

The 1964-70 Labour Governments and Whitehall Reform

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Wilson and Whitehall

Harold Wilson was always very much at home in Whitehall. He had a close and intimate knowledge of the civil service machine and its leading personalities, going back to his successful stint as a high-flying wartime 'temporary' 1940-45, working as an economist and statistician in the Economic Section of the Cabinet Secretariat, as an assistant to William Beveridge, and in the Mines Department of the Board of Trade. In 1945 a permanent post in the Treasury had beckoned but he chose to take up a political career instead. Twenty years later, as prime minister, a contemporary observer described him as displaying 'a profound reverence for the orders and mysteries of the civil service . . . He would be most upset if he ever thought he had caused serious offence to a permanent secretary' (Watkins, 1966, pp.171-2). He was proud of being 'house trained', in the Whitehall phrase (Hunt 1964, p.18). Wilson indeed mostly worked well with civil servants and regarded them highly; in turn, officials rather respected him as an efficient, industrious, calm, rational and personally easy-going political master (Pimlott, 1992, p.347).

A prime minister should 'automatically suspect' the activities and the personnel of the civil service, according to Marcia Williams, Wilson's Personal and Political Secretary and a key figure in his Number 10 'Kitchen Cabinet'. She was dismayed that Wilson did not share her views:

It is the fact that he does have such an admiration for and such a working knowledge of 'the System' that he tends to lean over backwards in his relationship towards it. He gives it the benefit of the doubt. He doesn't really want to argue with it. He admires the way it is organised and its methods of working. He admires its efficiency and he is often myopic about its failings and its short-comings and its inefficiencies, and this is a

Wilson's left-wing allies and friends regretted that he was a constitutional traditionalist and a staunch defender of most British institutions, Whitehall included. He was 'too kind to civil servants', complained Marcia Williams, Thomas Balogh and Richard Crossman in September 1965, who believed that he should have more outside advisers and should force through 'fundamental change' in the civil service - all of which the prime minister rejected (Crossman, 1975, pp.333-4).

It was revealing that at the end of the first week of the government, in October 1964 - at the same time as Richard Crossman was writing in his diary about how as a new minister he felt baffled and isolated by the bureaucracy in his department and that it was a struggle not to be 'taken over' by the civil service (Crossman, 1975, p.21) - Wilson was sending round the permanent secretaries a personal minute expressing his 'appreciation of the tremendous job you have done over the last few days'. Recalling 'the great names' of 1940s Whitehall (Edward Bridges, John Henry Woods and so on), he paid tribute to the way that the new Labour government had been met with 'the fullest co-operation' by top officials, and praised their 'administrative know-how' and 'imagination' (PRO PREM 13/14, Wilson to Helsby, 21 October 1964).

Probably no one who could admit that the Board of Trade was 'the department I love' (Wilson quoted in King, 1969, p.99) could be regarded as a serious threat to the mandarins (Wilson had been President of the Board of Trade 1947-51). But Wilson was not an uncritical admirer of the Whitehall machine. As a wartime 'temporary' he had apparently grouched about the civil service's lack of drive and the dominance of the elite Administrative Class over specialists like himself (Kellner and Crowther-Hunt, 1980, p.27). He claimed to have acquired at that time 'a solid antipathy to the overwhelming power of the Treasury' (Wilson, 1986, p.75). Wilson the grammar school boy had also relished wartime criticisms of the 'Old School Tie wallahs' (Ziegler, 1993, p.35). Making administrative modernisation a key part of his political credo in the run-up to the 1964 election, he had argued that more specialists, such as economists, technologists and scientists, should be moved into key jobs, and that more outside expert talent should be brought in to the new ministries he planned to set up in Whitehall (Technology, Economic Affairs and Overseas Development) from industry, the universities and elsewhere on secondments and through short-term postings. However, he made it clear that he did not plan to bring in 'outsiders' on a

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large scale, put them 'on top of existing civil servants', or make civil service appointments on political grounds (Hunt, 1964, pp.11-28).

