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BRITISH WAR ECONOMY

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PREFACE

THIS preface introduces not only the present volume but also the entire series of 'civil histories'. The name was given to the series in 1942, to distinguish it from the military histories and from any other official series—diplomatic, for example—that might be planned. The civil histories are a United Kingdom series. Almost the whole British Commonwealth was at war from September 1939 until the end; but the war histories of the Dominions cannot be written from London sources. Official history must follow (it may be hoped not too slavishly) the paths of national sovereignty.

The scope of the civil histories is roughly co-terminous with the war-time activities and interests of all the departments of government except the three Service Departments and the Foreign Office. This does not, of course, mean that every significant activity of all these departments has been given a place in the editor's plan. Still less does it mean that the subjects selected for historical investigation have been treated from a narrow departmental point of view. The perspective extends beyond Whitehall.

The historians who have collaborated in this series were never members of separate departmental establishments. Although the majority of them worked in the departments where the bulk of their specialist material was to be found, they were members of a single team. Indeed, the scope and method of their work were from very early days determined by a fundamental editorial decision—to write the history, not of departments but of subjects. The following subjects were chosen for investigation:

War Production
Civil Industry and Commerce
Financial Policy
Manpower
Shipping
Land Transport
Food Policy
Agriculture
Fuel and Power
Building
War-time Social Services (including Education)
Civil Defence
Economic Warfare
Colonial Policy

Some of these subjects are, of course, anchored very closely to the records of individual departments; but there is not one of them that does not contain problems of inter-departmental significance. In the

records of some departments, such as the Ministry of War Transport, there is material for more than one history; conversely, some histories are based on the records of more than one department. An outstanding example is the history of War Production, which is based on the records of four departments, not to mention the other material, governmental and industrial, that its authors have had to handle. This history, itself a series within the larger series, has been from the outset directed by Professor M. M. Postan.

It would have been easy to expand the list of research projects; but the projects actually chosen constituted a programme arduous and ambitious enough for the small band of civil historians. In the parish of the civil histories there were twenty government departments and in some of these departments there were two million files that might contain war-historical evidence. The historians began work in 1942 and for some years there were only ten of them, including the junior research workers. Towards the end of the war a larger establishment was permitted; but, when the war ended, most of the historians returned to their universities. They have, since then, done part-time work on the official histories, particularly in their vacations, with such limited research assistance as could be made available to them. It has been for them all a formidable labour. Indeed, it would have seemed an impossible one, had it not been accepted in the first place as a necessary war task and thereafter sustained with intense concentration of purpose and effort.

It is possible that the published series of civil histories may approach thirty volumes; but there is no certainty that every history that has been planned will be brought to publication. The production of official history, as of other commodities, is necessarily governed by the quantity and quality of the available manpower.

The writers in this series have followed the usual critical methods of professional historians. They have, at the same time, been compelled by the unusual problems confronting them to exercise a good deal of ingenuity in their methods of research. Despite the intimidating bulk of their documentary material, most of them soon discovered that some policies or transactions had left a very imperfect documentary record and sometimes none at all. The fact that they were living in close association with many of the men who had written the documents, or who retained in their memories the knowledge of unrecorded events, has made their labour in some ways heavier, in other ways lighter. Conversations with officials and the comment of experts upon early historical drafts have frequently revealed the inadequacy of the paper evidence and have compelled the historians both to collect new facts and to test new hypotheses; but they have also supplied many useful clues of research, in default of which much time would have been lost in exploring material of minor

significance or testing hypotheses of doubtful relevance. Even so, the historians have been compelled to practise circumspection and discrimination in working from the documentary to the oral evidence and back again; for the official administrator is by his training a person who forgets many things that were once important. The clues he is likely to suggest to the historian are not always the most illuminating ones; nor are they the only ones that are worth investigating.

From 1942 onwards, the editor of the series communicated his plans to an official committee and made periodical reports on the progress of work. He was also supported by the criticism and counsel of an advisory committee of eminent British historians. The aims of the research were clearly defined. Its primary purpose—to quote a phrase that was often used during the war years—was 'to fund experience for Government use'. This meant that the histories must be critical. To have told a 'success story'—even when the success had been in the end resplendent—would have been futile and dangerous; the main processes of trial and error had to be revealed. Soundness in factual detail had to be guaranteed by the usual safeguard of precise documentation. Soundness in judgement was no less necessary. This quality is not, of course, the natural endowment of every historian; nor can it be pretended that even the most judicious investigators will of necessity come always to the same conclusions. In the present series, no claim is made to historical infallibility. However, a very persistent effort has been made to eliminate the intrusions of personal caprice and to found the judgements upon firm evidence.

