure should form "the real residual items in any coherent system of planning" rather than investment and consumption which were the elements that, at the time, faced most restriction. In 1950 there was more Civil Service analysis than in previous years of the press's reaction to the survey. Officials believed the press saw it as suffering from "undue complacency and optimism". This concern about the optimistic tone had been aired at almost every stage of the survey's preparation.

The final dispute concerning the survey was over demarcation of responsibilities. Spicer was angered that the E.I.U. had sent the final version to the printers a day earlier than anticipated thus further damaging the surveys' poor reputation with the H.M.S.O. Spicer arranged that in future the C.E.P.S. would act as editors and oversee the White Paper. The E.I.U. would handle the popular survey and all the press conferences.

The combined Budget and survey debate started on the 18th April. Cripps played up the benefits of such a combination, but Butler and Eden on the Opposition frontbenches argued that there was too much to assimilate to prepare for a
five-day debate and the speeches did not follow on from each other in the topics they covered\textsuperscript{154}. Cripps again emphasised the "large measure of agreement" between the parties. He countered accurate press claims that economic planning had been abandoned and reiterated his 1947 statement on the subject. The overall objective was "to create a Happy Country [sic]", not an "easy" task as it had to be "accomplished by persuasion, consultation and other free democratic methods" without rigid targets or forecasts for all sectors of the economy. Cripps portrayed the Budget as "the most powerful instrument for influencing economic policy which is available to the Government". This did not imply that it was superior to planning or an alternative to it. Instead it suggested that financial tools were the most effective ones for shaping the economy. Cripps did claim, however, that the successes of the previous year were due to the willingness of the public to follow the directions given in the 1949 survey\textsuperscript{155}.

Churchill accepted the concept of planning but argued that whereas the Conservatives would "plan for choices" the Government planned for "rules"\textsuperscript{156}. Both Douglas Jay\textsuperscript{157} and Oliver Lyttelton\textsuperscript{158} articulated the consensus for the need to move from direct to financial controls. However, the range of opinion on the Opposition benches remained wide. The Conservative, George Beresford Craddock, even challenged Keynesianism as a valid long-term economic policy, and the budget surpluses and the high taxes which the philosophy supposedly encouraged\textsuperscript{159}. Fellow Conservative, Aubrey Jones suggested that the large size of the Budget meant that there was no spare capacity which could be used in a Keynesian way to stimulate demand in a slump\textsuperscript{160}.

Despite having previously argued that exports were overpriced, Conservatives such as R.A. Butler\textsuperscript{161}, attacked the devaluation. Lyttelton argued that the survey tried to explain away the inexplicable decision to devalue as bowing to the inevitable, revealing that the Government was simply governed by the turn of events\textsuperscript{162}. Spencer
SummerS163 and Butler similarly portrayed the abandonment of the Control of Engagement Order as an indication that efforts to affect labour distribution had "totally failed"164. Nigel Birch still saw labour direction as "the real essence of Socialist planning" and its demise marked "the intellectual dead-end of democratic Socialism", leaving only "[d]on't know' planning"165. Aubrey Jones, perceptively argued that effective planning should not aim to "petrify" or "mummify" the distribution of manpower, but to respond to changes effectively and maintain full employment166. Correction of figures used in the previous year's survey was again savaged, mainly to score political points167. The Opposition also sustained its argument that what it saw as an excessive Budget was threatening to undermine the country's institutions. There were also the usual complaints that the high level of taxation was weakening incentives168.

Labour backbenchers' contributions were positive, though Ernest Fernyhough was concerned that the survey showed unemployment was expected to rise169. Against the prevailing trend Marcus Lipton argued that the movement of manpower into retail and distribution implied that the Government should take over controls on raw materials currently operated by private industry170.

There was a sense on both sides that the survey marked the end of the immediate post-war recovery phase and the time to move from direct physical controls to financial ones. This represented an acknowledgement of the replacement of planning by Keynesian demand management. The main difference between the parties was over the question of inflation, with the Government favouring Budget surpluses and the Opposition preferring a reduction in governmental expenditure171. However, the Korean War, which broke out just two months after the debate, upset any assumptions that politicians had made about inflation and controls.

2 Ibid.

3 Ibid.


7 P.R.O., CAB 134/193, E.D. Committee minutes, 6/1/1950.


12 P.R.O., CAB 134/644, Production Committee minutes, 23/1/1950.

13 Ibid.

14 Ibid.

15 Ibid.

16 P.R.O., CAB 134/644, Production Committee minutes, 10/3/1950.

17 P.R.O., CAB 128/17, C.M.(50) 11th, Cabinet minutes, 16/3/1950.


24 All dollar expenditure from this stage on in Chapter V is calculated in sterling at the post-September 1949 rate of $2.80:£ even when referring to pre-devaluation dollar figures.


28 Ibid.


31 Ibid., Section C.

32 Ibid., Part I.

33 Ibid., Part II, Section C.

34 Ibid., Part I.


37 Ibid., Part I.


47 Ibid.

48 Ibid.

49 Ibid.

50 Ibid., Part I.

51 Ibid., Part III, Section B.


An ex-minister in the Swedish government and a member of the Economic Commission for Europe (E.C.E.).


News Chronicle, 29/3/1950, "This Is The Way We Pay Our Way", City Editor & "M.P.s Expect Few Tax Reliefs".


Daily Telegraph, 29/3/1950, "Economic Survey And The Investors".


Spectator, 31/3/1950, "Plan Without Planning".

The Economist, 1/4/1950, "Design For Drift".


The 1951 survey was distinguished from its predecessors by the rearmament factor. Though there was a fear that another World War was imminent, the rapid and sustained increase in military manpower and arms production had been provoked specifically by the Korean War which started in June 1950\(^1\). The balance of payments and reserves had been sufficiently healthy to end E.R.P. payments to Britain from the start of 1951, a year ahead of schedule. The U.K. now had to convert its strongest export sectors, engineering and the metal-using industries, to war production. It also faced a sharp rise in import prices, especially of raw materials, as countries scrambled to stockpile.

During work on the 1950 survey ministers had tended to be more confident of the future than their officials. In 1951 the position was reversed. Jack Downie of the Economic Section said that ministers saw the first report on the impact of the defence programme as overly optimistic. They preferred the "premonitionary rumblings" of the balance of payments report and the National Income Forecast\(^2\). Hall remained positive about Britain's position and felt that ministers were unaware of how favourable conditions really were\(^3\).

Downie pressed for the preparation of the survey to be delayed until at least November 1950 to ensure that the figures were as up-to-date as possible. This delay meant that the survey was not published until 3rd April 1951\(^4\), only a week before the Budget. In September 1950 ministers requested an assessment of the economic impact of rearmament. This additional work would have put an impossible burden on the survey's compilers. Hall correctly believed that the main problems caused by rearmament would be apparent in the survey anyway and the request was effectively ignored by officials.
Defence expenditure had been planned at £780 million per year up to 1953/4. However, by August 1950 ministers had adopted a three-year defence programme which initially cost £3.4 billion. By incorporating details of this programme, the survey looked further ahead than any of its predecessors. Work on the survey did not begin until January 1951, two to three months later than usual. It was inevitable that officials would be under immense pressure to complete it promptly. Plowden thought that ministers would have insufficient time to digest the survey before the Budget debate. However, given that in January officials were still awaiting ministerial decisions on the defence programme, there was no alternative.

Officials produced a kind of proto-survey, Economic Prospects for 1951, discussed by the E.P.B. in December, the time when normally the survey's first full draft was circulated. This document, being less concerned with past achievements, was concise and perceptive in a way which the surveys, aware of the need for eventual publication, failed to be. It warned of "disastrous" consequences if the U.S.A. did not pay heed to the needs of other countries' economies. Reserves were expected to deteriorate substantially from the $3.5 billion (£1.25 billion) level anticipated for the end of 1950. Britain's trade position had improved primarily through dollar import cuts, an approach which would prove impossible to maintain during rearmament. The U.S. trade deficit, and the profits the Sterling Area's primary producers had been able to make as demand for their products rocketed, had boosted earnings. Now, however, now an "enormous rise" in imports and import prices was anticipated which would counter such gains.

It was feared that the sharp rise in domestic expenditure would leave insufficient resources for exports and force workers to demand wage increases to match the rising cost of living. Raw material shortages and industrial dislocation also threatened recent productivity gains. There was "a substantial difference of opinion" amongst officials on the issue of production with some believing productivity would
fall below the 1950 average, others, that this was "unduly pessimistic". The "compromise" forecast of a 4% increase in production above the 1950 average meant effectively maintaining the level of the fourth quarter of 195014.

Economic Prospects for 1951 recognised that there would soon be hard decisions to be ahead such as possibly denying supplies to the domestic market to allow increased exports. The necessary consumption cuts to achieve the target trade surplus of £100 million meant that average living standards would fall, causing "genuine hardship for the lower income groups", "social strains" and "industrial unrest"15. Raising taxes to limit consumption could lead to less saving thus restricting the finance available for investment, so a careful balance was necessary16.

Economic Prospects for 1951 was superior to the survey because it identified the assumptions on which it was based and considered the consequences if events turned out differently. If the raw material shortages became "more acute" it could provoke the "[c]omplete reversal of the whole trend of post-war economic development". Without "a more austere fiscal policy" the cost of living could rise and supplies to consumers would drop causing a "severe setback" in productivity and certain exports17. Whatever the developments, rearmament meant declining exports and standards of living plus investment below 1950 levels.

The paper demonstrated that officials could provide incisive analysis rather than just "public relations documents"18. Though ministers would have received the same information from departments, it apparently did not come in this concise, comprehensive form. Its effect was to focus concern on production and maintaining exports. The E.P.B. felt that some parts of the paper were "optimistic". It doubted whether the 4% rise in production was possible and feared another coal crisis. The Board opposed risking domestic consumption levels to achieve a trade surplus and began the shift towards a ±£0 target, that is an exact balance of payments and receipts19.
By the end of January, the timetable and the layout for the full survey had been determined. Both resembled the previous years' pattern. The survey would conclude with "a prose summary and a collection of exhortations". A "brutal exposition" on the balance of payments was now felt necessary, which demonstrated the changed attitude towards trade prospects. Butt wanted a return "to the customs of 1947 and 1948" when the surveys were "interesting". Like other officials he saw the post-war recovery as coming "to a climax in 1950", and expected a mixture of "happy congratulations" and "dismal forbodings [sic]". He added that the greatest danger would come from ministers unwilling to take the tough decisions.

The investment appendix was discarded in favour of "vaguer" details. The "primary purpose" of the survey, officials were told, would be to "describe the economic consequences of rearmament and 'sell' the policies involved" with a "wider sweep" than previous surveys. Rearmament was not expected to have much of an impact until 1952 and this made it difficult to determine what assumptions to make.

Strath noted that unlike previous years when the surveys' analyses had inspired policy decisions, now the survey outlined actions which had been forced upon the Government. It had to indicate the scale of rearmament and demonstrate the "desire to pay for the defence effort as far as possible out of the present and as little as possible by making drafts on the future", without becoming "dependent on our rich relations".

The need to gauge the impact of rearmament led to a re-assessment of the nature of the survey. The E.S.W.P. believed the survey would be "a forceful recital of problems and policies", but "much more positive" than before. The only way the survey could be completed in time was for the E.S.W.P. to guess "likely decisions" ministers would take, though no department was to be bound by these.

The annual report to the O.E.E.C. had forecast a productivity rise of 4% for 1951, a figure supported by Butt. The Ministry of Supply and Board of Trade...
opposed this figure because of the anticipated shortages. The 4% figure was adopted for the survey with the caveat that it depended on sufficient raw materials. For trade, Gaitskell, the new Chancellor, wanted a + £0 figure. The Board of Trade, however, had already forecast a deficit of £250 million in 1951 excluding strategic stockpiling. Butt, fearing it might reach £3-400 million, favoured forecasting a deficit of £100 million, making it easier to explain if it increased. Butt wanted trade at the "forefront" of the survey. However, Samuel Goldman, Chief Statistician to the Treasury's Overseas Finance Division, did not expect the reserves "situation to become really serious" and played down their importance for the survey.

The sections on the defence programme and on output were drafted first, in February. Other elements followed through March. Peter Wright of the C.E.P.S. handled the minor amendments. In mid-February it was decided to omit manpower statistics as the figures for each sector rarely changed year-to-year. As before, coal proved to be a stumbling block. The Ministry of Fuel and Power and its three successive ministers had been on the defensive over coal since the 1947 fuel crisis and wished to avoid giving hard figures. This caused unnecessary difficulty for the Chancellor. Gaitskell faced the same conflict with the Minister of Fuel and Power, Phillip Noel-Baker, that he himself had caused for Cripps two years before. In 1950 the compilers had been uncomfortable with a 5 million ton range for expected coal output. For 1951 the suggested range was 10 million tons. The lower limit of 200 million tons was below 1950's output. The coal section was not ready when the survey's first complete draft was considered by the E.S.C. and the E.P.B. on 12th March, less than a month before publication.

Hall and Plowden complained that the Ministry of Fuel and Power was "not willing" to produce anything more than the summer coal budget. Bevan, now Minister of Labour, was "strongly opposed to the inclusion of any manpower or other coal figures in the Survey", but Plowden believed that such an omission would attract
criticism in Parliament. Gaitskell was willing to compromise and asserted sufficient pressure on the Ministry of Fuel and Power for them to produce something. Gaitskell wanted coverage of the calendar year. Noel-Baker would not allow coverage beyond the summer until a review in May. The ministry contributed only a review of previous successes and vague predictions of the winter stocks. Hall feared a coal shortage might be overlooked. Butt, frustrated by the lack of ministerial debate on the issue, drafted his own coal section, including the deep mined coal target favoured by Gaitskell, of 208-212 million tons.

When the Production Committee considered the survey on 19th March, the issue was unresolved. Despite Gaitskell's pressure, Noel-Baker remained adamant, believing that "the publication of an estimated range" in 1950, had been "harmful to production". The five paragraphs on coal finally included in the survey resembled Butt's draft, though omitting all mention of stocks. In contrast, Butt saw the Ministry of Fuel and Power's contribution on electricity as "complacent".

Other disputes also reflected concerns of how the survey would be received. Butt, Leslie and Hall favoured including praise of the A-A.C.P. to curry favour with the Americans. Allen felt this would mean lauding British Government's own initiatives too, which was not the survey's job. Plowden ruled that reference to the A-A.C.P. would stay. This dispute reflected how far, for some of the compilers, the survey had become an end in itself rather than a means of illuminating important economic trends.

Leslie was keen to include a statement of the four main assumptions on which the survey was based: that productivity would rise by 4%; there would be sufficient exports to achieve a balance of payments; import prices would rise and that there would be no great increase in wage levels. The commitment to a balance of payments was soon dropped. Though the E.S.C. opposed an explicit statement of the assumptions, Leslie continued to argue that if any of them was "falsified", the survey
would be undermined. It was crucial to demonstrate clearly the economic position and provide the planners with a rejoinder when reality diverged from the forecasts. The concessions that were made fell short of Leslie's wishes.