While expressing scepticism about the idea of ministerial cabinets of political advisers, Wilson had also said that he was worried about what he felt was 'the amateurism of the central direction of government' and proposed to build up the resources of the Cabinet Office to better support the prime minister in his role as 'an effective executive chairman'. In practice, Wilson as prime minister became increasingly close to Sir Burke Trend, the powerful and discreet Cabinet Secretary and an indispensable and trusted adviser and confidant, and the staff of the Cabinet Office did increase after 1964 but it remained a relatively small outfit. It was still 'mainly a recording (and not even a follow-up) machine' complained Thomas Balogh in 1968 (PRO PREM 13/2126, Balogh to Wilson, 8 January 1968). And Burke Trend was to admit in 1970 that Number 10 remained 'a large-scale private office' and was 'not equipped to perform wider roles', while the Cabinet Office had a primarily secretarial function at the hub of 'a compromise-making system' (PRO PREM 13/3241, 'Machinery of Government: the Central Departments', 10 June 1970). If the Downing Street 'power house' Wilson had talked of creating failed to materialise, he did at least insist on getting his own way over the choice of who should be his principal private secretary, selecting Michael Halls in 1966 (who had worked in his office at the Board of Trade in the 1940s) - but widely seen as out of his depth and a poor appointment in the crucial Number 10 post - and again overruling the Whitehall recommendation when Halls died suddenly in 1970.

Ministers and civil servants in the 1964-70 Governments

'The idea of some people that a change of government means sabotage from the civil service is, I think, nonsense', Wilson had declared before he became prime minister (Hunt, 1964, p.11). From his experience in 1940s Whitehall, he was convinced that however great officials' influence might be, the power to get things done rested with ministers (Ziegler, 1993, p.38). He subscribed to the robust 'Attlee view', arguing that 'if a minister cannot control his civil servants, he ought to go' (Expenditure Committee, 1977, q.1924). 'Civil servants do what is required once they get a clear lead', he insisted in a 1967 interview (PRO PREM 13/1973).

However, that was not how some of his closest political friends and allies saw things. Marcia Williams attributed the disappointing record of the 1964-70 governments largely to Labour's 'defeats' in the 'battle . . . against the civil service' (Williams, 1972, p.344). She appeared to hate and mistrust the civil service, which she believed Labour should 'purge', starting in Number 10, and she clashed repeatedly with the Downing Street civil service staff (Ziegler, 1993, pp.179-80). Thomas Balogh, Wilson's Economic Adviser, had made a reputation as a violent critic of the Whitehall system, attacking the 'ignorantly dilettante bureaucracy' and arguing that radical reform of the civil service was 'one of the most essential and fundamental preconditions' for a successful socialist government (Theakston, 1992, pp.114-15). He bombarded the PM with complaints that he was being stymied by officials (and the Treasury in particular) denying him access to crucial papers. 'A large part of the bureaucracy obviously does not share our views', Balogh told Wilson. And he believed that ministerial responsibility for policy was largely a 'fiction' because of the way in which the Whitehall machine controlled the information available to ministers and hammered out inter-departmental agreements outside political control (PRO CAB 147/7, 147/9, 147/10, 147/75, 147/78). Wilson publicly scorned a similar claim made in the Labour Party's evidence to the Fulton Committee, that some ministers were 'tools' of their departments because they were kept in the dark and undermined or pre-empted by the official machine (Fulton Report, 1968, vol. 5(2), p.655; King, 1969, p.109). Balogh loathed and was loathed by the civil service, but if Wilson did not really share his views about the mandarins' power and machinations, Richard Crossman certainly did.

Crossman had criticised the Attlee government's 'uncritical reliance on Whitehall' in a 1963 *New* Statesman article, suggesting that a successful left-wing government required 'an influx of experts with special knowledge, new ideas and a sympathy for the government's domestic and foreign policies' (Crossman, 1965, pp.154-5). Giving evidence to the Fulton Committee in 1967, he described the higher civil service as 'a coherent and cohesive oligarchy' and as an organised 'conspiracy' against ministers (PRO BA 1/6), themes which are repeated throughout his diaries (Theakston, 2003). In many ways Crossman was a bull-in-a-china-shop figure who had little idea about how to use the civil service machine properly in order to reach his political goals. But he believed that in the end determined ministers could triumph over civil service obstruction, and in 1970 concluded that Labour's mistakes and

failures could not be blamed on the civil service - the real problem, he said, was that the government did not have a clear enough strategy or sense of direction and that its policy planning before taking office had been inadequate (Crossman, 1972, p.77).