Some freely accepted limitations upon the scope of the histories have helped to make these aims realisable. The writers have left to future historians those large moral and political issues that put the greatest strain upon contemporary judgement. They have accepted the British convention of an impersonal civil service. They have concerned themselves with the adequacy of means to an end—the winning of the war; they have concentrated their attention upon the salient economic, social and administrative problems of the war without adventuring into the byways of personal character. In prose style their preferences have been sobriety and clarity.

They were under instruction, in the first instance, to prepare their books not for publication but for confidential print. Amidst the stress and danger of the war, they could not otherwise have been granted free access to government records. Moreover, until their work was fairly well advanced, it was impossible to know how much of it would possess sufficient quality to justify publication. After a year or two, those historians who had plainly achieved a good standard were advised to arrange their work in such a way that publication would be orderly and economical, if and when it should be requested. The publication of three volumes, which will be

mentioned below, was approved before the war ended. Since then, other volumes have been approved for publication.

The published volumes will differ in some respects from the earlier drafts. There is, to begin with, the problem of length. The editor feels that the public would not thank him if he permitted the series to grow, as it easily might, to two score volumes or more. Many of the historians have written at very great length and with detailed attention to the technical problems in which departmental experts were immersed during the war; but the educational purpose of publication would be ill served if the published books were overcrowded with detail. Sufficient material exists, for example, for a four- or five-volume account of Food Policy; but it seems better to concentrate upon the main problems and handle them within the compass of two volumes. There will still remain a great deal of material which the Ministry of Food will find useful; this material will be arranged in appendices or supplementary studies available for official use.

There are some topics or details which cannot be included in the published histories. As has been already explained, the historians have respected those conventions of government that are an essential part of the constitution—for example, the impersonality of the civil service and the collective responsibility of the Cabinet. There are, besides, some topics, chiefly of a diplomatic character, which at this close proximity of time need to be handled with restraint. Fortunately, within the sphere of the civil histories, such topics are the exceptional and usually the less important ones. In volumes which are for the most part devoted to problems of national economy and administration, there is very little information that cannot be frankly and fully divulged.

The preface to each published volume will give a precise definition of its scope. Within the defined scope, each historian is free to handle, to the best of his own capacity, all his main problems.

Considerable thought has been given to documentation. It has been decided not to clutter the published pages with references to official files which are not yet generally available to students. In the published series, footnotes have been confined to material that is already accessible. The complete documentation has been given in confidential print. There it will be immediately available to critical readers within the government service. No doubt it will become available in due time to the historians of a future generation. The official historians of this generation have consciously submitted their work to the professional verdict of the future.

* * *

Fuller information about the making of the series, if it should be demanded, will find its proper place in a professional periodical.

This preface must now explain how the present book has been made.

As the end of the war came into sight a strong appeal was made to the official historians to lose no time in preparing books which would explain to the general public how the war had been fought. The advisory committee of historians wanted a 'general history' which would link diplomatic, military and economic policies and events. But research was too little advanced for so ambitious a synthesis; a premature attempt to fuse the three elements would instead have confused them. On the military side, where the first volume of official history was not as yet even in distant view, it was decided to authorise for early publication some 'preliminary' volumes which would not claim the official stamp. On the civil side research was further advanced. Although much still remained undone, the editor decided to accept the risk of authorising for early publication three official volumes. These three were called, at that time, 'the synoptic volumes'. It was their purpose broadly to survey the field in which the combined team of civil historians was still pursuing its specialist investigations.

Ideally, it might have been better to plan one synoptic volume instead of three. But the field of the civil histories was so wide that a single volume, endeavouring at so early a stage to cover the whole of it, would have been foredoomed to superficiality. On the other hand, the proposed division did seem to offer a reasonable compromise between concreteness and comprehensiveness. The problems of war-time social policy stood clearly defined and were entrusted to Mr. R. M. Titmuss. Professor M. M. Postan agreed to write a book which would be the first volume in his particular series and would at the same time offer an overall view of British war production. The editor undertook to write a history broadly covering the development of the British war economy as a whole. As a companion to this history a statistical digest of the war was commissioned from the Central Statistical Office.