Butt felt the survey had "become a collection of bits" with "no obvious logical connection" and so was "less effective than its predecessors". This was a particular problem in 1951 due to the differing opinions of officials and ministers on the economy's prospects. After its launch Hall felt the survey was "bad and uninformative" and symptomatic of "the dying Government". Sir Henry Tizard, a senior scientific and defence adviser to the Government, savaged the survey. Such a contribution from a relative "outsider" was unique. Perversely Tizard particularly attacked the survey for "pretending" both that there was still a labour shortage and that there were great difficulties in sharply raising coal output. However, in contrast, he felt the survey was over-ambitious and that it had ignored "the remarks of many experienced industrialists". As a result of his comments some amendments were made, but many points remained unaltered as Gaitskell wanted "to reserve exhortation to his speech" in Parliament.

The E.P.B. feared the survey was "somewhat optimistic", particularly on the increase in production. It expected the economy to suffer more than the survey revealed. Both Cunningham and Tewson wanted the survey to emphasise the need to keep down export prices and make the most of U.S. demand for consumer goods. The Board doubted that the textile industry could increase sales by the £65 million suggested. Ince expected unemployment to rise well above the 300,000 shown in the survey, once raw material shortages and armaments production had begun to bite.

In contrast to the E.P.B.'s contributions the scrutiny provided by the E.S.C., Production Committee and the Cabinet was cursory. The main controversy at the E.S.C. was over the 4% rise in production, but with Plowden as temporary chairman in Bridges's place, supporting this figure, it was included. The Production Committee...
Committee's main concerns were whether the increases in exports and productivity could be achieved. Gaitskell said that "the publication of the figure in the Survey was not equivalent to a commitment by the Government that the figure would be reached". He was more optimistic than some of his Production Committee colleagues who feared "industrial dislocation" provoked by defence requirements, but little was done to allay these fears. On 22nd March the Cabinet simply approved the decisions taken at a lower level without discussion.

The survey itself showed little difference between the first draft and the White Paper. Owing to the rapid changes in the economy, officials and ministers would have been better informed by the monthly journals from the economic departments rather than by a one-off, general survey. As a result the survey very much highlighted what the Government was aiming to do and the general trends anticipated. It was about the same length and followed a similar pattern to previous years' economic surveys.

The survey's review of the previous five years was a record of proud achievement for the Government. Production was 30% higher than at the end of the war, and exports had increased by 60%, leading to a trade surplus of £189 million in 1951. Reserves had moved from a deficit of $4.131 billion (£1.475 billion) in 1947 to a surplus of $804 million (£287 million) by 1950. Britain had been able to give up Marshall Aid before repayments began on the U.S. and Canadian loans at the end of 1951.

The survey was far more overtly political than its predecessors when considering the Soviet "menace". Though rearmament was the Government's "first objective", it could not be the "sole" one. A well-balanced industrial base and healthy balance of payments were necessary to support the military. Consumption had to be sacrificed to ensure that no industrial capacity or manpower was wasted. Raw materials, and to a lesser degree machine tools, were key determinants of success in achieving these goals. The survey also warned that if incomes rose faster than
output this would lead to rapid price increases, "social injustice" and obstruction to export and munitions production.°

Much of the defence programme had been outlined in the Prime Minister's parliamentary statement (Cmd. 8146). It demanded expenditure of £4.7 billion between 1951 and 1953, compared to £810 million in 1950 and £5 billion in 1944. Two-fifths would pay for the armed forces with the rest on associated equipment and building. Rearmament needed "substantial movements" in labour distribution. The armed forces would rise from 713,000 in April 1950 to 860,000, two years later. By 1953/4, over 1 million workers would be needed in war production, especially in the engineering, metal-using and textile industries. Unless Britain faced immediate attack, however, "compulsions entirely unacceptable in peace-time" would not be used. It was hoped to attract back the 1 million women who had stopped work between 1945-8 by offering acceptable working hours.

The published version of the survey looked at raw materials in far less detail than the first draft, but emphasised the "disturbances" shortages could cause. They had already meant the reintroduction of some controls. Particularly critical were supplies of non-ferrous metals, sulphur and sulphuric acid. It was hoped that the International Materials Conference, established by the British, U.S. and French Governments in December 1950 in Washington to allocate scarce raw materials on an international basis, could alleviate some of the difficulties.

Import prices had risen 18% above the 1950 average and overall imports were expected to cost £3.2 billion, including another £150 million of raw materials for rearmament. Strategic stockpiling was expected to cost an additional £100 million. Invisible earnings had seen an "outstanding" rise of £100 million up to £450 million. Visible exports faced "exceptional difficulty". In 1950 they had earnt £2.2 billion, but in 1951, to avoid a trade deficit this had to reach £2.75 billion. The engineering, metal-using and raw materials industries which provided 55% of British exports were
pre-occupied with rearmament, leaving clothing and textiles "to bear the brunt" of the export drive\textsuperscript{79}.

Raw material shortages threatened continued rises in productivity and production. Since 1948, productivity had risen annually by 7\% for manufacturing, mining, construction and public utilities. The industries which were to bear the brunt of rearmament, such as the metal-using sector, had seen even higher figures\textsuperscript{80}. These sectors were to face the greatest raw material and machine tool difficulties and curtailment of production for the home market. One of the largest inconsistencies in the survey was that the textile industry was supposed to make up for much of the fall in engineering exports yet, it too, faced raw material problems. Investment in agricultural machinery was also hit by defence demands. However, agricultural output was already 40\% higher than pre-war, close to the Agricultural Expansion Programme's ultimate target for 1952/3 of 50\% above the inter-war average\textsuperscript{81}.

In 1950, for the first time since before the war, Britain had achieved a "reasonably satisfactory" balance of payments. Sterling Area trade was thriving as the prices of its exports of primary products had risen sharply. Reserves were their strongest since 1939. Shifting trade patterns, however, meant that Britain's trade with the Area would fall and "a further improvement in the gold and dollar position" would be sacrificed to defence concerns\textsuperscript{82}.

The national income and expenditure forecasts showed an increase in domestic resources of £350 million though with a fall of £50 million in civilian consumption\textsuperscript{83}. Consumption cuts would hit clothing, textiles, engineering and metal goods. The greatest inflationary pressure now came from import prices, governmental expenditure and military wages. Savings of £445 million were "needed" to "avoid inflation", but a fall in voluntary savings of £100 million was more "likely". Disinflation was apparently vindicated by the moderate rise in consumption in the past year and had to
be "continued and strengthened". As usual, the survey asked for no "unreasonable" demands for increased incomes\textsuperscript{84}.

Compared with previous surveys, the conclusion was muted in tone. It portrayed 1951 as "harsh and unpleasant". Rearmament was Britain's "duty" as "the price of peace". The public had to accept "with patience the shortages and high prices". The task for the Government was to sustain an economy robust enough to carry the burdens of rearmament with the weight falling as lightly and fairly on the public as possible\textsuperscript{85}.

There was no detailed preparation for the launch of the survey or attempt to guess likely press conference questions. With the imminent Budget and Cabinet tensions over N.H.S. charges\textsuperscript{86}, the Financial Secretary, Jay, hosted the conference. With Gaitskell's appointment as Chancellor, there was no longer a Minister of State for Economic Affairs to do this job. Controversially Jay stated that "no increases in dividends were justified" but that some increases in wages were\textsuperscript{87}. The Financial Times saw this as "injustice" to investors\textsuperscript{98}. Jay also suggested that the reduction in consumption would equate to £1 per head and that Britain could "remain independent of foreign aid"\textsuperscript{89}.

No popular edition was produced in 1951. The reason why is unclear. As a result though, the newspapers were even more important than usual in disseminating the survey's message. Only Communist commentators, who saw defence expenditure pushed up by "American pressure"\textsuperscript{90} and weakening the British economy, opposed rearmament\textsuperscript{91}. Newspapers such as the News Chronicle\textsuperscript{92}, Manchester Guardian\textsuperscript{93}, Daily Graphic & Sketch\textsuperscript{94}, Evening Standard\textsuperscript{95} and Financial Times\textsuperscript{96} expressed grudging admiration for a survey which emphasised defence and the need to maintain normal conditions for civilians, though there were questions about Britain's earlier "neglect of defence"\textsuperscript{97} when supplies had been cheaper. Yet again, the Wall Street Journal referred to persisting austerity in Britain and the fact that rearmament made
the country's attempts to return to a balance of payments harder. Though it could still attack British attempts at socialist economics, its comments were now pitying rather than critical.

The Daily Mail attacked the "annual orgy of pompous prediction" which was always "so wildly inaccurate" and could "be knocked sideways by a slight boom or recession in America or even by a whiff of grapeshot in Korea". However, as the newspaper showed, between 1948-50 the economy had fared better than the surveys had predicted. The Daily Herald and Financial Times recognised more openly how far Britain had come since 1945.

The press were alert to the uncertainties of what the Daily Telegraph called the survey's "statistical guesswork". Many newspapers detected that the necessary 4% rise in production was dependent securing adequate supplies. The Economist condemned the "very detail" of earlier surveys which had lent "an air of unjustified reliability". It saw the assumptions for 1951 as "hopeful" and "flimsy". The Manchester Guardian described them as basically "hypothetical". The Economist and the Daily Telegraph claimed that "the planners" had been "flummoxed by the economics of rearmament" leaving the survey "not so much a plan as a prayer".

Across the press spectrum it was clear that "[n]o Chancellor ever gave a clearer hint" of tax rises in the Budget than Gaitskell in this survey. The Daily Telegraph expected a rise of £150 million. With profits slumping from £300 million in 1950 to £80 million and the "scope for taxing higher incomes" having been exhausted, The Times preferred additional tax to fall on "lower wage-incomes, married women's earnings and children". However, it generally saw tax increases as indefensible because they undermined the "incentive to effort and enterprise". The Times favoured allowing inflation to rise thus discouraging consumption and consequently permitting sufficient resources to be available for rearmament.
Unlike previous years, officials made no analysis of newspaper comments on the survey. However, they were attentive to the views of seven economists, including Tress who had worked on earlier surveys, as outlined in the Bulletin of the London and Cambridge Economic Service of May 1951. The planners saw such comments as "valuable" though they argued that commentators had only a partial picture and an "immunity from responsibility". Tress called the survey "lucid and intelligent" and in general the economists were positive\textsuperscript{112}. This seems to have bred complacency among the survey's compilers. The economists criticised the survey for not emphasising the worsening coal position sufficiently\textsuperscript{113}. However, this would have been difficult given the recalcitrance of the Ministry of Fuel and Power. The assumptions about savings were also attacked\textsuperscript{114}, as they had been in the press, but so had the only viable alternative, of raising taxes. Dow points out that by July 1951, officials had come to accept the economists' opinion that the survey had been "over-optimistic"\textsuperscript{115} on prospects for prices, wages and increased exports.

Opening the Budget debate on 10th April 1951, Gaitskell stated that though it encompassed the survey he would give it little coverage\textsuperscript{116}. Controversy had raged within the Cabinet over the health charges that Gaitskell was to introduce in the Budget. Within a fortnight these led to the resignations of Bevan, Wilson and John Freeman, Parliamentary Secretary to the Ministry of Supply. Generally the Budget was well received as it was not as tough as expected\textsuperscript{117}. Gaitskell did mention some aspects of economic planning. He stated that physical controls remained necessary in addition to fiscal and monetary ones\textsuperscript{118} but declared that the Government would not countenance wage control\textsuperscript{119}. Brian Brivati has highlighted Gaitskell's "abiding faith in physical controls"\textsuperscript{120} and "vivid refutation" of Hayekian-style attacks on the incompatibility of planning and freedom\textsuperscript{121} from members of the Opposition\textsuperscript{122}. Gaitskell had emphasised his position in a memorandum to the E.P.C. in January 1950\textsuperscript{123}, and reiterated these stances in his Budget speech.
In the debate, Wilson did focus on the survey\textsuperscript{124}, picking up a theme developed earlier by fellow Labour M.P., Anthony Crosland\textsuperscript{125}. To them the survey showed what a great recovery had been made since 1945, and but for the Korean War, this would have meant an improved standard of living\textsuperscript{126}. Ellis Smith suggested the improvements would have been even greater if the economy had been planned "as it should have been planned"\textsuperscript{127}. However, looking at the debate from the present day one can detect a sense that the 1951 Budget debate drew the final line under the whole experiment of planning. The Conservatives Ralph Assheton\textsuperscript{128} and Oliver Lyttleton were pleased that the survey's authors had "decided to abandon the practice of prophesying"\textsuperscript{129}. Only the Liberal leader, Clement Davies, wished the survey had included more on production and how far the standard of living was going to suffer from rearmament\textsuperscript{130}.

There were attacks on the Government's tardiness in buying raw materials and rearming\textsuperscript{131} and against devaluation, still portrayed by Conservatives in the way it was characterised by Ulster Unionist Douglas Savory, as a "catastrophe"\textsuperscript{132}. However, as the Labour M.P. John McGovern pointed out, it was rich for the Opposition to complain about the slowness of rearmament when they had previously pressed for faster demobilization\textsuperscript{133}. Labour's Austen Albu, who like Crosland would become a Minister of State for Economic Affairs, responsible for handling planning in the 1960s, believed that the Government had underestimated the improvements that industry had made for itself\textsuperscript{134}. The Conservative Martin Smith shared this view and expected the 4% productivity target to be exceeded\textsuperscript{135}. Highlighting the raw materials difficulties, Labour's Fred Mulley argued the opposite\textsuperscript{136}. The issues of the survey and planning were in the background to the wider economic debates. The survey remained the standard source of information for parliamentary discussion, but the sense that it was the basis of long-term plans had faded. It had come to be recognised as simply a summary of the economy in the previous year.

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1 Alec Cairncross, *Years of Recovery*, (Methuen, 1985), London, p. 213.


5 Ibid., p. 215.


9 P.R.O., T 229/270, Sir E. Plowden to Chancellor of the Exchequer, 13/1/1951.

10 P.R.O., CAB 134/213, "Note by the Chairman", Sir E. Plowden, 13/12/1950 & attached, "Economic Prospects for 1951".


12 Ibid., Introduction.


14 Ibid., "Economic Prospects and Problems in 1951".

15 Ibid., "General Conclusions".

16 Ibid., "Personal Consumption Expenditure".

17 Ibid., "Alternative Possibilities".


19 P.R.O., CAB 134/213, E.P.B. minutes, 14/12/1950.


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40 P.R.O., T 229/270, Sir E. Plowden to Chancellor of the Exchequer, 7/3/1951.
41 Ibid., addition, 8/3/1951, indicates Gaitskell had spoken to Noel-Baker.

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50 P.R.O., T 229/270, R. Hall to D. Butt, 16/3/1951.
63 P.R.O., CAB 134/649, Production Committee minutes, 19/3/1951.
64 P.R.O., CAB 128/19, C.M.(51) 22nd, Cabinet minutes, 22/3/1951.
65 P.R.O., CAB 134/264, E.S.C. minutes, 12/3/1951.
66 P.R.O., CAB 134/649, Production Committee minutes, 19/3/1951.
69 Ibid.
70 Ibid., Chapter 1, "The New Defence Programme".
71 Ibid., "Economic Implications of Defence".
72 Ibid.
73 Daily Telegraph, 4/4/1951, "Labour Direction Only In Crisis".

