

HOW ADOLF HITLER REFORMED WHITEHALL

Peter Hennessy
and
Sir Douglas Hague

STRATHCLYDE PAPERS ON GOVERNMENT AND POLITICS

(Series Editor William Miller)

No. 41

ISSN 0264-1496

c. 1985 Peter Hennessy and
Sir Douglas Hague

Department of Politics,
University of Strathclyde,
GLASGOW G1 1XQ
U.K.

AFTERMATH

' Can it be doubted that this new blood would have benefited the service even had there been no war?'

D N Chester, 1951. (109)

The reform Hitler forced on Whitehall was undone by the peace because we neither tried nor cared to devise its peacetime equivalent. This represents probably the greatest lost opportunity in the history of British public administration. The irregulars, one by one, went back to their universities, their companies, their law practices, their old professions as if they were soldiers receiving a handshake and a demob suit. Some were offered permanent establishment. Franks could have had pretty well any post he liked. But from being the public servant who wielded the greatest ever powers over British industry, he seized the offer of the one job he had always wanted, the Provostship of his old College, The Queen's, in Oxford, though within two years he answered the Foreign Secretary's call and returned to public service. R.V. Jones took the Chair of Natural Philosophy at Aberdeen. Gaitskell and Wilson stood for Parliament. Robbins went back to the LSE. Keynes negotiated the American loan, came home to Sussex and died. Jay moved into No 10 as Attlee's economic adviser before winning a by-election in 1946.

Beryl Power had been transferred to the Ministry of Supply in 1941 to run its housing and welfare side. After the war she went to China as a consultant on administration and welfare policies for the United Nations Relief and Rehabilitation Administration. She remained in China and the Far East, though still officially on the books of the Ministry of Labour, until her retirement from the public service in 1951. In later life she chaired the Over Forty Association for Women Workers and died, an asthmatic, on November 4, 1974, her work forgotten, if it was ever known

outside a small Whitehall circle, and unrecognised in any Honours List.

Some of her people stayed on in postwar Whitehall. Penney and the British contingent at Los Alamos came home to make a British bomb. R.W.B. 'Otto' Clarke, gifted journalist, inventor of the Financial Times Index, who had joined the Ministry of Information in 1939, moving through Economic Warfare, Production and Supply, joined the Treasury in 1945. He decided to remain, and rose to the rank of Permanent Secretary at the Ministry of Technology in 1966. Writing of the post-1945 Treasury, Sir Alec Cairncross judges him the only official with 'any real flair for general economic policy'. (110) Austin Robinson came back for a while to join Sir Edwin Plowden (a businessman brought in as a wartime temporary to the Ministry of Economic Warfare) in his new Central Economic Planning Staff created in 1947. The Economic Section carried on in the Cabinet Office first under James Meade and later Robert Hall. But elsewhere, the specialists dwindled:

'With the death of Keynes the Treasury were left without any professional economist to advise them and felt the loss very severely. The Board of Trade had an economic adviser up to 1950 and there were one or two professional economists in administrative or statistical posts. Other departments with the exception of Agriculture, Food and the Joint Intelligence Committee, had none or, at most, one.' (111)

A Cabinet Committee on the Machinery of Government had been at work since 1942, initially under Anderson's chairmanship. But it did not seek to build on the human capital found by Miss Power.(112) Attlee, who inherited Anderson's superb Lord President's machine in 1943 when Anderson moved to the Treasury, showed no interest in reforming Whitehall when he became Prime Minister. Presumably he too had seen the past and it had worked.

The Reconstruction Competitions run by the Civil Service Commission from 1946 to telescope six lost years of recruitment to the administrative class, did not seek a new model civil servant. Northcote and Trevelyan would have approved of the young men and women who passed out of Sir Percival Waterfield's Civil Service Selection Board, a copy (minus the physical jerks) of the War Office Selection Boards which found the younger segment of the World War II Officer Class.(113) Bridges' famous 'Portrait of a Profession' lecture delivered at Cambridge in 1950 was a pure nineteenth century performance. It talked of the need for the civil servant to give his Minister 'the fullest benefit of the storehouse of departmental experience; and to let the waves of the practical philosophy was against ideas put forward by his Ministerial Master' and its regret that Whitehall was lacking 'in those expressions of a corporate life found in a college. We have neither hall nor chapel, neither combination room nor common room.' (114) Hitler, World War II, and the Central Register might as well not have happened. It was back to business as usual.