The suspicions of the civil service in some sections of the Labour Party, linked to the fear that official attitudes must have been strongly coloured by thirteen years of Conservative rule, were largely unfounded. The top mandarins' group self-confidence was still pretty high in this period. Dame Evelyn Sharp (Crossman's formidable permanent secretary at Housing) was never afraid to say 'you've got it wrong, minister', and Sir William Armstrong (head of the Treasury and then, after 1968, Head of the Civil Service) believed that the civil servant's job was to bring politicians face to face with 'ongoing reality' (Theakston, 1999, pp.179, 257). But there was in fact much good will in Whitehall towards the incoming Labour government in 1964 rather than blanket hostility. Initially suspicious on class or ideological grounds, Jim Callaghan soon developed a good working relationship with his Treasury civil servants, for instance (Morgan, 1997, pp.206-7). But relations were much more difficult and turbulent with the more volatile and unpredictable George Brown at the DEA and later the Foreign Office (Paterson, 1993). Notions of a 'continuous battle' and 'real resistance or obstruction' were rejected by Tony Crosland, who insisted that the key issue was about harnessing the bureaucracy's 'large fund of knowledge and expertise' (Theakston, 1992, p.17). Roy Jenkins established a clear ministerial authority over the machine at the Home Office and then the Treasury, and poohpoohed the idea of ministerial life as involving continuous battering 'against a brick wall of determined departmental opposition' (ibid., p.32). Denis Healey too had no truck with claims of 'bureaucratic sabotage or political prejudice' on the part of the civil service, arguing perceptively that the real problem was 'Whitehall's obsession with procedure rather than policy', which left it 'poorly equipped to handle change', and the system's 'tendency to produce a soggy compromise' (Healey foreword to Garrett, 1980; Healey, 1989, p.376).

Barbara Castle had found in 1964 that she 'took to the minister-permanent secretary relationship quite naturally . . . [and] had no doubt I was boss' (Castle 1984, p.xi), but looking back on her time in office she later talked of 'the loneliness of the short-distance runner' (Castle, 1973). The idea that Labour ministers needed political aides and allies in their departments, to provide an alternative channel of advice and strengthen political control of the civil service, had in fact built up a head of steam

through the 1960s. Proposals for ministerial 'brains trusts', the appointment of outside advisers into private offices, or ministerial *cabinets*, supposedly on the French model, were the fashionable prescription (Theakston, 1992, pp.50-54). However, Wilson was predictably dismissive ('if I had thought we ought to have a cabinet system, I would have done it by now', he sniffed in 1967), and other ministers (such as Crossman and Healey) - once they experienced the services provided by an efficient civil service private office in helping to run a ministry - went off the idea (PRO BA 1/3, 1/6). At Defence, Healey experimented for a couple of years with a small 'programme evaluation group' as a personal think-tank-cum-consultancy-unit, asking awkward questions and generating new ideas - an outfit which proved unpopular with the armed services and the MoD hierarchy. Elsewhere, Labour's so-called 'irregulars' attracted some attention - particularly economists like Robert Neild and Nicholas Kaldor at the Treasury and Christopher Foster at Transport, the social policy expert Brian Abel-Smith at the DHSS, and Roy Jenkins' 'fixer' and press adviser John Harris - but these were not appointed on the scale of the 'special advisers' and 'spin doctors' found in later governments.

Machinery of government reform

'The biggest single revolution in the structure of Government ever carried out', was Wilson's over-hyped claim about the flurry of machinery of government changes made in October 1964, when he created five new Whitehall departments: the Department of Economic Affairs (DEA), Overseas Development, Ministry of Technology (MinTech), a Welsh Office and a Ministry of Land and Natural Resources (PRO PREM 13/1971, note for the record, 23 July 1968). The claim that the DEA was dreamed up in the back of a taxi is a myth, as the idea for this new ministry emerged from Labour's economic policy discussions in Opposition, Thomas Balogh preparing for Wilson a plan to split the Treasury in the spring of 1963 (Clifford, 1997). Balogh aimed to strike at the 'monolithic supremacy of the Treasury', arguing that 'Treasury coordination is biased financial coordination' and it needed to be counter-balanced by 'an organisation dedicated to expansion' (PRO CAB 147/9, Balogh to Wilson, 25 February 1965; PREM 13/2126, Balogh to Wilson,