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77-9.
77 Ibid., Chapter 3, "The Balance of Payments - The General Problem".
78 Ibid., "The Import Bill" & "Invisible Earnings".
79 Ibid., "Exports Required".
80 Ibid.
81 Ibid.
82 Ibid., "Regional Aspects" & "The Sterling Area Gold and Dollar Accounts".
83 Ibid., Chapter 4, "Prospects for Real Income".
84 Ibid., "The Problem of Inflation".
85 Ibid., "Conclusions".
448.
87 Daily Mail, 4/4/1951, "Mr. Jay Warns On Dividends", L.D. Williams, City Editor.
92 News Chronicle, 4/4/1951, "Less Of What We Fancy And More To Pay", Paul
Bareau.
Correspondent.
99 E.g., Wall Street Journal, 5/4/1951, "Codetermination In Germany".
100 Daily Mail, 4/4/1951, "It's Always Wrong", Comment.
102 Financial Times, 4/4/1951, "Harsh Economic Outlook".
105 The Economist, 7/4/1951, "Economic Survey For 1951".

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Having considered all of the annual economic surveys 1946-51 one can now tease out the developments suggested at the start of the chapter. This is assisted by reference to the most comprehensive study of the published surveys which was produced in 1952 by Professor Ely Devons, a wartime member of the Economic Section and Ministry of Aircraft Production. Like all commentators of the time, of course, Devons was unaware of the two previous, unpublished surveys. Devons portrays the 1947 survey as containing three elements: plans for individual industries; "budgets" for manpower and national income and expenditure; and an analysis of particular prevailing economic problems. He characterises these three elements in combination as forming the basis of "planning by economic survey". However, he believes that the:

"full flowering of the 1947 Survey system of planning did not come until the Surveys for 1948 and 1949."3

He recognises that the Government suffered from:

"doubt and hesitation about the significance and usefulness of such plans, and especially about the difficulties of implementing them."4

Each year saw "a gradual whittling away of the forecasts and plans" in the surveys as they turned "more and more into a review of the previous year"5. By 1950, the "targets" of the 1947 and 1948 surveys were merely described as "forecasts". Leruez claims that at least the 1948 and 1949 surveys resembled plans. The 1949 survey in particular was able to use information gathered for the Long Term Programme6.

As seen above, in contrast to Morrison's statements that the surveys would improve as more experience was gained, elements were discarded as it became politic to conceal them or apparent that the predictions were proving inaccurate. Devons states that:
"By the Survey for 1951 a good deal of the planning system portrayed in the first [1947] Survey had disappeared."7

By 1949, trade figures looked only six months ahead. Such figures continued to prove problematic and were dropped from the 1951 version8. Manpower targets were reduced in 1949 to cover only coal and textiles. By 1951 even broad manpower figures were omitted9. The 1950 survey was a turning point. Specifics on manpower, currency and individual industries, apart from coal, steel and agriculture, had been discarded. In 1951 "glimpses into the future" for production were replaced with actuals for the past year10.

Devons rightly suggests that the gradual reduction of detail occurred as the government learnt:

"...how difficult it is to try to put forward precise plans for the future in the spring [sic] of each year..."11

In contrast, Dow wrongly claims that between 1947-51, the Economic Surveys "became progressively more quantitative, confident and elaborate."12. However, even he concedes though that despite the increased sophistication, the forecasts "were not conspicuously successful"13 and gives examples. He shows that the consumer expenditure forecast was short by £350 million in 1947, by £100 million in 1949 and in 1951 it exceeded the actual total by £25 million. The public authority expenditure forecasts were £125-150 million less than the real figures until 1951 when the cost of the defence programme fell below expectations. Similarly the gross domestic investment figures were short by £300 million in 1947 and £550 million by 195114.

The surveys estimated that unemployment would reach 550,000 by the March 1947. This was revised to 450,000 for the end of 1948, still implying an annual rise of 150,00016. In fact between 1945-51, unemployment did not exceed 400,000, or 2% of the insured working population, except during the fuel crisis of early 1947, when it touched 2 million17. The discrepancy in forecasting arose primarily because the
anticipated post-war slump did not materialise and the movement of manpower between industries was smoother than expected. Though the surveys included such large errors, these forecasts provided figures for policy-making.

Devons states that the surveys' investment figures were "dogged by misfortune" and he doubts "whether the publication of the detailed plans served any useful purpose"\(^\text{18}\). However, as investment was felt to be a crucial part of national income and expenditure accounts which could be targeted according to social priorities, these were seen as important. Separate white papers also handled investment alone and in 1949 and 1950 details were appended to the economic surveys. There were discrepancies between the survey's figures and those of the investment white papers. The 1948 survey stated that 1947's fixed investment had been £1.55 billion compared to the investment white paper's figure of £1.8 billion\(^\text{19}\). The 1948 survey predicted total domestic investment of £1.8 billion for 1948 compared to the actual £2.59 billion shown in the 1949 investment white paper. In addition, Devons shows that the survey only correctly predicted half of the elements which made up the total figure and "did not cover the whole field of investment"\(^\text{20}\). The 1950 survey was the last to contain detailed investment figures, and it was not clear how the total investment figure of £2.435 billion had been reached from a fixed investment level of £1.755 billion. The surveys indicated little of the thinking behind the prioritization of certain investment. Their main fault, however, lay in the "ignorance" of the contributions made to investment changes by factors such as repairs, stocks and price increases\(^\text{21}\). Devons is justified in believing that it had to be recognised that the surveys "involved estimates" which were "little more than guesswork"\(^\text{22}\).

Devons highlights other flaws in inflation forecasting. Given high levels of investment, government expenditure and consumer purchasing power it was unsurprising that the compilers of the surveys detected inflationary pressure. The
1950 survey even acknowledged that with "different assumptions the conclusions would be different."23 The balance sheet method the surveys used was too crude to show which elements were inflationary and which were deflationary or to indicate the development of a wage-price spiral. The 1951 survey used more "traditional" methods for gauging inflation such as stock and price movements, the interest rate and bank advances24.

Gaitskell later described the 1951 survey as having been "very prescient"25. Dow sees it as being "most ambitious"26 and argues that by overestimating government expenditure it stimulated a "fairly sensible" policy for dealing with inflation and the balance of payments27. It provided useful forecasts of defence expenditure and price rises28. Though the figures may have been inaccurate the surveys played an important rôle in the Government's adaptation to some large economic changes.

Compilers were often aware of the difficulties of accurate forecasting which led to a "tentative and hesitant" approach apparent in the surveys29. They faced a period of upheaval which made it hard to produce accurate predictions. Combined with this was a lack of faith in what they were doing but also a failure to appreciate how far the shortcomings undermined the surveys. The surveys were intended to shape the public's perception of the economy. Their publication represented the hope that providing economic information would win people over to greater sacrifice. Though this approach was controversial among officials, as the White Paper of the 1947 survey stated, it was felt that a democratic government had to take the public into its confidence30.

The 1947 survey sold 200,000 copies. The 1948 edition sold twice that. As demonstrated above, newspaper coverage of all of the surveys was extensive. Middlemas argues that the surveys were successful in increasing public confidence in the administration of the economy, and in winning support for austerity31. Mass
Observation and Rogow, demonstrate how little of the surveys the public understood. Misunderstanding, however, did not prevent people putting up with austerity or working harder, for other reasons. Leruez states that there was increasing scepticism about the surveys as people had expected to be warned about the fuel crisis of 1947, the dollar shortage and the devaluation of 1949\(^3\). The surveys did, however, highlight the forthcoming fuel, raw materials and dollar problems. The fuel crisis broke when the 1947 survey was in its final stages of preparation, yet it emphasised fuel and power as a key difficulty\(^33\).

By 1949 Hall believed that the public and the Government had lost interest in the surveys\(^34\). Their launch was no longer anything special. As Leruez notes, by 1950 the surveys contained more reviews than forecasts and predicted only what could be expected to develop naturally in the economy, rather than as a result of specific governmental planning\(^35\). The surveys had lost the sense of winning support for the production drive and simply become reports on the economy.

The Labour Government fell on 25th October 1951, when preparation for the 1952 survey was beginning. Cairncross has claimed that the incoming Conservative Government saw planning as an "anathema". Though the surveys continued to be produced until 1961, the new Chancellor, R.A. Butler, strongly opposed the inclusion of forecasts and they were omitted\(^36\). Cairncross and Watts state that there were often complaints under the Conservatives about the large number of forecasts produced for ministers. The surveys were never again submitted to the Cabinet though they were considered by the ministerial E.P.C.\(^37\).

Catherine Torrie has argued that planning continued to be an issue within the Labour Party through the 1950s and 1960s\(^38\). Brian Brivati has shown that as Labour leader, Hugh Gaitskell, despite being a "revisionist", retained an "astonishing faith" in the need to plan the economy using a mixture of economic tools. Among these tools Gaitskell included physical controls combined with demand management and...
"indicative" planning. Thus, despite the failure to plan effectively 1945-51, there was a degree of continuity in Labour thinking until planning was revived as a major policy by the Labour Government in 1964. This policy followed on from the Conservative developments in this direction from 1961 onwards. However, these issues fall beyond the scope of this study.

In summing up, one can view the record of the economic surveys as a story of good intentions. The Government wanted to be well informed about the economy and to teach the public about it too. However, older concerns about secrecy and above all the fear of appearing to have blundered meant that the surveys steadily withered and became more general and less informative. Increasingly they were aimed simply at winning support for the government's policies at home and abroad. In addition they often formed the battleground for feuds between departments and were unable to develop as the unemotional analyses of the economy that were necessary for sound economic planning.

2 Ibid., p. 83.

3 Ibid., p. 71.

4 Ibid., p. 70

5 Ibid., p. 82.


7 Op. cit., Devons, p. 82.


10 Ibid., p. 72.

11 Ibid., p. 83.


13 Ibid., p. 131.

14 Ibid.


16 The Times, 10/3/1948, "Unemployment. An Expected Rise".


19 Ibid., pp. 77-8.

20 Ibid., p. 77.

21 Ibid.

22 Ibid., pp. 78-9.

23 Ibid., p. 81.

24 Ibid.


26 Ibid., p. 134.

27 Ibid., p. 135.

28 Ibid., p. 134.
29 Ibid., p. 72.
35 Ibid.
Chapter VI
Attempts at Longer-Term Planning

Introduction

After Labour came to power in 1945 there were regular calls from officials, ministers, M.P.s, business and the press for a long-term plan. The closest the Government came to such an enterprise was in the production of the Economic Survey for 1948-51 and the Economic Survey for 1948-52, which formed the basis of the Long-Term Programme, necessary for the allocation of Marshall Aid. Revision of this led to the abortive four-year Economic Survey for 1952. As seen above, by Summer 1949, attempts to survey the whole economy comprehensively for more than a year ahead effectively came to an end. Following the outbreak of the Korean War, Britain, however was obliged once more to present plans to the Americans to elicit "burden sharing" aid to contribute to the cost of rearmament. This work involved C.E.P.S. members, Plowden in particular.

These longer-term surveys shared common problems with the annual economic surveys, namely that the economy was changing rapidly and was susceptible to crises that were beyond the Government's control. The compilation of long-term surveys generated greater friction between departments than preparation of the annual ones. Contributors felt that it would be difficult to deviate from a long-term plan to which they believed they were being tied. The Long-Term Programme had the additional complication of input from the Americans and from Britain's partners in the Organization for European Economic Co-operation (O.E.E.C.). The O.E.E.C. was established to administer the European Recovery Programme (E.R.P.), which shared out Marshall Aid.

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The Economic Survey 1948-51

The idea of a four or five-year plan was discussed as early as 1945. In January 1946, while at the Board of Trade Robinson stressed to Meade the need for the co-ordination of the plans then being formulated by a number of departments. Meade was suspicious of Robinson's intentions but his response was positive. Robinson's enthusiasm coincided with the general support among officials at the start of 1946 for a four-year plan. Meade backed a survey of the likely economic conditions in 1950 by when it was expected the economy would have returned to normal. Such an exercise would be useful for predicting developments in particular in the regions and specific industries, and for indicating future inflation or deflation. Meade particularly wanted to establish target national income and expenditure figures. Such a plan would be a basis for demand management and could be used to counter the "particularizations" of planners like Robinson who were seen as being too favourable to surveys which set detailed targets for sectors of the economy.

Nothing was done until December 1946 when Alec Cairncross of the Board of Trade sought to revive interest among officials in producing a long-term survey. He was keen to verify whether an export target of 175% of the 1938 volume by 1950 was adequate and feasible and to calculate its manpower implications. In October 1946 the Economic Section had already begun work on the so-called Preview Papers, considered below, which would later form the basis of the long-term survey. Meade wanted the E.S.W.P. to handle the survey. However, there was no formal organization of the work until January 1947. At two E.S.W.P. meetings staff were allocated to the compilation of figures covering sectors of the economy for the Economic Review of 1948-51, which was aimed to be completed by March 1947.

By March twenty-nine Preview Papers had been produced. Though many focused on investment plans, they did not yet constitute a coherent survey. The Economic Section drew on detailed information from a wide range of ministries. The
Section also attempted to determine assumptions about the economy upon which the review would rest. These focused on the financial side. Many of the assumptions suggested a return to pre-war patterns. Some appeared reasonable, such as a 2.5% increase in output by 1951, whereas others were faulty and shared errors with the annual surveys. For example, employment in coal was expected to climb 50,000 to 910,000 by 1951, when in fact it kept falling. By contrast, unemployment was forecast to be 450,000 by the same year⁹.

Many of the statistics produced for the review were detailed. However, concerns about the accuracy and difficulty of forecasting were still raised¹⁰. The enduring question of implementation was discussed in March 1947 in the context of a long-term survey. Tress of the Economic Section argued that the long-term plan could not be treated like the annual surveys with the E.D. Committee suggesting cuts in projects to close any gap between resources and demands. It had to be based on a phased programme rooted in a balanced Budget, with targets for the national income and distribution of resources at each stage. Potential inflationary pressure had to be calculated and possible divergences from the programmes had to be written in too, particularly the chance of a U.S. slump¹¹.

In April 1947 Tress began creating a survey based on the Preview Papers. Hall took over supervision in anticipation of his succeeding Meade as Director of the Economic Section five months later¹². Hall briefed Plowden on the work¹³. One central exercise was determining priorities between consumption and investment and among investment programmes¹⁴. Responsibility for what was now termed the "plan", remained with the Economic Section and C.S.O. but on his appointment Plowden was given the final say on its form and details¹⁵. The objective was to send the plan to ministers by 31st October and to publish in time for discussion in Parliament on the 20th December 1947¹⁶. The first draft was produced at the end of April¹⁷.
The draft review was unremarkable. The uncertainties were emphasised from the start. However, the review aimed to include consistent targets based on optimistic but workable assumptions, primarily that there would be sufficient fuel and raw materials to sustain full employment and that inflation would not drain stocks\textsuperscript{18}. The review's assumptions were based on those of the annual surveys. This remained the case throughout the long-term surveys produced in 1947-8.