During the war it had been possible to believe that with the 'Old Gang' of appeasers discredited, things would never be the same again. Meritocracy would prevail. Clever scholarship boys, scientists even, would be permanently enfranchised. Churchill himself was affected by the spirit of the times. In August 1941 he told Lord Halifax, the British Ambassador to Washington:

'....that it was the secondary schoolboys who had saved this country. "They have", he said, "the right to rule it." '(115)

The boffins, in the afterglow of the achievements of Bletchley, Malvern and so on, were given in December 1946 what was meant to be a new charter. As one of his last services to government, Maurice Hankey, by this time in retirement and chairman of the Technical Personnel Committee, drafted a White Paper on the

Scientific Civil Service.(116)

Just how little lasting effect that document - and the war-shortening performance of British scientists - really had on the mentality of the higher Civil Service can be judged from background briefing notes reflecting the views of 'various permanent secretaries' prepared inside the Treasury at the time of the Priestley Royal Commission on Civil Service Pay. Dated November 1, 1954, and headlined 'points in favour of the Administrator, as contrasted with the 'specialist', it reads:

'Wider view-points. Duty to keep in mind greater variety of considerations. The Specialist's contribution to policy (if any) is confined to specialist considerations: administrator must take account of these and others too.

'Greater versatility: must be capable of being switched from one job to another with quite different content.

'More wear and tear. Takes main impact of Ministerial, Parliamentary and PAC [Public Accounts Committee] requirements. 'Cushions' and 'carries the can for' the specialists.

'Recruitment is much more selective: the average AP [Assistant Principal] entrant is a superior article to the average SO [Scientific Officer] entrant'.(117)

LESSONS

'In Washington Lord Halifax once whispered to Lord Keynes:

"It's true they have the money bags, but we have all the brains".'

Anonymous verse found in British papers dealing with negotiation of the American Loan, 1945.(118)

"We should not be squeamish about backing people rather than the system."

Lord Rayner, 1984 (119)

It is true that there was the occasional spurt of new blood into postwar Whitehall. Plowden's Central Economic Planning Staff, a kind of economic and industrial think tank for Attlee and his senior ministers, was a worthwhile enterprise that has yet to find its chronicler. Harold Macmillan brought in Sir Percy Mills, his favourite industrialist, to help his huge housing drive in the early 1950s. Churchill in his last premiership made Lindemann Paymaster-General with a seat in the Cabinet (the old Statistical Section enjoyed a brief revival) and Lord Salter was made a Minister of State. In more recent times, the special adviser experiment conducted by the two major parties and, more importantly, Mr Edward Heath's Central Policy Review Staff which survived 13 years and four prime ministers, (120) were attempts in miniature to reproduce wartime experience though they were not conceived as such.

It might have been thought that when Harold Wilson moved into Downing Street with his intimate memories of wartime Whitehall, a substantial infusion of outside talent would have taken place. But Wilson was a small 'c' conservative in such matters, almost a permanent secretary manque. In an interview with Norman Hunt

before the 1964 general election he put paid to any gradiose expectations: 'Perhaps the effect of having been a civil servant is that one is, to some extent, in a Whitehall phrase, 'housetrained', and one wants to see any experts properly dovetailed into the administrative machine.' (121)

In some cases, the reluctance to use the equivalents of the skilled wartime irregulars in peacetime was nothing short of profligate. The anonymous poet who penned the rhyme tossed from one member of the British team negotiating the American loan to another, may have overstated the case. Yet good old British brainpower is our biggest fixed capital asset. As we have seen, just about the best of it was housed at Bletchley Park between 1939 and 1945. Some of the dons who returned to their colleges after waging their most secret war offered to return to the GC & CS for occasional refresher courses in case their services (the cold war was under way) were required again. Even they were rebuffed. (122)

In one area of public life, periodic use was made of the experienced human capital accumulated in wartime. Many of Miss power's irregulars went on to the Treasury's List of the Good and Great and performed sterling service on Royal Commissions and Committees of Inquiry. (123) Reports bearing the names of Redcliffe-Maud, Fulton, Radcliffe and Franks punctuate the postwar period. Senior men in Whitehall would sometimes wonder over the lunch table in the late 1970s and early 1980s where the successor generation of good and great chairman would come from. Sir Reginald Hibbert, former Ambassador Paris, and Director of the Ditchley Foundation, believes:

'There will be a very serious problem when there is no Lord Franks. I imagine that it may be possible to find what you might call a Lord Franks substitute. But, of course, the generation that Lord Franks belongs to was formed during the war and there has been no national

experience like since and the chances of really top people emerging is that much reduced.' (124)

The generation of young civil servants recruited in Sir Percy Waterfield's reconstruction competitions had also been formed in war on the battlefields, in the air and at sea. According to one of them, Lord Bancroft, who rose to the summit of his profession, 'they began their official lives believing that virtually everything was achievable.' (125) They retired in the late 1970s and early 1980s disappointed and often disillusioned men. Lord Allen of Abbeydale, a pre-war entrant who retired as Permanent Secretary to the Home Office in 1973, openly expressed the growing self-doubt of his profession in 1975:

'The Service must clearly bear its share of the responsibility for the failures (as well as the successes) of government since the Second World War, and for its contribution to the policies followed by this country in a period which has seen such decline in its role in the world. The service was certainly slow to begin reforming itself after the war to reflect changes in society and the role of government.' (126)

Such thoughts intensified as the seventies progressed among the generation which believes that reform of Whitehall is possible and became a staple theme among an increasing number of external critics of the performance of the Civil Service. The need for newer or younger blood was frequently coupled with attacks on both the vitality and the competence of Whitehall's lifers. The most sharply worded critique of all was delivered by Sir John Hoskyns in 1982 within months of his departure from Mrs Thatcher's Downing Street Policy Unit. He compared 1980's Whitehall unfavourably with that of the 1940's Whitehall:

'It is a paradox that when government was arguably at its most effective, during the war, it was full of motivated outsiders: while, ever since, we have mistakenly assumed that government can do almost as much in peacetime as in war, but without fresh infusions of outside vigour and talent.' (127)

It is intriguing to discover just how many of the problems of 1980s government were apparent to the irregulars 40 years earlier. Take the phenomenon political scientists later called 'overload'. Inevitably, the wartime machine had to work flat out from start to finish (and the Attlee years which followed were scarcely restful). Writing in 1951, D.N. Chester noted:

'There are, of course, devices for reducing the load of work on the small number of key ministers and officials. But the fact remains that during the war there were so many decisions to be made, of such importance and affecting such a wide range of interests - in Whitehall and overseas - and the number of people in the position to make or capable of making such decisions was so limited that no devices other than an outright rejection of responsibility could have relieved these persons of a very heavy load.'

'Only people of a strong physique could stand for long the strain involved; indeed, it is doubtful whether any ordinary human being could stand the strain for more than a few years without his health being impaired and his losing efficiency through sheer loss of staying power. Any government machine which continued at such a pace year after year could only maintain its initial vigour and freshness by replacing this small key group at regular intervals.' (128)

R.V. Jones pre-echoed a later Whitehall concern - the inability of ministers and generalist administrators to grapple with science and technology, or even relatively simple figures and quantities - in his early days in wartime Whitehall when:

'.....my evenings were spent discussing cryptography, my days went in perusing the S.I.S files. These were not inspiring, for they were very weak on matters concerning science and technology, since (in common with most Ministers of the Crown and their Permanent Secretaries) the average S.I.S. agent was a scientific analphabet.' (129)

His diagnosis though, while couched in more restrained language, was repeated by Sir Burke (now Lord) Trend, the Secretary of the Cabinet in the discussions which preceded the setting up of the Central Policy Review Staff. It was one of the reasons why Trend advised Mr Heath to pick Lord Rothschild to head it. (130)

Indeed, the history of Miss Power's irregulars has important lessons for those who would inject new blood into Whitehall now. But first there is a big difference which we have to acknowledge before attempting to identify the lessons which can be learned. Munich and the sense of national emergency it created, allowed the Ministry of Labour's headhunters to suck up talent, like some giant vacuum cleaner, wherever it was concealed in the British Isles. The remotest laboratory, the most obscure department of classics or philosophy were not immune from their attentions. Whitehall's rates of pay - rarely competitive except with the academic world - were no barrier in the crisis of wartime. Duty prevailed. There was, after all, the capacity to direct labour under the Defence of the Realm Act. None of this applies in peacetime as R.V. Jones recognised when he wrote of postwar Government service that its 'scientists are largely recruited from those who have fallen out from the academic competition' and, with equal relevance, of the premium 'placed in a modern

scientific career upon undue concentration at an early age' which does not equip scientists for life in the world-at-large:

'This ignorance may even become a habit...when the energy of the hothouse-forced scientist declines, or when, finding himself outmanoeuvred in his first few clashes with professional and classically bred administrators, he retires embittered into his laboratory.'(131)

Bearing all such caveats in mind, what could a future prime minister, wishing to freshen up the members of the Civil Service learn from 1939-45? First and foremost, the lesson is that the most superb human capital resides in Britain albeit scattered in a diaspora of the intellect. Who but for Hitler would have heard of Franks or Penney? There are such people today. They tend not to push themselves forward (Franks and Penney were - are - very retiring men). The compilers of the List of the Good and the Great rarely tap them. When looking for new blood, merit and capability must be the criterion. Political conviction is pretty well irrelevant. Political prejudice is abundant and cheap. With rare exceptions, those whose ambition is to come into departments as ministerial special advisers are not in the same league as the class of 1939-45 or, indeed, of their latter-day equivalents.

The most important motivation for recruiting outsiders today should be to put together teams or task forces to solve problems - not some vague desire to bring in a wider cross section at principal level. Grades and hierarchies should not be allowed to get in the way. They did not in World War II. The great divide between generalists and specialists is as artificial as it is malign. Furthermore new blood must not be allowed to go stale or to go native. Regular transfusions are required not once-and-for-all injections. The best of the career regulars, would, if Lord Penney's recollections are a guide, gain a new

lease of life from contact with truly talented irregulars.

Even those in the scientific Civil Service with high professional qualifications can be unworldly and naive about matters beyond their immediate experience. It would be rare nowadays to find anyone with the equivalent of Lord Penney's early background as an apprentice in the Royal Dockyards. Scientists brought in from universities can be even more out of touch with the rush and tumble of the commercial and political world. With money short, it is now more important for, say, a head of a Research Council to be an MBA than an FRS.

If Whitehall set out to do deliberately in peacetime what the war did accidentally it would, naturally, be a lower-key affair. But two clear benefits would flow. First of all, a task force approach to policy problems - finding the team you need however dispersed it may be inside Whitehall or outside, or trapped in a backwater or an outstation - would achieve much. It would dissolve the barriers of hierarchy and reduce the insider-outsider divide and increase the chance of finding solutions.

A second reason for bringing in outsiders should be to help to develop a pool of talent in Britain through what would amount to an elite training programme which could build up a significant national resource. Perhaps it would be going too far to suggest that there should be centrally-directed career development for such people, moving them in and out of Whitehall in a planned way. Yet the public sector needs to develop the talents of those who will become vice-chancellors, heads of research laboratories, chairmen of quangos or of other bodies on the fringes of Whitehall - not to mention the few who will reach the very heart of Government. Things can be done to identify and develop ability and we should learn to do better.

In a small way, outsider organisations like the Industrial

Reorganisation Corporation did this in the 1960s and the Central Policy Review Staff in the seventies and early eighties. The IRC and CPRS were such rarities as to be almost collectors' items. A more flexible Whitehall operating in a team or task-force style would provide greater opportunities for a wider and faster circulation of talent, with organisations in the public and private sectors seconding most people to government for two to five years. Cumulatively, the effect could be to produce an impressive cadre of experienced people ready to take up senior management and policy jobs in their forties.

The case of the IRC, at least, has been documented by Douglas Hague and Geoffrey Wilkinson. Fourteen young men each served a two-year term with the IRC, carrying out all the research and a good deal of the negotiation that the Corporation required. Hague and Wilkinson tell us that by the early 1980s there were "two Chairmen and three Chief Executives of major UK companies as well as an MP, the Editor of the UK's leading financial newspaper, the Chief Executive of an investment company and the Director of a major trust and Chairman of the Consumers Association" who had served in the IRC (132). This was action learning with a vengeance.

The key factor is people at the top, both Ministers and civil servants. A peacetime version of the 1939-45 success story would require a recognition that though the Wehrmacht is not at the Channel Ports, the problems facing Britain in the late 1980s and early 1990s are so severe that the luxury of failing to use the country's intellectual capital simply cannot be afforded. It also requires Ministers and senior officials humble enough and brave enough to submit their panaceas and prejudices to gifted, difficult and sometimes quirky people whose greatest virtue is that they are not, in Whitehall's terms, house-trained. They were needed in 1939. They are needed now.