8 January 1968). There was a political motivation, too, with Wilson seeking to divide and rule between Callaghan (at the Treasury) and George Brown (DEA). However, the ill-fated DEA failed to break the Treasury's predominance over economic policy, handicapped as it was by an ill-thought-out division of functions between the two departments and by a lack of direct executive powers on key issues. The decision to give priority to the defence of the exchange rate ensured that the Treasury would inevitably come out on top in the inter-departmental struggle (the DEA was finally abolished in 1969).

Personalities, circumstances and presentational factors always loomed large in Wilson's 'MG' decision-making. William Armstrong, Burke Trend and Sir Laurence Helsby (Head of the Civil Service 1963-68) strongly opposed the creation of the Department of Health and Social Security in 1968, for example, but Wilson needed to create a big job to occupy Richard Crossman (PRO PREM 13/2690). The DHSS merger was 'hollow' and had 'nothing to commend it in administrative terms' (the two sides of the new ministry having very disparate functions), Armstrong believed, trying to interest Wilson instead in the idea of a 'Department of Social Care' to merge social services and Home Office functions (to tackle the so-called 'Seebohm' agenda). Earlier, Helsby had noted the case for the creation of a hived-off board dealing with health, welfare and social security (akin to the Benefits Agency set up twenty years later). Wilson later admitted that the DHSS merger had been a mistake (Expenditure Committee, 1977, q.1927), but while in office he refused to 'de-merge' Crossman's empire (PRO PREM 13/2680, Halls to Armstrong, 6 August 1969). Sensitivity to union concerns was a factor behind keeping the Ministry of Power as a separate department, with Wilson believing that a changed 'feeling among the miners' would allow him to let an enlarged MinTech swallow it up in 1969 (ibid., Halls to Armstrong, 8 September 1969). The major reorganisation of October 1969 - in which MinTech emerged as a giant and powerful industry/production conglomerate - had the advantage in Wilson's eyes of outflanking Heath and stealing the Tories' industrial policy 'thunder' (The Times, 28 July 1969).

The Fulton Committee's terms of reference excluded consideration of the machinery of government, and both Wilson and his senior civil service advisers on these issues were opposed to the idea of an outside inquiry, though there was talk among commentators of the need for a 'new Haldane' to review the organisation and tasks of government. William Armstrong believed that 'you have to see these things

from the inside' (Theakston, 1999, p.186) - the recommendations of an outside body might prove an 'embarrassment', be 'over-schematic', and 'ignore practical political and administrative factors' (PRO PREM 13/1971, memorandum on Machinery of Government, 18 June 1968). He also advised strongly against the idea of issuing a White Paper on the machinery of government because it could compromise the prime minister's personal prerogatives and freedom of manoeuvre (PRO PREM 13/2681, Armstrong to Halls, 30 September 1969). All the same, Armstrong believed that, while political considerations could never be disregarded, machinery of government problems were accessible to rational analysis and, as Head of the Civil Service after 1968, was optimistic about the scope for institutional rationalisation and the advantages of 'giant' departments, though he and other permanent secretaries were concerned that the many piecemeal changes of the Wilson years had a cost in terms of a 'disturbance factor' and short-term losses of efficiency.

The Fulton exercise 'put the cart before the horse', Armstrong later argued, in the sense that an inquiry into the organisation and machinery of government should have preceded one into the sort of civil service and civil servants needed in the modern state (Expenditure Committee, 1977, q.1501). He had ideas of his own and in his evidence to Fulton he had advocated a radical transformation of the structure of government, with a split between small policy-making departments and large attached executive agencies with management boards (anticipating the Next Steps reforms of twenty years later) (PRO BA 1/3). In the summer of 1969 he persuaded Wilson out of the idea of merging the ministries of Transport and Power, making the case instead for bringing together Housing and Local Government with Transport. In October of that year Tony Crosland was appointed to an 'overlord' position as Secretary of State for Local Government and Regional Planning, and by the time of the 1970 election plans had been developed to create an integrated department (see PRO PREM 13/2680, 13/3241). In the run-up to that election, Armstrong and Burke Trend prepared for Wilson substantial papers about machinery of government reform and the trend to large 'functional' departments, the structure of the Cabinet and the role of the central departments (including arguments for a 'central analytic capability' or planning staff - akin to what became the CPRS 'think tank') (see PRO PREM 13/3241). The Conservatives were receptive to these ideas and had indeed been thinking along broadly similar lines, rapid progress being made with Heath's reorganisation of Whitehall in the aftermath of the 1970 election (Theakston, 1996).