The review followed the annual surveys' style considering basic industries first. It gave forecasts and targets for four years and made suggestions of alternative paths the economy could take. For example, different developments were predicted if the pre-war pattern of employment was recovered or if more labour moved from metal-using to textile industries. Similarly there were different sets of figures for the case when coal demand changed little and for if it rose by 5-7\% by 1951. These different models now all seem unrealistic. For example, the most pessimistic view expected fewer than 100,000 workers to move from metal-using industries into textiles, whereas in fact textile manpower barely grew and engineering mushroomed\textsuperscript{19}.

Manpower followed production in the survey. Typically prospects for increasing coal manpower, the fall in engineering employment and the loss of female labour were all overestimated. However, the competition for labour that basic industries faced from the distributive sector was properly recognised\textsuperscript{20}. Productivity forecasts were given by sector. The average goal for manufacturing was a 2\% rise in productivity \textit{per year} and for coal and agriculture a total rise of 7\% by 1951. The review expected the effects of the fuel crisis to restrict productivity improvements until the 1950s\textsuperscript{21}. The balance of payments section reiterated the export and import goals. It was feared that even with a sharp rise in exports this would prove inadequate to secure a reasonable level of imports. Alternative models of development were offered but, again, the review neglected the more realistic option - that of deteriorating terms of trade\textsuperscript{22}.

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It was not until the sixth section that the review focused on financial concerns. The review took the safest approach by assuming that trends would continue as they were, thus giving priority to the balance of payments and to the investment programme over consumption. Defence expenditure was expected to fall sharply by 1951 with the armed forces reaching half of their 1947 strength. Domestic investment was expected to peak in 1950-1 at £1.2 billion, almost double the level of 1946, and then fall off as the demands of reconstruction subsided. It was assumed that by 1951 consumption levels would only be 10% higher than those of 1946 and remain distorted towards wartime patterns with high demand for entertainments, alcohol and tobacco. The survey also claimed the demand for travel had been high, though clearly this was not possible to fulfil in wartime.

Another assumption which persisted was the critical need for savings to enable investment. By 1951 £1.3 billion in savings, 12.7% of the national income would be needed compared to the £721 million or 6% saved in 1946. This concern had not yet changed into a belief that Budget surpluses would remain necessary for many years. Despite the high level of public expenditure it was felt that the tax burden could fall from 21.1% of the national income in 1946 to 15.2% by 1951. The review portrayed continuing consumption restrictions, yet failed to indicate policies necessary to reconcile tax, savings and investment.

Additional Preview Papers were produced in May 1947 bringing the total to thirty-four. Circulation of the draft alerted officials to the fact that they were providing material for a four-year plan, which it appears they had given little attention to before. As a consequence, throughout Summer 1947 disputes between departments and the compilers increased. In June Hall told officials from all the economic and social ministries that the review's figures were not simple forecasts but real targets. Several were unhappy discussing targets when there was no indication of how they would be achieved. There were concerns about investment programmes for
education; that food imports were being treated as a residual and that the manpower targets for the essential industries were unattainable\textsuperscript{27}.

Complaints poured in from across Whitehall during the following weeks. The Ministry of Supply envisaged difficulties in increasing staff to administer the controls necessary to execute the plan\textsuperscript{28}. There was also concern that officials were neglecting "basic research" and were "in danger of pretending" they knew too much about the economy in order to demonstrate their enthusiasm for planning\textsuperscript{29}. The G.P.O. questioned the basis of the review's figures\textsuperscript{30} and the Ministry of Transport was hurt by the draft's reference to the inadequacy of investment in road and rail transport\textsuperscript{31}. The Ministry of Works savaged the "draconic [sic] use" of "oppressive" controls that the review implied were necessary in construction. The ministry believed these would lead to unemployment and boost the black market\textsuperscript{32}. The Ministry of Education was one of the most bitter critics, arguing that £50 million assigned for all social services investment was far too little. They claimed education needed £100 million over four years and advocated cutting what they saw as the unfeasible housing and factory building programmes, to provide it\textsuperscript{33}. Such acrimony demonstrates the difficulties which would have been encountered routinely if planning had become properly established.

In mid-July a second draft was produced, the Economic Survey 1948-1951, based on amendments sent in by departments, though they all reserved their final positions\textsuperscript{34}. This draft emphasised the financial side and food much more. Manpower and the balance of payments were portrayed as determinants of the national income\textsuperscript{35}. The draft stated explicitly that "very considerable 'controls'" would "continue to be necessary even in 1951"\textsuperscript{36}. However, its general approach was cautious. It was more "chary" about the prospects for increasing manpower in the undermanned industries and recognised that restricted investment would limit the improvements in transport\textsuperscript{37}. Pessimism continued into the discussion of the balance of payments. Given the
deteriorating terms of trade it was recognised that by 1951 imports only equivalent to 90% of the 1938 level could be afforded. Despite recognition of the difficulties of selling sufficient exports the 175% target was retained\textsuperscript{38}.

Unemployment was not expected to rise above 400,000. A level of 500,000 was seen as the maximum that would be tolerated by the public, compared to Beveridge's 550,000 figure, 3% of the insured population\textsuperscript{39}. The productivity targets were less detailed than before. The manpower targets were unchanged from the first draft\textsuperscript{40}, though the text had been amended to satisfy the ministries of Education and Works. Social investment was raised 50% to £75 million. The house building programme was to be cut; that for factories, maintained\textsuperscript{41}. The consumption section was re-written to emphasise that it was not regarded as a residual. Three models were put forward for potential consumption, but a return to pre-war standards and patterns was expected by 1951\textsuperscript{42}. Much of the redrafting was done to satisfy officials' complaints rather than as a reassessment of the economy's prospects.

By August 1947, with key staff absent on leave, the process of producing a long-term programme was losing momentum. By October Tress had left Whitehall for London University\textsuperscript{43}. The greatest upset was the failure of sterling convertibility. This meant rethinking the survey's assumptions and tied the C.E.P.S. to analysing the latest developments\textsuperscript{44}, sometimes using material gathered for the survey\textsuperscript{45}. As a result work on the survey was returned to the Economic Section\textsuperscript{46}. Marshall Aid had been announced in July. Copies of the survey were provided for the U.K. Delegation in Paris for the first talks on the aid\textsuperscript{47} and for the British end, the official European Economic Co-operation Committee (E.E.C.C.)\textsuperscript{48}.

By October officials were "struggling" with revision of the survey\textsuperscript{49}. Butt, who replaced Tress as secretary of the E.S.W.P.\textsuperscript{50}, was losing faith in targets. He feared that setting manpower targets would lead departments to feel their plans were being shaped by the Ministry of Labour\textsuperscript{51}. Cripps, the newly appointed Minister of
Economic Affairs, pressed for the revision to be completed by mid-November. This put immense pressure on officials. The new emphasis on trade and reserves meant that the thrust of the survey had also to be altered. Departments began sending in revised material, though Otto Clarke, who habitually provided the balance of payments figures, was recalcitrant.

The survey continued to change, with an increasing emphasis on the prospects for 1948 and the balance of payments. This spelled the beginning of the demise of the first long-term survey. Robinson recognised this and, in Butt's words, flew "into passions of rage and sorrow". Butt also claimed that Robinson felt the 1948-51 survey no longer differed from the annual surveys. Butt and Robinson both believed that their respective units should handle the long-term surveys with the other dealing with short-term issues. By October Plowden had retitled the exercise as the Economic Survey for 1948 and the following month's redraft explicitly stated its similarity to the 1947 survey with no links to a longer term picture. It was polished by the C.E.P.S. before going to ministers and the E.P.B. As seen in Chapter V, the 1948 economic survey was redrafted but its basic nature had been established as a revision of the four-year survey.

**The Economic Survey for 1948-52**

Robinson renewed pressure for a long-term survey in 1948. An E.S.W.P. meeting in April 1948 which he chaired discussed gauging Britain's long-term trade and industrial patterns. This was followed by a C.E.P.S. paper on the likely economic background of the 1950s. This restarted work on long-term forecasts. Preparation for the 1948-52 survey was similar to that for the 1948-51 document. Robinson and Alec Nove at the Board of Trade produced detailed papers in the summer with Hall providing relevant material from the Economic Section's flow of...
discussion papers. Papers focused on trade, investment and fiscal measures and recognised the demands the E.R.P. would make on British forecasts.

Butt warned that given the data available, forecasts had proved to be "hopelessly inaccurate" even for a year in advance. Planners had to determine both the varied degrees of certainty of different forecasts and which factors in the economy needed immediate or long-term adjustment. Butt believed that investment was the only key element which needed action five years in advance. He felt forecasting investment or trade patterns for 1952 indicated little of the picture for each year up to then. The O.E.E.C. had recognised this and called for annual programmes as well as the long-term ones. Butt, however, also criticised the O.E.E.C.'s work, scorning attempts to produce a long-term survey before the share-out of aid or other countries' objectives were known.

Butt's suggestions established important assumptions for the British. These were: an austere but tolerable level of U.K. consumption and optimistic figures for investment, productivity and for European exports to the rest of the World. He felt the O.E.E.C. could be satisfied with a brief statistical exercise which would not be too burdensome for Whitehall and yet would aid the production of the "real plan", the 1949/50 programme.

Robinson's work on a long-term survey continued unabated. It appears that he was aided by Robin Marris and an unnamed working party. Robinson made no formal contact with the E.S.W.P. or departments about this survey. This particularly upset the Ministry of Labour. By August 1948, the Economic Survey for 1948-52 was ready. Robinson was poised to return to academia and Butt was to assume responsibility for the survey. It had become clear that the O.E.E.C. would demand a long-term survey and it was soon accepted that Robinson's would be the foundation of Britain's contribution.
From the outset Robinson's survey aimed to indicate the problems Britain would encounter in achieving a viable economy by the time U.S. aid terminated in 1952. It was not supposed to be published, but was expected to fuel discussion within government that could produce a revised version suitable for parliamentary debate. The C.E.P.S. took sole responsibility for the document and other departments were only consulted on the main points. The objective had been to create an internally consistent picture of the country's resources and use of them. As a result some of the figures differed from those being used within departments. Robinson's approach, however, avoided further C.E.P.S.-Economic Section infighting.

Robinson emphasised that it was impossible to predict accurately the future economy but argued that slow-moving elements within it, such as investment and labour distribution, needed as much advance information as possible. The Government could not be "a passive spectator". The assumptions Robinson made for the survey covered trade with Eastern Europe, world prices and productivity. He felt his views were optimistic but realistic. The survey centred on a balance of payments which allowed full employment, a good standard of living and improvement of the nation's capital such as factories and railways. Incentives, prices and differentials had to work in the direction the Government desired, rather than counter to it.

Unlike other surveys, Robinson drew on his expertise as an economist to include details going back into the early nineteenth century to indicate long-term changes. Good use was made of the Economic Section's and Board of Trade's predictions of world demand. The survey aimed for British exports to reach 145% of the 1938 level by 1952, the figure that Robinson himself felt was feasible. Robinson showed how dependent Britain remained on Western Hemisphere imports. To get the right balance by 1952, £76-100 million worth of imports from that region had to be supplied from elsewhere. Overall imports would not exceed 75% of 1938's and yet, such a low level could hamper exports.
Robinson saw an annual productivity increase of 2½% as reasonable. This was another figure gaining acceptance among planners. Robinson felt that the predicted level of annual investment, £2.15 billion, though £275 million above the current level, and a continuing Budget surplus of £3-500 million, were barely sufficient. He advocated restricting consumption by price to allow greater investment in industry. He was not optimistic about expanding British food production and expected "discontent" from the public over continued limits of food supplies, expected to rise just 3% by 1952. Robinson similarly could only set out aspirations for manpower, which he saw as the chief obstacle to achieving the survey's objectives. However, he backed free collective bargaining while urging that negotiators recognise the condition of the economy. This survey included nothing outrageous or radical and tensions with the Economic Section arose simply over the issue of faith in long-term figures.

Nicholson saw the survey as valuable, though he portrayed it as simply forecasting the development of current trends. The balance of payments section had already been discussed by the E.P.C. and the E.E.C.C. which included Hitchman and Strath from the C.E.P.S. The survey established objectives which were to persist into the programme for the O.E.E.C. Like Robinson, Nicholson felt that the predicted level of investment was "dangerously low". Nicholson favoured fiscal measures to promote saving and permit greater investment.

The E.P.B. shared Nicholson's views, for example on the low level of investment forecast. However, they thought public opinion would not tolerate continued Budget surpluses. The Board felt the export targets were too pessimistic and that the productivity forecast, though only a fraction higher than the pre-war annual increases, was over-optimistic. If these were not achieved, much of the survey would be falsified. The Board took a gloomy view of the future with a government apparently able to do little to alleviate conditions.
In the same week that Robinson's survey was circulated, the O.E.E.C. set a very tight timetable for production of the Long-Term Programme and the annual programme for 1949/50. The deadline for both was 1st October 1948, less than two months after they had been formally requested. They were to be forwarded to the European Co-operation Administration (E.C.A.) the American body handling Marshall Aid which had missions in each of the participating countries. The E.C.A had to receive it by 15th November for submission to Congress in January 1949. As was to become apparent, such a timetable was not feasible. Bridges warned, however, that failing to meet it could damage Britain's prospects for the allocation of aid. Ultimately Britain was the only country apart from Iceland to submit by the deadline. Plowden had criticised Robinson's survey as being based on "irrelevant" inter-war patterns but acknowledged that it proved useful in producing the Long-Term Programme, on time. The balance of payments figures were lifted straight from it. Additional material produced to strengthen Robinson's survey was used in the new programme.

The Long-Term Programme

Plowden has written that the Long-Term Programme was "the first and only long-term economic plan to be issued by a British government before Labour's National Plan of 1965". The impetus to produce it came mainly from American pressure arising from Marshall Aid. The aid programme was initiated by General George Marshall on 5th June 1947 and was followed quickly by the formation of the Committee for European Economic Co-operation (C.E.E.C.) of potential European recipients, including Britain. Each country had to complete questionnaires on the expected development of their economies which the C.E.E.C. scrutinized. Most of this work for Britain was handled by Clarke.
British ministers were keen to avoid U.S. interference in the domestic economy and felt uncomfortable supplying information to the Americans. They also wanted to avoid generating anti-American feeling in Britain by appearing too beholden to U.S. generosity. The whole process was expected to be "embarrassing and distasteful", but Cripps demonstrated that refusing Marshall Aid would mean serious damage to Britain's reserves and level of imports. Britain, like all the aid recipients, had to sign a bilateral agreement with the U.S.A. In effect the first version would have removed the British Government's ability to set sterling's exchange rate with other currencies. It also insisted on a balanced budget and restricted what Britain could buy with E.R.P. dollars. These conditions were deemed unacceptable. Attlee and Cripps negotiated one with less U.S. interference and by July 1947 officials could start compiling the information requested.