Even when the field had been thus divided, the editor of the series found his new commitment of authorship a heavy one, particularly as he was within a few months recalled to his university duties. But he had the good fortune to find a colleague. The 'we' which will be used in subsequent paragraphs is not merely editorial, but the acknowledgement of a partnership.

We have assumed that war economies are forged in order to win wars. The war economy with which we in this book are concerned is rooted in the war which the British people began to fight in September 1939, when they were but half prepared, and continued to fight until the culminating victories of 1945. We are not writing a dissertation upon the problems of war economy in general. Nor have we allowed ourselves to be tempted into hypothetical reconstructions of

the economic problems that might have arisen if circumstances had been different—if, say, lend-lease had come earlier or not at all, or if the Munitions Assignment Board in Washington had been able in 1942 to raise its horizon more than a few weeks ahead. It is possible to imagine many different divisions of economic effort between the United Kingdom and the United States; we have restricted ourselves, in this context as in all others, to explaining the economic effort to which the United Kingdom was in fact committed by the basic decisions of policy and strategy.

We have divided our history into broad periods of strategical significance. Some economists might have preferred us to follow the main economic problems straight through, and it is indeed true that many of them have a continuity which takes small account of strategical landmarks. But we are on balance convinced that our arrangement is right. We have not allowed ourselves to forget that there will be published later on a parallel series of military histories, whose authors will have to reckon in each strategical period with the fighting power generated in the war economy. We must, so far as possible, consult the interests of our military colleagues. But we have consulted our own interests also. After all, great military events such as the fall of France, Pearl Harbour and the invasion of Normandy produced great consequences in the economic sphere.

When we had accepted the strategical criterion of division, we still had to determine the allocation of space between the successive Parts of our book. We thought it desirable to make the perspective clear by writing an introductory Part which would reveal the theory and practice of war economy evolving in the United Kingdom through historical experience. Any reader who wishes to come straight to 3rd September 1939 may omit this first Part or return to it later. For the war period itself, we found ourselves compelled to allocate space in a manner which may seem at first sight surprising. In a military history, the period after Pearl Harbour, which is not only the longest in time but also witnessed the greatest deployments of armed force and the greatest victories, would claim the fullest treatment. But the requirements of a war-economic history are different. Much of its concern must be with the methods of economic mobilisation. The period of trial and error and slow beginnings is full of instructive experience which demands careful study. The period in which the main economic problems were mastered is no less instructive, and cannot be less briefly treated. For the United Kingdom, this period was closing in 1941. By the end of that year, the tasks of economic mobilisation had very largely been mastered. Thereafter, the main economic story is of a tighter turning of the screw and of adapting and adjusting the division of resources, both nationally and internationally. These processes are of great importance and have been

expounded, it is hoped, with adequate care; but the problems they raise for the economic historian are less numerous than those that were raised in the earlier periods.

Within each successive period, the same major themes repeat themselves. They first appear as paragraphs of Part I, where the logical arrangement is fitted, so far as may be, to the chronological. In later Parts they reappear as separate chapters or as sections within chapters. They are, in the main, the themes which the theorists of war economy will be looking for—the United Kingdom's capacity to procure and transport overseas supplies, the mobilisation of its military and industrial manpower, the condition of its basic industries, the suction of resources out of the sector of civilian industry, the efforts to ensure 'fair shares' of what remained, the efforts to curb the inflationary tendencies of the whole process. There are, besides, some themes which do not commonly appear in the treatises. We believe that economic events should be linked with strategical events and have therefore written short strategical sketches to preface each period. We believe also that a controlled economy cannot be understood without some overall view of the controlling institutions: hence our short studies—shorter by far than the original drafts—of the central administration. Finally, although our book is a history of the United Kingdom and not of its allies, we believe that it would be insular and unrealistic in the extreme to ignore the international environment which so powerfully governed the United Kingdom's economic effort. We have therefore discussed economic aid to Russia and the other Allies and have examined with some care the war-economic partnerships with France and the United States. It is chiefly in the early Parts, where we have been trying to build the base of our history, that these extra themes appear; once the base seemed broad and firm enough, we felt able to sharpen our focus upon the strict economic data.