Had he won, Wilson would have announced the creation of what became (under Heath) the Department of the Environment, though he said that he would not have merged MinTech and the Board of Trade to form the Department of Trade and Industry (Expenditure Committee, 1977, q.1946).

The Fulton Committee and reform of the civil service

The Fulton Committee on the civil service (1966-68) was the product of Wilson's 'white heat' phase of technological modernisation and reform (see: Theakston, 1992, ch.4; Fry, 1993). Into it flowed longstanding left-wing and Fabian ideas about civil service reform (going back to the 1930s), the questioning and critical 1960s' attitude towards established institutions that were held to be obstacles to economic and social modernisation, and fashionable contemporary ideas about planning, expertise, business methods and management efficiency. Wilson's political need to keep up his image as a reformer also dovetailed with an important reform impulse inside Whitehall itself (there was a recognition in some parts of the civil service that changes were needed).

In Opposition, Labour Party opinion about the need for civil service reform had been shaped by Thomas Balogh's blistering attacks on the Treasury and on civil service amateurism and by the publication in 1964 of an influential Fabian group report, *The Administrators*, calling for a more professional, specialised and expert civil service (Theakston, 1992, pp.114-119). Great (perhaps excessive) hopes were pinned on the effects of changed methods of civil service recruitment and training, and while Labour's advisers pressed for certain immediate steps to be taken (such as recruiting more economists), it was felt that a more formal inquiry would be needed to secure full-scale reform.

The critics' talk of the need for something approaching revolutionary change and a new Northcote-Trevelyan report meant a downplaying of the extent to which Whitehall was in fact changing before 1964. Under the Conservatives there had been major departmental reorganisations (of the Treasury, Education and Science, and Ministry of Defence); important public expenditure planning reforms and a new emphasis on management (with the 1961 Plowden Committee); and the setting up of the Centre for Administrative Studies (in 1963) marked a new approach to

administrators' training. Had Alec Douglas-Home won re-election, he would have appointed Enoch Powell to take charge of the reorganisation of the civil service and Whitehall (Hennessy, 1989, p.174).

There was no immediate shake-up of the civil service when Labour took office but in August 1965 the House of Commons Estimates Committee produced a critical report on recruitment to the civil service, questioned the role of the administrative class and stepped up the pressure for an inquiry. Playing for time, the chiefs of the civil service advised delay and a cautious approach, saying that Whitehall needed time to settle down after the flurry of machinery of government changes of late 1964 (Theakston, 1992, pp.121-22). Wilson, however, had come to the view that a committee of inquiry or a royal commission was needed. He backed the setting up of a Civil Service Staff College, believing, according to Balogh, that 'the Mendes-France reforms have made all the difference to the knowledge and morale of the French civil service and enabled them to dominate the scene in the Common Market and beyond.' A specialist Economist Class had been set up in 1965 and more economists recruited into Whitehall (numbers growing from 19 in 1963 to 106 by 1967), but Balogh pressed Wilson that more needed to be done to bring them into decision-making (PRO PREM 13/1357, Balogh to Wilson, 6 July 1965). And presented with data showing the continued Oxbridge and public school stranglehold over higher civil service recruitment, Wilson pointedly commented that it still seemed to be 'heavily weighted against L.E.A. types' and that 'like tends to perpetuate like' (ibid., Mitchell to Anson, 14 September 1965).