As a result of this work additional Whitehall committees were created. The key one was the E.E.C.C., commonly known as the London Committee. It met between July 1947 and November 1951. It was chaired by Leslie Rowan, a Second Secretary of the Treasury and a former Principal Private Secretary to both Churchill and Attlee. The committee included a range of officials concerned with economic, foreign and Commonwealth affairs. It generated a raft of sub-committees handling individual topics like supplies, programmes and stockpiling. Most important for planning was the Working Group on Long-Term Programmes, also chaired by Rowan, and this working group's Sub-group 'C' established in December 1948 which concentrated on revising the Long-Term Programme. Hitchman chaired it, Marris was the secretary and Strath and Patricia Brown were members.

Eric Roll of the C.E.P.S. was a member of the U.K. Delegation to C.E.E.C. in Paris. The delegation was headed by Sir Oliver Franks who was elected to chair the C.E.E.C. by representatives of the participating countries. Roll later became chairman of the O.E.E.C.'s Programmes Committee and member of the so-called
"Committee of Four" which decided the allocation of aid between the different countries. Plowden and Cripps asked him to remain in Paris as part of the U.K. Delegation, now headed by Sir Edmund Hall-Patch, a deputy secretary at the Foreign Office. Roll, however, remained responsible to the C.E.P.S.\textsuperscript{106} with whom he had irregular contact\textsuperscript{107} until he became a permanent member of the U.K. Delegation in January 1949\textsuperscript{108}. Roll's main concern was with European recovery in contrast to Foreign Office officials who focused on "pleasing political masters at home"\textsuperscript{109}. In August 1948 Robinson still expected to return to Cambridge once again\textsuperscript{110}, but instead joined the U.K. Delegation for the final quarter of 1948. As a "willing slave of the organisations he served"\textsuperscript{111}, Robinson focused on working for the O.E.E.C. He was pessimistic about Britain's chances of achieving viability by 1952-3, but in public he had to support the objectives of the British programme\textsuperscript{112}.

Presenting the case for the allocation and use of E.R.P. aid did not really intersect with the planners' work until August 1948 when the O.E.E.C. requested long-term programmes from each of the sixteen participating countries to demonstrate how they would be "viable" by 1952 when the E.R.P. would terminate\textsuperscript{113}. Viability meant that a country could trade with the dollar area without the need for external aid. The nature of the Long-Term Programme was partly dictated by the O.E.E.C. It provided tables and questionnaires for the participating countries to complete\textsuperscript{114} and assumptions to which all the programmes had to work. As a result British statistics were modified. For example, 1948/9 prices were used throughout, rather than the 1947 prices of Robinson's survey\textsuperscript{115}. Countries were to programme for a balance in trade overall and aim for the largest dollar surplus they could\textsuperscript{116}. Strath was put in charge of work for the programme and material came in from many departments\textsuperscript{117}. Clarke's Programmes Committee produced the vital balance of payments figures\textsuperscript{118}.

Thomas Finletter, head of the E.C.A. Mission in Britain, urged the British to take the lead, as he felt that Washington had a "phobia" that Britain was shirking this
rôle. He was impressed, though, by Robinson's survey. Unlike the E.C.A. which favoured an acceleration in investment and output in the latter years, the British preferred a steady improvement. Additional directions came from W. Averell Harriman, the U.S. Special Ambassador with the E.C.A. He emphasised the need for internal financial stability, balanced budgets, improving productivity and a good level of investment without inflation. He did not want aid dissipated on raising consumption standards. Harriman believed that the supply of strategic raw materials to the U.S.A. would be an important dollar earner for Europe and its dependent territories, the first hint of the American concern with rearmament. Harriman strengthened Keynesian tendencies by encouraging the production of national income figures.

By September, E.E.C.C. officials could scrutinize the draft programme. At only eleven pages long, plus a balance of payments chapter, it was short compared to the annual economic surveys and there was room for amplification of many points. This draft made additional assumptions, for example, a reasonable level of East-West and intra-European trade, sufficient U.S. aid for the duration of E.R.P. and a high level of world economic activity. It acknowledged that falsification of such assumptions would endanger Britain's bid for viability.

Consumption standards would rise little and it was felt politic to omit the food consumption forecasts. Other targets were more optimistic than Robinson's had been, particularly on trade with dollar countries. For 1952, overall exports were set at 150% and imports at 80-85% of the 1938 level, possibly reaching 175% and 95% respectively. It was anticipated that the other O.E.E.C. countries would run a deficit with Britain and the Sterling Area as a whole. The programme's references to joint activities between O.E.E.C. countries appear superficial and uncommitted.

Sterling was presented as a tool for international stability and a basis of multilateral trade, so the British emphasised the importance of strong reserves.
Newton states that this attitude was correct and motivated by true necessity rather than delusions of grandeur. He claims that the stance was vindicated by events in 1947-50, which demonstrated that the dollar shortage was at the heart of international trade problems. The programme anticipated adjustments to exchange rates to reduce trade disequilibria but suggested this was unnecessary for sterling.

The E.E.C.C. was reasonably happy with the programme though they, too, favoured a larger investment programme. In contrast, Butt felt that it had been "a shame" to be involved with the programme which he characterised as being futile given the lack of economic tools to implement it. However, for him it "was this or nothing". Both Plowden and Hall felt there had to be more on European cooperation. Plowden feared that without a clear policy on the issue Britain would become embroiled in unpleasant American "grandiose schemes". The British embassy in Washington felt that the programme was impressive, but Franks, now ambassador and conscious of the American perspective, also wanted more on working with other O.E.E.C. countries; the A-A.C.P.; the willingness to sell raw materials to the U.S.A. and the importance of reserves for Britain. The U.K. Delegation in Paris emphasised the need to amplify production targets and the investment programmes as these would be scrutinised in particular depth by the specialized Technical Committees of the O.E.E.C.

Guided by such advice, redrafting proceeded rapidly and the document was ready by the deadline of 1st October. The programme had been fleshed out to forty-one pages, with rhetoric to appeal to the audiences in Paris and Washington. The Government was still wary of being bound to any forecasts and emphasised that the programme remained provisional. This was particularly the case as it was felt it had to be properly discussed with the Commonwealth.

The prime objective of the Long-Term Programme of the United Kingdom was viability. Interaction with the Commonwealth, the O.E.E.C. countries and the U.S.A.
was important in securing that. It emphasised the need for continuing consultation with the other O.E.E.C. countries. However, given the scepticism of officials about other countries' plans and what could be achieved through co-operation in Europe, it is difficult to believe such statements were sincere. The programme spurned a *laissez-faire* approach though it recognised that long-term planning was a "novelty" for democratic countries\(^\text{133}\). It smugly presented Britain as a country which had already established a system of annual plans onto which work for European recovery could be grafted. The programme stated that the economic picture was elaborated to the public through monthly statistics and publicity\(^\text{134}\). The economist Joan Mitchell claims, however, that the Government was "extraordinarily timid" in mentioning Marshall Aid in public, and attempts to make the two sides of industry understand the implications of E.R.P. were half-hearted\(^\text{135}\).

The 150% target for exports was retained. Britain's commitment to multilateral trade was emphasised though it was recognised that great structural economic changes were necessary to facilitate such a system. The need for strong reserves was reiterated. The programme anticipated Britain would have a surplus with the O.E.E.C. countries which they could not settle in gold or dollars until the early 1950s. However, it believed that in the meantime trade could be balanced through third countries in the so-called "three nons" regions\(^\text{136}\), i.e. non-dollar, non-sterling, non-O.E.E.C. countries, for example, in South America and the Middle East\(^\text{137}\).

Production plans were included for coal, oil, engineering, chemicals, textiles, shipbuilding and tourism and, for agriculture, drawing on the Agricultural Expansion Programme. The level of detail was high, for example covering face, cleaning and haulage machinery for coal and the output of plastics, dyes, soda ash and nitrogen fertilizers from the chemical industry. The objectives for 1952 were ambitious. The programme aimed for output of 250-60 million tons of coal by then which represented an increase of 5% each year 1948-52. Oil refining capacity would rise from 2.5 million
tons to 20 million tons, whilst engineering production would be 70% higher than in 1938. Tourism, given minimal attention in the annual surveys, received greater coverage, because of its dollar earning potential. Even in 1947 there had been 300,000 tourists visiting Britain and it was hoped that by 1952, tourism would earn $150 million (£53.6 million) per year in hard currencies\textsuperscript{138}.

The investment section gave figures in dollars. It hoped that by 1952 the limits imposed by shortages would have lifted and investment could reach 20% of the G.N.P., equivalent to $8.5 billion (£2.1 billion) per year. This included programmes such as $2 billion (£496.2 million) for electricity generation and $1.66 billion (£411.9 million) on housing. The emphasis was on developing basic industries, the infrastructure and new sources of raw materials\textsuperscript{139}.

Investment in the Commonwealth as an important boost to dollar earning, received its own chapter. Unlike the dominions, Britain's forty-five actual colonies, like those of France, Belgium, the Netherlands and Portugal, counted as participants in the O.E.E.C.. Details were taken from current long-term development programmes, which aimed to improve the living standards of colonial peoples. However, as primary producers these countries were vital for dollar earning and saving. Colonial investment plans were to reach $480 million (£119.9 million) in the decade from 1946 along with $750 million (£186.1 million) in seventeen other long-term colonial programmes. It was hoped that by 1952, the colonies would supply $950 million (£235.7 million) of imports to Britain and buy $1 billion (£248.1 million) worth of British exports. Such colonial development it was stated would help provide the U.S.A. with strategic supplies\textsuperscript{140}.

The programme used four assumptions to provide a trade forecast. These were: sufficient E.R.P. aid; substantial progress in West European co-operation; a reasonable level of trade between Eastern and Western Europe and a high level of world economic activity. This was the first occasion when attention was drawn
specifically to the Western Hemisphere, reflecting concern about an approaching U.S. slump. The export forecast for 1952, included 40 million tons of coal, a level higher than the 1927-9 peak. Most ambitious was the objective of $1.053 billion (£261.2 million) in invisible earnings compared to $140 million (£34.7 million) in 1948/9. Even with such optimistic improvements in overseas earnings imports would not exceed 85% of 1938's level\textsuperscript{141}. 

Though exports to the Western Hemisphere were expected to rise 20% by 1952, a $300 million (£74.4 million) deficit would remain with the region but viability was seen as "unquestionably" possible. The only other deficit would be $175 million (£43.4 million) with the "three nons" countries, half of it with the Eastern bloc. Britain would have good surpluses with the Sterling Area and O.E.E.C. countries, causing, it was recognised, a sterling shortage in the latter\textsuperscript{142}.

The programme concluded by showing that $1.263 billion (£313.4 million) of aid was needed for Britain's successful recovery. It reasserted how willing the British were to modify their plan in line with the needs of their O.E.E.C. counterparts\textsuperscript{143}. The programme presented both an optimistic view of the British economy at the end of the E.R.P. period and emphasised that Britain was deserving of aid. Once complete, the British programme was to be combined with those of the other O.E.E.C. countries to provide the Americans with a coherent plan for Europe\textsuperscript{144}.

The U.K. Delegation in Paris felt that the initial O.E.E.C. response to the British programme was favourable\textsuperscript{145}. Plowden, Robinson, Butt and other officials met Finletter and Lindsay from the E.C.A. staff in Paris. Plowden focused on what was to prove a stumbling block - Britain's wish to reduce the import of inessentials from the other O.E.E.C. countries. Lindsay, instead, grilled the British on a range of specific points including the oil, textile and agriculture forecasts, and appears to have been content with the answers. Most noticeable was his query about how rearmament would affect the programme. The British confessed that the "U.K. could not both
recover and rearm as there were virtually no unused resources in the U.K.\footnote{146}. Marshall Aid was already beginning to become mixed up with American defence considerations\footnote{147}, though this did not manifest itself formally until the creation of the Mutual Defence Assistance Programme in June 1951\footnote{148}. However, as early as October 1948 the Ministry of Defence was brought into the London Committee's work\footnote{149}.

The formal scrutiny of the British programme was to be by O.E.E.C. officials in Paris and British civil servants were soon preparing a defence\footnote{150}. The general line was that Britain should be careful about making commitments, for example on convertibility and Sterling Area exports. The issue of British reserves was to be played down in the European arena\footnote{151}. In his address at the official submission of the programme to the O.E.E.C., Plowden stated he felt that those factors within British control such as counter-inflationary fiscal measures and investment control, were portrayed realistically in the programme\footnote{152}. He also believed that the programme's trade objectives were defensible\footnote{153}. Counter to the prevailing rhetoric of trade liberalization, Plowden spoke of the need to reduce the import of inessentials and to promote basic industries to increase self-sufficiency\footnote{154}.

Robert Marjolin, the Secretary-General of the O.E.E.C., responded to the British programme ahead of the official scrutiny. He encouraged the British to be more aware of other O.E.E.C. countries' objectives. He believed the British targets for coal output and steel exports were too low to satisfy the others, and the anticipated oil sales exceeded the likely demand. The greatest difficulty was over the surplus the British expected with the O.E.E.C. countries. Marjolin believed the other O.E.E.C. nations would forecast deficits with the Sterling Area which they could only pay through surpluses with Britain. He urged Britain to import more food from France, Denmark and the Netherlands to save on dollar imports and to spend more sterling in Europe, thus avoiding making the pound as scarce as the dollar\footnote{155}. 

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The British did concede they had been unrealistic in expecting the other countries to take a high level of inessential items from Britain which in turn aimed to keep out their inessential exports. The U.K. Delegation, however, was told by London that with such a restricted import programme Britain could not afford to import what they called "unessentials". The Working Group on Long-Term Programmes felt that refusing such exports would encourage countries to produce more essentials\textsuperscript{156}. Thus, despite assurances of flexibility with the programme, the British attitude remained unchanging.

At the end of October 1948 representatives of the U.K. Delegation, including Robinson, discussed the British programme with the French planners and foreign ministry officials\textsuperscript{157}. Hervé Alphand, Jean Monnet's deputy in the French Delegation, emphasised concerns about Britain's autarkic attitude particularly towards machinery and bread grains. The British were willing to import around a quarter of the amount of bread grains from the whole O.E.E.C. that France alone hoped to export to Britain. The British remained intractable, fearing Britain would ruin its chances of achieving viability if it was too generous to the other O.E.E.C. countries\textsuperscript{158}.

Britain could effectively ignore criticism from other European nations but not that from the Americans. The E.C.A.'s detailed report on the British programme was released at the end of October. This called the programme an "outstanding job" and recognised that Britain had already made good progress towards its goals. The report focused particularly on investment, partly to encourage Congress to be generous to Britain. The E.C.A. wanted Britain to use more of its aid to buy imports which would mean that fewer capital goods would need to be exported and could be retained to re-equip British industry faster. The E.C.A. included social investment in its appraisal and felt the housing programme had been cut severely. They were satisfied that the nationalized industries were not getting preferential treatment, a concern to which the
British planners had given no thought but which reflected E.C.A. sensitivity towards possible criticism in Congress\textsuperscript{159}.