One gap in the sequence of themes, with a consequent lopsidedness of the book's design, must be confessed. If our history of the war economy had aimed at perfection, it would have included in each chronological Part a long chapter explaining carefully how the war production sector was built up. But the positive employment of resources in the field of war industry is an immense subject. It is handled in the companion volume which Professor Postan is writing. The present volume shows, therefore, a distinct lean towards the civilian side. It does, however, record the overall expansion of British economic effort, the division of resources between the war and civilian zones, and the effects of the war drive upon the economy as a whole.

As the text will show, the definition of separate zones within the war economy is only a rough and ready one. The techniques for

measuring the relative magnitudes of these zones—by using, for example, the figures of national income and of manpower—are less precise than they are sometimes thought to be. Our narrative will give some account of how these techniques were improved during the war. It will pay particular attention to the manpower budgets, which, supported as they were by effective manpower controls, provided the War Cabinet with an instrument of special efficacy for determining the balance and direction of the nation's economic energies. The manpower chapters of our book constitute its firmest bridge with the war-production history and, indeed, with some other histories of this series. If it be remembered that manpower signifies not merely a scarce factor of production but also the men and women of Britain, the accent will be put still more heavily on these chapters.

We must say something about our methods of design and craftsmanship. Our view of the British war economy has been a central one; it might be called the War Cabinet view or—for the crucial middle period of the war—the view of the Lord President's Committee. Such a vantage point will seem to many specialists excessively remote. We have discussed technical problems in un-technical language, without penetrating to those details that are the province of the expert. Shipping, for example, is a most complex and specialised business; to those who have deeply explored it, our narrative may seem dead. Yet the War Cabinet and its committees, with the same lack of vivid detailed knowledge, could not and did not shrink from making the decisions which governed the distribution of scarce resources of shipping amongst the nation's competing war-time needs. The same rough justice was done similarly—often it might be simultaneously—in many other territories which were the homelands of many other experts. The expert histories—of fuel, of food, of shipping and agriculture, and the rest—will in due course appear. This book cannot in advance distil their essence; it seeks rather to introduce them. There is a central story to be told in which each of them, though it has a life of its own, will find itself reflected.

We have based our book primarily upon the records that are available at the centre of government. These records reflect the processes whereby policies originating in many departments were brought into focus. They do not, however, reveal the departmental and industrial background, in which will be found the stuff and substance of the specialist histories. In the many instances where some of this material has been necessary for an understanding of our central story, we have drawn what was available from the researches of our colleagues, besides submitting to them our own drafts for criticism and checking. But sometimes, in our later Parts particularly, this aid has not been available to us, because our work at the centre has been ahead of specialist research in the departments. Fortunately,

the central records become fuller and more concrete in the later years of the war. We have, besides, made some departmental reconnaissances of our own. We are, nevertheless, conscious that some of our chapters may call for revision later on, perhaps in a second edition. We also feel that our book in its present form may sometimes make heavy demands upon the reader's attention, because it contains more detailed information and example than we should have found it necessary to include if we had been able to give cross-references to the books of our colleagues. We might, of course, have held our book back until all the specialist investigations were finished. But no more in science and literature than in life is caution always the supreme virtue. We have felt it right to keep our promise and produce the book within measurable distance of the end of the war. Its production will in turn facilitate editing and hasten the completion of other books in the series.

In publications of official history there is no opportunity to acknowledge the many debts of authorship that have been incurred. This, however, is a fitting place for the editor of the series to acknowledge his debt to his secretary, Miss Marjorie Eyre.

W. K. HANCOCK

Oxford,
20th August 1948

It has become necessary to re-print this book and the authors have made some small corrections of fact and style. They have not, however, been able to revise their statistical tables in such a way as to remove any discrepancies which may exist between them and official statistics subsequently published, for example, in *The Statistical Digest of the War*. Nor have they attempted the large-scale revisions which may be desirable if a second edition is produced after the series of Civil Histories is complete.

In the original preface a general acknowledgement was made of help received from other historians. No specific acknowledgements need be made here of work that has since been published or will be published in due course; but the authors would like to thank Professor E. C. S. Wade, Dr. N. H. Gibbs and Mrs. J. O. Daniels for producing drafts which they used in their studies of the legal and administrative framework and of aid to Russia.