On 1 November 1965, Jim Callaghan (the Treasury then being the department in charge of the civil service) formally minuted the prime minister with a proposal for 'a wide ranging inquiry' into the civil service, covering the structure, recruitment and management of the service (Wilson later insisted on training being explicitly added to the remit). The Estimates Committee had envisaged a two-stage process: first a committee of officials aided by outsiders, with the government then reporting on the action it proposed, and if necessary going on to appoint a royal commission. Callaghan however argued the need to avoid a prolonged operation and to have just one inquiry that would not take too long. 'Some of the criticism [of the civil service] may be misguided, and if so it needs to be answered with authority', he wrote. 'Where it is justified, remedies should be sought - and some of the remedies may have to be pretty radical' (PRO PREM 13/1357). Wilson announced to parliament the setting up

of the Fulton Committee on 8 February 1966.

Lord Fulton (who had worked alongside Wilson during the war when they had apparently discovered they had similar views on the defects of the traditional mandarin class) had not been the first choice for the chairmanship of the inquiry - the names of Sir Ronald Edwards (chairman of the Electricity Council), Sir Eric Ashby (a scientist), Lord Simey and W.J.M. Mackenzie (both academics), had earlier cropped up (PRO PREM 13/1357, Bancroft note of 3 November 1965; Balogh to Mitchell, 5 November 1965; Callaghan to Wilson, 25 November 1965). Lord Fulton was not in the event a success, being a poor chairman with little grip on the committee and its subject-matter (PRO PREM 13/1970, Halls to Wilson, 9 March 1968). Twenty years later Mrs Thatcher did not bother with the likes of Fulton, pushing through major civil service (and other reforms) without the cloak of an outside 'non-political' inquiry by the 'great and the good' or deference to established interests. By appointing two permanent secretaries and a senior government scientist to the Fulton Committee the Wilson government aimed to make the changes it proposed more acceptable to and within Whitehall. But, effectively, Fulton was a 'Labour' committee - key members were Labour supporters, advisers and/or friends of the prime minister (such as Norman Hunt and Robert Neild, two influential figures on the committee), and its reformist conclusions could be almost predicted in advance.

Two areas of crucial constitutional and administrative importance were corralled off from the Fulton inquiry: relations between ministers and officials and the machinery of government. Wilson insisted that Labour did not intend to change the fundamental constitutional arrangement by which civil servants were the confidential advisers of ministers, who alone were responsible to parliament for policy (House of Commons debates, 8 February 1966, cols. 209-10). Critics later argued that this factor meant that Fulton could not properly address issues of civil service power and its political control, as opposed to efficiency and management issues, and that its report neglected the constraints imposed by the political and parliamentary environment on the organisation and working of the civil service (Theakston, 1992, pp.130-1). Norman Hunt claimed that these exclusions were a civil service-imposed gag which the mandarins could later use to undermine the committee's recommendations by arguing that they neglected the wider picture (Kellner and Crowther-Hunt, 1980, pp.27-8). But, as we have seen, the idea of an 'outside' review of the machinery of government was anathema both to Wilson himself and to Whitehall. By talking of a

'fundamental and wide-ranging inquiry' in the tradition of the great Victorian reforms of Northcote-Trevelyan, Wilson was perhaps guilty of over-egging what he hoped to see come out of what was in fact a relatively restricted and circumscribed review.

The files show that Wilson was kept in touch with and consulted about the progress of the Fulton Committee's work primarily through his principal private secretary, Michael Halls, but also through meetings from time to time with Lord Fulton and Norman Hunt. Early on, the prime minister made suggestions about who the committee should seek evidence from, expressing a concern about giving 'undue weight to ex-Treasury ministers' (PRO PREM 13/764, Halls to Allen, 9 August 1966). He made clear his support for the establishment of a civil service 'Staff College' and the importance of training in economics and business management at an early stage of an official's career (PRO PREM 13/1977, Halls to Nairne, 29 July 1967; Halls to Bailey, 29 July 1967). Sir Laurence Helsby told Wilson that Fulton wanted to keep his committee off the subject of transferring civil service management from the Treasury to a new separate department 'until he has talked to you' (PRO PREM 13/1970, Helsby to Wilson, 16 May 1967). Wilson was also briefed about the drafting of the main recommendations of the report, and informed about internal divisions and arguments in the committee (e.g. over 'the classless service') (ibid., Halls to Wilson, 17 and 25 February, 9 March 1968).