The E.C.A. was sympathetic to the maintenance of a strong pound as an aid to the return of multilateral trade. It accepted the British assumption that full multilateralism would be impossible by 1952/3 and that controls had to be retained in the meantime. However, Britain had to beware of creating a sterling shortage in the O.E.E.C. countries. This could be countered most effectively by importing more inessentials that would also provide incentives for the public\textsuperscript{160}. By this they meant that people would be likely to work harder if there were more luxuries to buy in the shops.

One key flaw was that the British had paid little attention to the difficulties of selling the exports, yet the E.C.A. deemed most of the trade forecasts to be reasonable. The E.C.A. encouraged a focus on boosting productivity\textsuperscript{161}. The report accepted the production goals for the basic industries though it was concerned about recruitment to the coal and textile industries. Overall, the E.C.A. saw the programme as comprehensive, effective and a worthwhile contribution to European economic co-operation\textsuperscript{162}.

By November British officials had started considering other countries' programmes and a revision of the British programme. Robinson warned that Britain had to have a clearer trade policy or it would fall foul of U.S. pressure for rapid liberalization\textsuperscript{163}. Hall claimed that to overcome trade disequilibria, O.E.E.C. countries would have adjust their exchange rates. At this stage though, unlike the American E.C.A. officials who foresaw a general devaluation\textsuperscript{164}, Hall did not expect Britain to participate\textsuperscript{165}. By early 1949, however, he and Plowden had come to support devaluation to overcome Britain's export difficulties\textsuperscript{166}.

The Working Group on Long-Term Programmes, its sub-committees, the full London Committee and the Programmes Committee were all involved in revising the
British programme\textsuperscript{167}. Effective co-ordination was not helped by Clarke who kept the annual reports to the O.E.E.C. under the control of the Programmes Committee. Hall believed Clarke wanted to establish himself as "economic dictator" at the expense of Plowden\textsuperscript{168}. Hall also felt that the Economic Section's work on revision was being ignored\textsuperscript{169}. By December more attention was being paid to the Working Group on Long-Term Programmes's output, backed by the C.E.P.S.'s contributions\textsuperscript{170}.

Revision continued into January 1949. Meanwhile the British programme was included within the O.E.E.C.'s Interim Report\textsuperscript{171} and published separately in the U.K.\textsuperscript{172}. Inconsistencies between the different countries' programmes were exposed. For example, other O.E.E.C. countries expected to earn surpluses from Britain. They wanted to import less coal and steel than Britain aimed to export. The British felt that the other countries' import programmes and estimates of dollar sales were unrealistic which would mean greater dollar scarcity that could damage British plans.

The French programme and that of Bizonia, formed by the fusion of the British and American occupation zones of Germany in 1947, with their grand investment schemes, were seen by officials as particularly foolish\textsuperscript{173}. Ministers felt it unwise to adjust the British programme in line with the French one until the French had reformed their economy to ensure stability. They felt the French Government had misunderstood the British programme and the Chancellor was sent to Paris to clarify it\textsuperscript{174}. The attitude to the Bizone programme prepared by the U.S. Military Governor in Germany, General Lucius Clay, was similarly negative\textsuperscript{175}. Ministers believed its targets for production and exports were set too high, exceeding agreed levels of industry, and the expected level of food consumption appeared "extravagant". Ministers recognised, however, that they could do little in the face of U.S. and German intransigence\textsuperscript{176}.

Announcing the revision of the British programme to Parliament in January 1949, Cripps said that to be part of the process Britain had to tolerate "impertinent"
enquiries into its economy by foreigners. He warned that the whole exercise was fraught with uncertainty and the necessary economic changes had to be introduced gradually rather than violently. The O.E.E.C. programmes had revealed that Western Europe could not expect to achieve viability by 1952/3, though by that time its trade patterns would have changed greatly\textsuperscript{177}.

Little progress was being made on revision as ministers were wedded to the policies they had adopted, for example continuing with the Agricultural Expansion Programme rather than importing more food from the O.E.E.C. countries\textsuperscript{178}. As the original programme had been felt to be realistic it was difficult to identify elements for revision\textsuperscript{179}. The only real changes could be made by increasing figures for total trade with the O.E.E.C. countries and investment in the Sterling Area\textsuperscript{180}. The reluctance to revise was strengthened by the attitude that the programme was "not a plan in the sense of laying down a comprehensive course of action", just "the starting point of planning"\textsuperscript{181}. This implied there was little point in altering figures that were likely to be falsified anyway. Hall-Patch took pains to make the American Congress understand that the programme consisted of "informed guesses"\textsuperscript{182}. A revised programme was produced in February 1949 with minimal changes\textsuperscript{183}. By May, Sub-Group 'C' was recommending no further changes should be made\textsuperscript{184}.

The failure to thoroughly revise the programme did not damage Britain's position. Other countries were far slower in submitting their initial programmes and the scrutiny of them dragged on\textsuperscript{185}. The European economy's vitality had been underestimated and by the end of 1949 it was clearly reviving\textsuperscript{186}. Across Europe agricultural output had recovered its inter-war levels. Exports exceeded the 1938 level, in some countries they were three times higher\textsuperscript{187}. The annual programmes continued to be submitted to the O.E.E.C., though ministers "succeeded in getting the level of detail reduced to one-eighth" of what had been previously demanded\textsuperscript{188}.

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Britain was able to give up Marshall Aid completely at the start of 1951, benefiting from rising demand for Sterling Area primary exports to fuel rearmament¹⁸⁹.

In 1966, Joan Mitchell made a detailed study of the outcomes of the British programme. She observes that "the planners were overwhelmed with the estimates, forecasts and policy prognoses required". It was always unclear how prices would change and there was little inkling of the disruption that the Korean War and rearmament would bring¹⁹⁰. The outcome in 1952/3, Mitchell suggests, was "tolerably close" to the forecasts. The programme gave "a good forecast on aggregate figures", for example exports reached 150% of the pre-war level. Exports were £2.8 billion compared to £1.96 billion in the programme, imports £2.613 billion rather than £1.74 billion. Without the Korean War the figures would have been closer¹⁹¹.

The planners were dependent on two factors beyond their control to achieve the targeted export sales: the efforts of businessmen and the willingness of overseas markets to take the exports. An optimistic target had to be set but there was little incentive to achieve it. The shortfall was filled by greater engineering exports which the programme had underestimated. Import forecasts were closer to reality despite the fact that controls were removed faster than had been envisaged¹⁹².

The programme was accurate on industrial consumption levels, for example of coal and steel. It underestimated the difficulties in achieving manpower targets. By 1952/3 total production was around a third above the pre-war level, as the programme had estimated, yet a number of individual production targets were not achieved. Coal output was only 200 million tons by 1952/3 compared to the revised programme figure of 225 million, with exports at 15 million rather than 35 million tons. Textile production and export levels were 10-20% lower than forecast. Agricultural output was close to the final Agricultural Expansion Programme targets, successes in potatoes, dairy products and pigs were balanced by shortfalls in other livestock and bread grains. One of the best results was in oil refining. By 1952/3 capacity exceeded
the 20 million tons forecast by 1 million tons. This was only achieved by diverting steel, equipment, and licences into the industry and by bringing in foreign specialists.

Investment exceeded the programme's estimates by 8% equivalent to £120 million. Most of the extra came in engineering. The pattern was distorted by rearmament and changed government priorities for investment. Though the forecast pattern and levels of investment were roughly achieved by 1950, this did not guarantee that output reached the expected levels. Consumption turned out to be close to the programme's forecasts. Though supplies of food, household goods and furniture improved, the availability of clothing barely increased.

Mitchell recognises that the "relative closeness of the relation between Programme and performance does not prove anything". She adds:

"the difficulties of making the forecast were so great and ability to direct the economy so limited that it signified hardly more than a hope."

Patricia Brown, a member of Sub-group 'C' claims that the programme was a "dud" as the world did not conform to it. Officials were very surprised when it was fulfilled, mainly due to a sudden surge in the economy in the last year of the programme. The British programme incorporated established long-term programmes like the Agricultural Expansion Programme and policies, such as restricting imports from the U.S.A. and of "inessentials", adopted to resolve the balance of payments problems. Hence, the programme was an exposition of the policies the Government would probably have pursued anyway. For example, multilateral trade needed the removal of disequilibria which promoted sterling devaluation.

Mitchell writes that "after its publication in December 1948", the "Long-term Programme as such was put away to collect dust quickly by Ministers and officials alike". Plowden claims accurately that with "the completion of the Long-Term
Programme, interest in long-term planning waned in Whitehall\textsuperscript{200}. This was not an immediate result, however, as the programme stimulated a final attempt, under the Attlee administrations, to produce an effective survey of the economy up to 1952.

The Economic Survey for 1952

At a very small meeting of officials in December 1948, which included Plowden and Hall, it was agreed that once revision of the Long-Term Programme and preparation of the Economic Survey for 1949 were complete, the C.E.P.S. could work on another long-term survey. Hitchman would chair an \textit{ad hoc} official committee, as the E.S.W.P. would be too busy\textsuperscript{201}. A working party was established in March 1949. It was in fact chaired by Hall and included Strath for the C.E.P.S.. Staff attended as individuals rather than representatives of their different departments. Their task was to re-work Robinson's survey\textsuperscript{202}. Many of its assumptions were retained, such as a high level of U.S. economic activity, though a brief U.S. recession was approaching\textsuperscript{203}. It assumed that Britain could take a greater share of the world's trade in manufactured goods and that the pattern of trade and trading policies would not change. Other assumptions were introduced from the O.E.E.C. programmes: that the U.S.A. would not introduce protection; West European rearmament would not increase and the terms of trade would deteriorate. Unlike Robinson's survey, the revised version anticipated a rise in trade with Eastern Europe\textsuperscript{204}. The export target had been revised upwards to 150\% and imports to 89\% of the 1938 level by the British programme. However, now, more imports were expected from the "three nons" countries and fewer from the Western Hemisphere\textsuperscript{205}.

New material came in slowly\textsuperscript{206}. It was not until May that an outline for the so-called Economic Survey for 1952 could be produced. The layout was to be similar to Robinson's. Downie wanted to limit the focus to topics which needed immediate political decisions, such as the balance of payments, wage inflation, investment and...
government expenditure. Most of the new material was to be compiled by the C.E.P.S.\textsuperscript{207} though the Board of Trade provided detailed papers covering the long-term prospects for certain industrial sectors\textsuperscript{208}.

The first three chapters were ready after three months' work and circulated in June 1949. The revised survey presented itself as "analytical" rather than "prescriptive", showing how far established policies were sufficient to achieve "viability" and a high standard of living by 1952. Its tone was typically cautious. The survey gave such wide ranges of figures, such as between 350-650,000 for unemployment in 1952, as to render them near useless. It assumed continued full employment, but with the "weapons of employment policy" so "crude and untried" policy had to proceed by "trial and error". Productivity was forecast to rise 2.4\% per year, the same as achieved in the period 1924-37, though it was acknowledged that this could fall as low as 1.5\%\textsuperscript{209}.

The survey referred the reader to other documents for information on the balance of payments. Most of the trade assumptions were taken from the \textit{Long-Term Programme}, but it was recognised that "the probable strength of competition from Germany and Japan" had been "previously underestimated". By the end of 1950 West Germany's output was a third higher than in 1936\textsuperscript{210}. This led to the forecast for exports being reduced from 150\% to 145\% of 1938's, close to Robinson's figure\textsuperscript{211}. The trade picture was gloomy given strong U.S. competition and large payments from reserves to the O.E.E.C. and "three nons" countries. To maintain reserves even at the £400-500 million ($1.12-$1.4 billion) deemed necessary could mean cutbacks in imports leading to unemployment. Sterling Area earnings rose sharply with rearmament rather than continuing to fall as the survey expected\textsuperscript{212}. Compared to the \textit{Long-Term Programme} the survey was more realistic on Britain's trade prospects and considered potential problems for the British economy such as a poor harvest in the...
U.K., a U.S. recession equivalent to that of 1938, an inflationary boom comparable to 1948 and a Cold War economic blockade of Eastern Europe\textsuperscript{213}.

The survey anticipated a steadily growing crisis following the end of Marshall Aid, possibly requiring a cut of $500 million worth of dollar imports. Britain was dependent on specific imports from the dollar area which would be difficult to obtain elsewhere. Consequently, production, productivity, employment and consumption would suffer\textsuperscript{214}. These gloomy forecasts were soon falsified by Western Europe's rapid recovery and the Korean War boom. The four-year Economic Survey for 1952 represented the last attempt under the Attlee governments to produce a long-term survey of the economy. Officials were soon busy working on the Economic Survey for 1950 and material needed due the changes created by devaluation in September 1949.

**Rearmament Planning**

Rearmament provided another area in which the planners looked ahead more than one year. It also drew staff from domestic work into the international arena. Rearmament disrupted the British economy. Lord Croham argues that this was a serious set-back at a time when recovery was almost complete\textsuperscript{215}. In contrast, Park suggests it was strictly a temporary phenomenon\textsuperscript{216}. Cairncross has stated that investment did not recover its 1950-1 level until 1955 and in 1952 exports were 7% less than in 1950. These difficulties came at a time when German and Japanese exports were taking off\textsuperscript{217}. I believe that given the concurrent long-term weaknesses of the British economy the specific impact of rearmament is difficult to gauge. The country was unlikely to have experienced sustained economic growth in this period of increased competition, but rearmament certainly distorted the economy and retarded exports and certain sectors of industry.
The belief that a third world war was imminent was held widely throughout Whitehall\textsuperscript{218}. Hall and Plowden had been considering a rise in defence expenditure as early as April 1950. Park claims that civil servants like Hall, thought ministers were "feeble" about defence. As seen above, officials did overestimate the economy's capacity to accommodate rearmament. By Autumn 1950 it was apparent that even a limited conflict in Korea would drive up raw material prices and force major export industries to convert to arms production thus affecting Britain's balance of payments\textsuperscript{219}.

In July 1950 the U.S.A. demanded rearmament plans from its allies in the North Atlantic Treaty Organization (N.A.T.O.), which had been formed the previous year. Plowden chaired the working party that produced the British report. In anticipation of £550 million of U.S. aid, it aimed to spend £3.4 billion on defence 1951/2-1953/4. The American administration was angered by what it saw as the small size of the British programme\textsuperscript{220}. The American standard of living had risen during the Second World War, so the U.S. Government failed to appreciate the burden rearmament placed on other countries\textsuperscript{221}. The C.E.P.S. believed that rearmament might even mean the reintroduction of labour direction\textsuperscript{222}. In fact, having expected substantial American aid, the British had planned a programme too great for Britain's economy to accommodate\textsuperscript{223}. However, following U.S. pressure, the C.E.P.S. and Economic Section began a reassessment of the British plans in September 1950 and it was raised to £3.6 billion. The Americans wanted the British to spend £6 billion, and by January 1951, the planned figure had reached £4.7 billion\textsuperscript{224}, though this was never fulfilled\textsuperscript{225}. Despite continued pressure, the U.S.A. provided no rearmament related burden-sharing aid to Britain\textsuperscript{226}.

Plowden was part of the team which visited the U.S.A. in October 1950 to discuss rises in raw material prices provoked by rearmament\textsuperscript{227}. In October 1951 he was made one of the three "Wise Men" of N.A.T.O.'s Executive Bureau to scrutinize -319-
each of the member states' rearmament programmes. He also sat in for Gaitskell on N.A.T.O.'s Temporary Council Committee (T.C.C.) with Roll as his deputy\textsuperscript{228}. Such work for an international organization differed from planning the British economy. For this reason and because the work of the "Wise Men" and the T.C.C. did not develop until Labour had lost power, they fall beyond the scope of this thesis. However, like the work for the O.E.E.C. the process demonstrated how much Britain was at the mercy of international developments and American wishes and how little the country could plan on its own.
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3 P.R.O., T 230/163, J. Meade to Sir E. Bridges, 23/1/1946.
5 P.R.O., T 230/163, A. Cairncross to J. Meade, 18/12/1946.
7 P.R.O., T 230/61, E.S.W.P. minutes, 15 & 23/1/1947.
18 Ibid., Section I.
19 Ibid., Section II.
20 Ibid., Section III.
21 Ibid., Section IV.
22 Ibid., Section V.
23 Ibid., Section VI.
24 Ibid.
34 P.R.O., T 230/62, "Draft Economic Plan 1948-1951. Note by the Secretary". The word "plan" was replaced with "survey" on the draft.
36 Ibid, Section I.
37 Ibid, Section III.
38 Ibid, Section IV.
41 Ibid, Section VI.
42 Ibid, Section VII.
49 P.R.O., T 230/63, R.C. Tress to H. Gresswell, 14/10/1947.
58 Ibid.
61 P.R.O., T 230/144, E.S.W.P. minutes, 1/4/1948.
69 Ibid.
70 E.g., P.R.O., T 232/74, Foreign Office to U.K. Delegation, 29/9/1948.
80 Ibid., Chapter I.
81 Ibid., Chapter II.
82 Ibid., Chapter III.
83 Ibid., Chapter IV.
84 Ibid., Chapter V, Section e).
95 Eric Roll, Crowded Hours, (Faber & Faber, 1985), London, p. 53
96 P.R.O., CAB 134/216, E.P.C. minutes, 9/1/1948.
98 E.g., P.R.O., CAB 134/216, E.P.C. minutes, 3/6/1948.
100 P.R.O., CAB 134/216, E.P.C. minutes, 16/7/1948.
101 P.R.O. Index CAB 131-4.
102 P.R.O., CAB 130/42, Working Group on Long-Term Programmes minutes, 20/12/1948. Sub-group 'A' headed by Denis Rickett of the Treasury looked at European problems & Sub-group 'B' under Clarke considered the impact of O.E.E.C. policies on the Sterling Area.
103 P.R.O., T 229/205, Informal meeting minutes, 2/2/1949.
107 Interview with Lord Roll, 18/5/1995, e.g., P.R.O., CAB 130/42, Working Group on Long-Term Programmes minutes, 16/11/1948.
109 Ibid., pp. 53-4.
112 Ibid., pp. 106 & 108.
118 P.R.O., T 232/73, "Four Year Programme for O.E.E.C. Note by the Central Economic Planning Staff", unsigned, undated [8/1948].
120 P.R.O., T 232/73, "Four Year Programme. Note of Discussion with Mr. Finletter", T.L. Rowan, 7/8/1948.


126 P.R.O., T 232/74, "Long-Term Programme - Telegram from Mr. Harriman", R. Hall to W. Strath, 8/9/1948.


130 P.R.O., T 232/74, Sir Oliver Franks to Foreign Office, 20/9/1948.


133 P.R.O., T 232/74, "The Long-Term Programme of the United Kingdom", 30/9/1948, Chapter I.

134 Ibid., Chapter II.


138 Ibid., Chapter III.

139 Ibid., Chapter IV.

140 Ibid., Chapter V.

141 Ibid., Chapter VI.

142 Ibid.

143 Ibid., Chapter VII.


151 P.R.O., T 232/74, "Examination by O.E.E.C. of our Long-Term Programme", unsigned to E. Rowe-Dutton, 18/10/1948.


154 E.g., P.R.O., T 232/74, Sir S. Caine to R. Makins, 11/11/1948, Caine countered such charges.


160 Ibid.

161 Ibid.

162 Ibid.


165 P.R.O., T230/109, R. Hall to T.L. Rowan, 1/11/1948.


169 Ibid., pp. 47 & 51.


176 P.R.O., CAB 134/216, E.P.C. minutes, 14/12/1948.
182 P.R.O., T 229/205, E.L. Hall-Patch to E.A. Berthoud, 29/1/1949.
191 Ibid., pp. 81-2 & 103.
192 Ibid., pp. 86, 88, 90-1.
193 Ibid., pp.93-4, 96, 98, 100 & 102.
194 Ibid., pp. 100-1, 103 & 110.
195 Ibid., pp. 104-5.
196 Ibid., p. 107.
199 Ibid., p. 116.
201 P.R.O., T230/109, "Record of Meeting Held in Sir Edwin Plowden's Room on Thursday 16th December, 1948", 16/12/1948.

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Ibid.


214 Ibid.

215 Interview with Lord Croham, 27/6/1996.


218 Op. cit., Plowden, p. 120.


221 Ibid., p. 104.


Chapter VII
Conclusions

Having considered British economic planning 1945-51, in as much detail as the constraints of a thesis allows, it is possible to return to the groups of core questions set out at the beginning of the work.

It can be argued that the new governmental bodies achieved very little in terms of economic planning. The response of Whitehall to this new policy approach was to produce structures which were traditional in nature. The C.E.P.S. was little different from the Economic Section, and the E.P.B. was simply a smaller version of N.J.A.C. and N.P.A.C.I. Consequently, despite some early concerns, they fitted comfortably into the government machine. Likewise, the official and ministerial committees which were created to handle planning did not depart substantially from established practice. It is apparent that ministers lacked the ideas and the will to initiate any greater changes.

The focus of the official and ministerial planning committees reflected the realisation that economic issues could not be separated from financial concerns. They also marked a recognition that in the post-war world, trade and the balance of payments were central elements in determining the health of the economy and so had to be monitored at the highest level. Parallel to this was the reassertion of the Treasury's primacy in Whitehall, unthreatened by any rival department in the economic field. As controls were abandoned and macro-economic management became the key tool, it was natural that the Treasury should become the prime governmental mover in the economy.

Kevin Theakston suggests that due to Labour's perception of the Civil Service they were unlikely to engineer great changes. This derived from the Fabian view of the state as being effectively a neutral instrument for the execution of political decisions. It combined with Labour's centralist and statist approach which needed a
strong Whitehall, plus the successful experiences almost all Labour ministers had had working with officials during the war\textsuperscript{1}. As Chapter II demonstrated the Government certainly did not try to introduce radically different systems into Whitehall. Despite economic ministers like Cripps, Jay, Gaitskell and Dalton feeling discomfort during the devaluation crisis of 1949 about the attitude of civil servants to the issue, generally there were no complaints from Labour ministers about their officials\textsuperscript{2}. Kenneth Morgan states that there was no evidence of Civil Service obstruction to the Government's policies. He adds that there was a powerful commitment to economic change throughout Whitehall, including in the Treasury\textsuperscript{3}. However, as has been seen, this was directed towards Keynesianism rather than planning the economy. Theakston claims that as Labour's designs for planning, the welfare state and nationalization "were fairly vague"\textsuperscript{4}, ministers were dependent on officials to sketch in the details. Throughout, ministers did not provide clear direction and ideas for planning. The suggestions which were made, were not pursued with vigour. Consequently planning officials could offer little to augment such a weak policy.

What "value" then, did the planners add to government? Clearly more economists were brought into peacetime government service whether on a temporary or a longer-term basis. Though the C.E.P.S.'s tasks could have easily been undertaken by the Economic Section and C.S.O., its members added to what was a small pool of economic specialists, particularly in supplying information directly to the Lord President and Chancellor. Such material could provide a counterbalance to the rather traditional views held by the Treasury\textsuperscript{5}.

I would agree with Hennessy that the greatest legacy of the C.E.P.S. was in terms of the staff it brought to and promoted within Whitehall\textsuperscript{6}. It is difficult, however, to say how far connection with the C.E.P.S. aided careers that would probably have been successful anyway. Plowden went on to chair important committees investigating atomic energy, the machinery of government, the aircraft
industry and Civil Service pay. He headed the United Kingdom Atomic Energy Authority from 1953. His input helped shape the Central Policy Review Staff (C.P.R.S.) created by Edward Heath in 1970 and scrapped by Margaret Thatcher in 1983. Like the C.E.P.S., it was a body which provided information to a range of departments. To emphasise this the C.P.R.S. was located throughout its life in the Cabinet Office. Its scope was broader than simply economic. However, it was headed 1974-80 by Sir Kenneth Berrill, a former C.E.P.S. member, who had been Chief Economic Adviser to the Treasury 1973-4.

Plowden's secretary at the C.E.P.S., Douglas Allen, later Lord Croham, ultimately went on to become Permanent Secretary to the Treasury and later Head of the Home Civil Service. He helped Berrill in his move to the C.P.R.S. David Pitblado became Permanent Secretary to the ministries of Power and of Technology in the 1960s. Eric Roll, now Lord Roll, rose to become Permanent Secretary of the Department of Economic Affairs created by Harold Wilson in 1964 to handle economic planning which returned to fashion in the early 1960s. There Douglas Henley and Douglas Allen worked under him as Assistant Under Secretary of State and Deputy Under Secretary of State respectively. Henley later rose to become second Permanent Secretary to the Treasury and then Comptroller and Auditor General, 1976-81. His deputy for three years was another former C.E.P.S. man, Phillip Cousins.

Geoffrey Wilson was Permanent Secretary to the Ministry of Overseas Development 1968-70. Alan Hitchman, a former Assistant to the Chief Planning Officer, became Permanent Secretary to the ministries of Materials and of Agriculture in the 1950s. William Strath, Hitchman's successor at the C.E.P.S., became Permanent Secretary to the ministries of Supply and of Aviation 1959-60. Like Plowden and John Croome, another C.E.P.S. man, both Hitchman and Strath worked for the United Kingdom Atomic Energy Authority in the 1950s.
On the question of whether the planners correctly predicted the economic problems the economy was likely to face, it can be argued that broadly they did. It was mainly political reasons which prevented their advice being heeded. As early as May 1946, officials were aware that a coal shortage was likely. Shinwell's concentration on issues outside his portfolio, such as attempts to regulate pay rises, prevented effective action. As shown in Chapter V, similar problems continued to occur due to the Ministry of Fuel and Power's enduring suspicion of others' views of their fiefdom. The planning officials also recognised swiftly in 1947 that it would be difficult to maintain convertibility given the position of Britain's gold and dollar reserves and the demands on them. However, even if ministers had fully grasped the implications of convertibility they would have found it difficult to renge on their agreement with the American Government.

More successfully, the planners made ministers aware of how vital Marshall Aid was for Britain and guided them in the most effective way to elicit the greatest amount possible. With the planners' awareness of trade issues, Plowden and Hall led in pushing for devaluation, realising that an overvalued pound was making British exports uncompetitive. Devaluation is always a difficult move for politicians to make, but the persistence of Plowden and Hall converted the Cabinet to the idea and to accept a rate sufficient to remedy most of the trade and reserves problems. Planning officials were more hawkish than their ministers and encouraged the beginning of rearmament. Rerarmament was a development, however, that was forced on ministers less by their officials than by world events and the Americans. In fact the planners underestimated the disruption to trade and the British economy that the degree of rearmament adopted would cause. The balance of payments deficit was £369 million compared to the £100 million expected. The G.D.P. rose by only 2% 1950-2, rather than 6%, the rate it had been rising before rearmament. However, the 1951
economic survey was sufficiently incisive to encourage ministers to take steps which somewhat mitigated the effects on the domestic economy.

Planning officials probably took no more initiative than anyone else in Whitehall. However, because their work focused on looking out for possible future crises they were in a stronger position to warn ministers. The British Civil Service is not a system which encourages its officials to take the initiative on policy. Rarely, though, did they do more than present the information and leave it up to ministers to produce, or fail to produce, a policy to respond. There were occasions when senior officials pushed certain lines, such as on accelerating demobilization or devaluation, which were accepted by ministers, others, such as harsh cuts following the failure of convertibility, were resented and rejected. Civil Service initiative in planning was generally more subtle - for example, guiding what should be covered in the economic surveys and in what order. Planning officials made sure that ministers' less relevant interests, such as Cripps's enthusiasm for bilateral trade deals, did not intrude too much. Officials ensured that what was written was not only inoffensive to the Americans but also calculated to appeal to their generosity. Most importantly, they determined the tone the surveys would adopt towards the public whether exhortatory, patronising or dully statistical.

Most of the planners' work was involved with gauging short-term developments, little more than a year ahead at most. This cannot properly be called economic planning. Consequently it is difficult to say when planning gave way to Keynesianism. The move towards Keynesianism had been underway since 1941. Even Tomlinson concedes that officials and ministers were using Keynesian concepts and arithmetic, particularly after 1947. Thus, despite the rhetoric of Labour's manifesto, immediate post-war planning can be seen more as a leftover from wartime than a new departure. It was a hiccup against a background of growing acceptance of Keynesian thinking in economics, if not full-blown Keynesian practice.

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Given the minimal application of planning the question of how much influence either "Gosplanners" or "Thermostatters" wielded becomes irrelevant. The policies being pursued by the time Labour fell from power fitted the ideas of Meade, the key "Thermostat tatter", very neatly. The Economic Section can be seen as the most Keynesian part of Whitehall, but there was acceptance of its attitudes and approaches to problems throughout most of the C.E.P.S. as clearly demonstrated by the partnership of Plowden and Hall. These opinions became more widely accepted as the years passed. The "Gosplanners" represented a small ginger group of probably just three men - Marris, Berrill and to some degree, Robinson. Their views were not as extreme as rivals painted them. They just approached planning with a desire for something more dynamic that could engage the public and could reach into all sectors of the economy. They certainly did not offer a substantially different vision of planning. The difference between the three and their more thermostatting colleagues was in terms of style and presentation. This was most clearly demonstrated by the debate over the number of statistical tables that the surveys produced in 1948 should contain.

Though leading economic officials such as Plowden and Hall did not see economic planning as a long-term approach to the economy, there is no evidence that they consciously undermined it as a policy. In the Whitehall tradition they obeyed the policy directions that their ministerial masters dictated. The focus on short-term solutions, anyway, prevented any real attempt to plan the economy which might have highlighted the differences between the senior civil servants and ministers. Additionally, given the economic difficulties that Britain continued to face at the end of Labour's period of office, it must have appeared, even to those who saw planning as a temporary measure, that it remained a necessary policy for the time being. Only the hostility of the incoming Conservative Government to planning ensured that it was swept away briskly. Even then, within ten years, the Conservative Chancellor, Selwyn
Lloyd\textsuperscript{24}, revived the interest in economic planning which formed a basis for Labour's subsequent National Plan of 1965. Such a revival reflected a wish to mimic what was perceived as the success of French planning\textsuperscript{25} It also demonstrates, however, that virtually all the problems associated with immediate post-war British planning had been forgotten very quickly. This was despite the involvement of experienced planning officials of the 1940s, such as Roll, Henley and Allen in the Department of Economic Affairs at much higher ranks than they had held fifteen years before. Again this reflects the duty of civil servants to carry out the wishes of their ministers whatever the potential difficulties.