Halls was clearly a crucial figure, with strong views of his own about the need to reform the civil service. Wilson saw him as 'the epitome of the new management type envisaged by the Fulton committee' (Ziegler, 1993, p.315), and later in 1969 he was pencilled in to take up an appointment implementing the Fulton report, though in the event the post went to someone else (Haines, 2003, p.56). Halls was scathing about 'the failure of Permanent Secretaries . . . either to give a lead or to take an interest in organisation', arguing that the civil service 'establishment' should spend 'more time on efficient management and a little less in their intrigues' (PRO PREM 13/2527, Halls to Wilson, 16 January 1969). When he told the prime minister that many middle-rank officials agreed with the criticisms contained in Fulton, that the permanent secretaries were 'so determined to maintain the concept of the Mandarin' that they had 'swept under the carpet' every effort to get them to accept that the management of departments was as important as the policy advice function, and criticised 'the dominance of the civil service by Treasury personnel', Wilson responded: 'I agree with your comments' (PRO PREM 13/1970, Halls to Wilson, 11

May 1968). Halls was a strong champion of the idea of a 'classless civil service', arguing that it was essential to establish 'opportunities for all (eliminating the defects of what is in fact, at present, "class snobbery") and a new found professionalism'. 'My own personal view is that it is just the kind of radical reform that is essential', he told Wilson - 'and mine', scribbled the PM in the margin of his memo (ibid., Halls to Wilson, 25 February 1968).

The controversial chapter one of the Fulton Report (published on 26 June 1968) - with its condemnation of Whitehall 'amateurism' and calls for 'fundamental change' - was not critical enough for Halls (ibid., Halls to Wilson, 8 June 1968). But ministers at the Cabinet meeting of 20 June 1968 felt that Fulton's criticisms 'though not without foundation were over-simplified and lacking in balance' (PRO CAB 128/43, CC (68) 31, item 5). There was in fact a Cabinet battle over the report (Crossman, 1977, pp.98, 103, 107; Castle, 1984, pp.464, 468; Benn, 1988, pp.83, 85, 86). Members of the Fulton Committee had carried out a great deal of high-level lobbying of ministers, senior officials and civil service unions, trying to sell their recommendations (Kellner and Crowther-Hunt, 1980, pp.56-8). Wilson wanted a quick response and immediate acceptance of the three central proposals: to set up a new Civil Service Department (CSD) to take over management of the civil service from the Treasury, the creation of a Civil Service College, and the abolition of classes. Opposition to this was led by Roy Jenkins and Denis Healey. Jenkins, the Chancellor, furious at not having been consulted by Wilson over the removal of management of the service from his bailiwick, and pointedly excluded from the committee's pre-publication lobbying, argued for delay and a cautious response. Only Tony Benn and Peter Shore supported Wilson at the first Cabinet meeting on the report (20 June 1968), a mixture of apathy, counter-lobbying from the civil service, personal and political rivalries and antipathies, and ministerial log-rolling on quite different items of business thwarting the prime minister. William Armstrong told the PM that the government would 'be in danger of looking ridiculous' if it kicked the Fulton Report into the long grass (PRO PREM 13/1971, Armstrong to Halls, 21 June 1968). It took a second meeting (PRO CAB 128/43, CC (68) 32, item 3, 25 June 1968) before Wilson could successfully manage the Cabinet to get the decision he wanted so that he could, as Crossman (1977, p. 103) put it, 'improve his image as a great modernizer'.

There was little further top-level political attention then given to Fulton, and in

effect the Whitehall machine was given the task of implementing the report (with its total of 158 recommendations), subject to only limited and episodic ministerial involvement (Lord Shackleton was appointed minister in day-to-day charge of the CSD and was also Leader of the House of Lords). Civil service closing of ranks and opposition to new ideas hindered the Fulton reforms, according to John Garrett, but more importantly they were thwarted by the lack of political interest in fundamental change and ministerial neglect of what seemed boring, nuts-and-bolts questions (Garrett, 1980, p.191). Wilson kept up a close interest for a year or so and expressed satisfaction with the initial progress made (PRO PREM 13/3098, Wilson to Halls, 15 February 1969), but his attention was diverted elsewhere as other issues crowded in during 1969. The eventual outcome was probably inevitable: a process of piecemeal adaptation and of reforms implemented in a way entailing less radical change than outside critics had hoped.