This thesis has demonstrated how constrained ministers were in trying to shape the economy at any more than a macro-economic level. As Chapter IV highlighted, the Budget was never integrated with economic planning, despite both aspects coming under the auspices of the Chancellor and the Treasury from 1948. The Government was never able to develop a sophisticated credit or wages policy or tax system, all of which would have been necessary to shape the economy in absence of more direct controls. Though these ideas were often never fully developed as policies, initiatives in these areas were choked off quickly by vested interests in banking, the trade unions and the Civil Service respectively.

The Government overestimated its ability to guide investment and to bring it in line with available resources and to focus on the sectors which it considered to be the most important. Connected with this was the "arms-length" control over the nationalized industries which had been established on the Morrisonian public corporation model. This meant that they could act with a good deal of autonomy in their investment rather than complying with the Government's objectives. Thus a strong influence by the state over large parts of the economy was prevented, particularly in encouraging investment. This contrasted with the French example where the state-owned Electricité de France was the largest industrial investor in the
country. The size of such business enabled the French government to provide stable markets for suppliers\textsuperscript{26} and consequently indirectly affect a large part of the economy.

Wartime planning had rested on controls over manpower and raw materials. These needed a large administration to function, but this was seen as wasteful in peacetime. The increasing availability of raw materials made control of them unnecessary. Concerns about the impositions on liberty of the manipulation of the labour market inhibited the use of manpower controls. Thus as Chapter IV demonstrated, by the end of the 1940s it had become impossible to implement planning on the wartime model\textsuperscript{27}.

Taken as a whole, these problems demonstrate that the Governments 1945-51 were unable to implement a new kind of economic policy with the economic methods and instruments that were in existence, partly because of resistance from different groups. Planning was impossible without fashioning new economic tools for the task. The only viable alternative, which had been favoured by many civil servants even when planning was in fashion, was Keynesian-style demand management. This approach allowed business to work and trade in the way it wanted and was easy to administer from the perspective of the Government and Civil Service. This development was accentuated by the Treasury developing its powers over the economic sphere of policy.

On the question of whether Britain lacked a "developmental state", Plowden suggests that a British "take-off" was not retarded by the Korean War. I share Plowden's view that given the "poor management in much of industry, reactionary trade unions, the poor education and training of much of the workforce and too great a concentration on old and declining industries" Britain was unlikely to have ever attained a post-war economic "miracle"\textsuperscript{28}. Britain had deep rooted problems that despite a small window of opportunity following the war, were not going to be overcome by superficial changes to the government machine. This structure did not
provide sufficient capacity or power for institutional and industrial adaptation to changed economic circumstances.

The new French planning institutions were more successful for four reasons. First, France had suffered much more from the war and industrialists and workers alike were prepared to accept otherwise unpalatable developments in order to reconstruct France successfully. In Monnet's words, "Britain had not been conquered or invaded. She felt no need to exorcise history." Consequently, British employers and trade unions were not so amenable to the possibility or desirability of radical reforms. Second, the French Government, and importantly its Civil Service, had a clear objective for planning, which was to modernize the whole economy. Unlike the French planning objective of "breaking down any obstacles that the past might erect" and creating a strong industrial and agricultural base that could compete in Europe and the World, British planning never had a clear goal. Its objectives involved a desire to revive inter-war industrial and trade patterns, thus recreating the problems of the old industries. It also aimed to protect the British balance of payments and reserves. However, ministers seemed only distantly aware that to achieve this objective, governmental intervention and strong investment were needed to promote successful export industries such as engineering. The U.K. Government aimed to preserve consumer freedoms at a time of such severe economic crises that nothing more than survival could be achieved without stronger regulation.

An additional problem was that, though planning was supposed to encourage the whole public to work harder and make sacrifices in times of shortages, the Government was very wary about revealing their economic forecasts, especially in the first two years after the war. Ministers and officials naturally feared that they would face criticism if reality turned out differently to the forecasts and thus undermine faith in planning. The Government also disliked revealing details of the planning machine to Parliament and the public. As a consequence the press tended to portray the planners
as faceless puppet-masters running the economy and not doing a good job of it. Of course, the planners never attained even a fraction of this power. Again this contrasts with the French example where the modernization plan was discussed with various interest groups\textsuperscript{34} and published at the end of 1946\textsuperscript{35}. Copies were even personally delivered to the British Civil Service\textsuperscript{36}.

This thesis has shown that counter to Barnett's views that Britain's chances for strong economic revival were thrown away on building the "New Jerusalem" of a comprehensive welfare state\textsuperscript{37}, the economic planners concentrated on trying to engineer a healthy economy in terms of trade and production. Investment cuts focused on areas over which the Government had greatest control. As Chapter V demonstrated this often meant restrictions in investment in social services, health, education and particularly public-sector housing. Such approaches, however, were shaped more by a recognition of Britain's limited resources than any clear ideology. If nothing else, the economic planners were usually very much aware of the restricted supplies of all kinds on which the U.K. had to survive.

The third difference between British and French planning was that the French involved a thousand people in planning including numerous industrialists, trade unionists, farmers and experts. British planning never involved more than a hundred people at most, almost exclusively of the traditional Civil Service mould, working with people representing industry and labour who held conservative perspectives\textsuperscript{38}. The French civil servants were technically better trained than their British counterparts\textsuperscript{39}, but contrary to Plowden's view\textsuperscript{40}, their power of initiative within the French constitutional framework was no greater than their British counterparts\textsuperscript{41}.

The fourth difference is linked most clearly to the issue of the "developmental state". The French were able to graft their new institutions on to well established investment and tripartite bodies, some dating from the Nineteenth Century\textsuperscript{42}. Britain had no such bodies, and equivalents had to be quickly created. Unsurprisingly they
were unpopular with industry which was used to a hands-off approach in peacetime. The new bodies also lacked clear functions or sufficient powers.

This leads to the final core question. From the above points it is clear that I do not think economic planning is incompatible with democracy. In fact, as the French example demonstrated, planning can enhance it. I do agree, however, with von Hayek that planning was incompatible with the British capitalist system. Both British labour and industrialists were very jealous of their position and resented any interference. Given that Britain had been a victor and had not suffered foreign invasion there seemed no reason to diverge from what was established peacetime practice. The Government's ideas were not coherent enough, nor could it draw sufficient support from any sector of society to press its innovations on to British industry in the face of obstruction by workers and employers. Though wage restraint was pursued 1948-50, this concession by the T.U.C. just strengthened its hand in resisting the introduction of initiatives, particularly on pay differentials that were important for enabling planning to be carried out\textsuperscript{43}. These groups in society questioned the whole legitimacy of the attempts to plan which severely dented the confidence of those involved in planning that further weakened it as a concept. In the struggle to assert new models for running the economy, the Government's half-hearted attempt at planning was bound to fail.


24 Prof. Peter Hennessy claims it was more at Harold Macmillan's initiative. Correspondence, 7/1998.


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36 P. R. O., FO 371/59982, minute, S. Hebblethwaite, 13/12/1946.
Appendix

The Central Economic Planning Staff 1947-51

Key
[40] - age in 1947.

Ministry of Food - Employer immediately before joining C.E.P.S.

(Ministry of Production) - Wartime employment.

Sir Edwin N. Plowden [40]
C.P. Tennant & Sons Co.

(Chief Executive, Ministry of Aircraft Production)

Chief Planning Officer

5/1947 - 1953

Chairman of: Economic Planning Board

from 7/1947 - 1953

Investment Programmes Committee

9/1947 - 4/1948

(Chair from 12/1947)

Official Committee on Economic Development Working Group

5/1949 - 10/1950

Deputy Chairman of: Economic Steering Committee

from 10/1950

Member of:

Government Organization Committee

from 12/1949

Committee on Proposed Franco-German Coal & Steel Authority

from 5/1950

Official Coal Committee

from 11/1950

Hugh Weeks [43]

Director of J.S. Fry & Sons Ltd.

(Ministry of Supply 1939-43 & Head of Programmes & Planning Division, Ministry of Production)

Assistant to the Chief Planning Office

1947 - 4/1948

Member of: Economic Planning Board

7/1947 - 7/1948

Investment Programmes Committee

8/1947 - 4/1948

(Chairman from 12/1947)

Committee on Industrial Production

12/1947 - 7/1950

Working Party on Marshall Aid

12/1948

Executive Committee of European Economic Co-operation Committee

from 1/1948

E. Alan Hitchman [44]

Principal Assistant Secretary, Ministry of Labour

(Ministry of Labour)

Assistant to the Chief Planning Officer

1948 - 11/1949

Chairman of: Productivity (Official) Committee

8/1948 - 9/1949

Manpower Committee

3/1949 - 1/1950

Member of: Committee on Controls and Efficiency

from 7/1947

Economic Planning Board

from 9/1949

Import Diversion Committee

7/1948 - 11/1949
William Strath [41]
Ministry of Aircraft Production
(Air Ministry)
Assistant to the Chief Planning Officer
from 11/1949 - 1955
Chairman of: Import Diversion Committee
11/1949 - 1950
Manpower Committee
1/1950 - 3/1951
Member of: Committee on Economic Controls
from 7/1947
Economic Planning Board
from 9/1949
Investment Programmes Committee
12/1947 - 11/1949
(Chairman from 4/1948)

Douglas A.V. Allen [30], Board of Trade since 1939
- Working Party on National Incomes Forecasts from 1/1950
  Programmes Committee from 9/1950
  Secretary to Economic Planning Board 11/1947 - 10/1950

D.J. Atherton - Official Committee on Economic Development 5/1949 - 10/1950

Kenneth Berrill [27], Cambridge University, (Army - R.E.M.E.)
- C.E.P.S. Economist

George B. Blaker [35], Board of Trade, (Ministry of Production)
- Raw Materials Committee from 8/1951

Neville Blond [51], Board of Trade, (Ministry of Production)
- C.E.P.S. member

S. Boddington - Secretary to Economic Planning Board 7/1947 - 11/1947

M. Patricia Brown [21], Cambridge University
- C.E.P.S. member

Dr. F.E. Budd, Cabinet Office
- Secretary to Materials Committee 12/1946 - 6/1950

Phillip Cousins [24], R.A.F.
- Secretary to Industrial Building Committee 11/1949 - 1/1950
  Secretary to Investment Statistics Committee 12/1949 - 9/1950
John L. Croome [40], Ministry of Food since 1939
- Chairman of Committee on Colonial Development's Sub-committee on Import Programmes 1/1949 - 8/1951
  Secretary to Investment Programmes Committee 12/1947 - 2/1948

R.E. France, Ministry of Supply
- Secretary to Fuel Allocations Committee 6/1947 - 4/1950

A.V. Francis
- Sub-committee on Visible Exports from 9/1948

Douglas O. Henley [28], Treasury, (Army - 12th Infantry Brigade)
- Official Committee on Economic Development from 10/1950
  Secretary to Economic Planning Board from 10/1950

Miss. A.M. Jenkins
- Chairman of Working Party on Long-Term Planning from 4/1951
  Committee on Productive Capacity 2/1951 - 12/1951

E. Jones
- Secretary to Investment Programmes Committee 7/1950 - 10/1951
  Secretary to Raw Materials Committee 10/1950 - 12/1950

Alfred S. Le Maitre [51], Admiralty since 1920

Kenneth W.S. MacKenzie [32], Assistant Financial Secretary - Kenya,
  (Colonial Administration, Basutoland and Mauritius)
- Secretary to Raw Materials Committee from 4/1951

Robin Marris [23], Cambridge University, (R.A.F.)
- Secretary to Working Party on National Incomes Forecasts 1/1950 - 3/1950

J.K. Ogilvy Webb - Secretary to Programmes Committee from 6/1948
  Secretary to Import Diversion Committee 7/1948 - 1/1949

David Pitblado [35], Treasury, (Dominions Office)
- Programmes Committee from 1/1950
  Working Party on Proposed Franco-German Coal and Steel Authority from 9/1950

D. Pointon
- Secretary to Import Diversion Committee 1/1949 - 1950
E. Austin G. Robinson [50], Cambridge University, (Ministry of Production)
- Investment Programmes Committee from 8/1947
Overseas Negotiations Committee from 10/1947

J.A.C. Robertson - Programmes Committee from 9/1951
Working Party on Proposed Franco-German Coal and Steel Authority from 9/1951

Eric Roll [40], Ministry of Food
- European Economic Co-operation Committee's Programmes Committee (Vice-Chairman for O.E.E.C. Programmes) 6/1948
Import Diversion Committee 7/1948 - 1950

Edward A. Shillito [37], Treasury since 1936
- Chairman of Committee on Productive Capacity Raw Materials Committee 1/1951 - 3/1951 Manpower Committee from 3/1951

C.D. Smith - Industrial Building Sub-committee 11/1949 - 1/1950
Secretary to Plant and Machinery Sub-committee from 2/1949
Materials Committee 6/1950 - 10/1951
Investment Programmes Committee 10/1951

Frederick W. Smith [51], Ministry of Works, (Ministry of Aircraft Production)
- Food Distribution Committee from 5/1948

J.G.P. Spicer - C.E.P.S. member.

Frank F. Turnbull [42], India Office since 1930
- Chairman of Investment Programmes Committee from 11/1949
Steel Working Group

Herbert A. Turner [35], Treasury, (Ministry of Transport)
- Programmes Committee 4/1950 - 5/1950
F. R. Peter Vinter [33], *Treasury, (Ministry of Economic Warfare and Cabinet Office)*
- Chairman of Industrial Building Sub-committee 11/1949 - 1/1950
- Secretary to: Plant and Machinery Sub-committee from 2/1949
- Working Party on Proposed Franco-German Coal and Steel Authority from 5/1950

Joseph R.M. Willis [38], *Inland Revenue since 1932*
- Programmes Committee 1/1949 - 1/1950

Geoffrey M. Wilson [37], *Cabinet Office, (Foreign Office)*
- Raw Materials Committee from 1/1951


1 Neville Blond does not appear in any of the secondary literature but was working with the C.E.P.S. on coal, slurry, steel and railway wagons in June 1947, P.R.O., T 229/417, *Principal Subjects Under Investigation*, 13/6/1947.

2 Only non-ministerial member of the committee apart from Robert Hall.

3 Though Sir Geoffrey Wilson is listed by Alford, Lowe and Rollings as being a member of the C.E.P.S., he wrote to me in March 1995 denying this. He says that he was a member of the Cabinet Office and of the Treasury under the Labour Governments but had little contact with the C.E.P.S.
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CAB 128 - Cabinet minutes
CAB 129 - Cabinet memoranda
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