Fulton's champions blame the Whitehall mandarins for smothering or sabotaging the 'lost reforms' (Kellner and Crowther-Hunt, 1980). But the report did not actually constitute a coherent programme for 'reform'. There were plenty of shortcomings, weaknesses and ambiguities in its analysis and recommendations; some ideas were not properly thought-through; and many of the detailed proposals turned out to be far from radical or original and to simply endorse developments already underway (e.g. on training). William Armstrong, appointed Head of the Civil Service in 1968, was within limits a reformer. He saw the Fulton Report as a catalyst, 'breaking the ice', and providing an opportunity to enable reform ideas and change to come through - but insisted that there could be no 'rash commitment to accept recommendations unexamined', and that the changes needed and made could not be confined to Fulton's agenda in a literal or straightforward way (it was not the public administration equivalent of the Bible, he later said) (Theakston, 1999, pp.186-7; PRO PREM 13/1971, Armstrong to Halls, 21 June 1968; BBC2 'Man Alive', 9 May 1978). Burke Trend was another influence for caution, arguing that the Fulton Report should be approached 'pragmatically, with due regard for what is feasible' (PRO PREM 13/3135, Trend to Wilson, 11 November 1969).

Although he remarked that 'the classics boys [had] always been against him' (Castle, 1984, p.468), it was in fact the prime minister, Wilson, not 'obstructive' bureaucrats, who vetoed Fulton's proposal for 'preference for relevance' in administrative recruitment (PRO PREM 13/1970, Halls to Armstrong, 23 May 1968).

There was weighty permanent secretary opposition to parts of Fulton - with arguments even over the departmental title of the CSD and a scrap with the Ministry of Defence to secure its location in the Old Admiralty Building (PRO PREM 13/2692). The vested and sectional interests of the main civil service unions were also an important constraint and could be asserted in the National Whitley Council machinery (the civil service's system of joint consultation) that was used to discuss and oversee the implementation of changes (1968-73). Union views and interests were taken into account, and this process gave an opportunity for the two largest unions, the Society of Civil Servants and the Civil and Public Servants' Association (representing rank-and-file executive and clerical staff) to work with the mandarins of the traditional administrative class to keep out the specialists and maintain the so-called 'vertical' barriers between classes protecting their members' jobs.

The baroque civil service personnel and grading structure - with over 1400 different classes and groupings - had been an easy target for the Fulton Committee. William Armstrong accepted the need to simplify the system and reduce the rigidities, but he felt that Fulton's proposal for a 'classless' unified grading structure went too far and was unrealistic and unworkable (PRO PREM 13/1970, Armstrong to Halls, 9 May 1968). Class with a capital 'C' was involved. Fulton went along with the standard 1960s' criticisms of the mandarin class for being too isolated and exclusive: the Labour Cabinet might be dominated by the Oxbridge-educated, but it was undemocratic and unfair if the higher civil service was too. Wilson wanted what he called 'an open road to the top'. Officials were concerned about the cost implications, pay scales and other technical administrative details, arguing (rightly) that any change would be a complex and lengthy process, but he was more interested in radicalsounding talk about 'abolishing' classes and apparently bold reforms that would overturn the social class stereotypes in Whitehall (Kellner and Crowther-Hunt, 1980, pp.63-4). The CSD worked on plans to introduce an 'open structure' for the 7-800 officials in the top three grades, to amalgamate the old Administrative, Executive and Clerical classes, and put in place new groupings for scientists and professional and technical staff (these reorganisations eventually taking place under Heath in 1971-2). Michael Halls and Norman Hunt (who kept in touch with Number 10) complained over 1969-70 that Armstrong and the CSD were watering down Fulton's proposals and that little would change as a result, but there is no sign that Wilson paid much attention (see PRO PREM 13/3099, 13/3100). An inquiry into recruitment methods

rejected (in its 1969 report) claims of bias, but the pre-Fulton elitism in terms of the social and educational backgrounds of 'high-flyer' recruits broadly continued into the 1970s (Theakston, 1992, pp.154-55; Theakston, 1995, p.101). Wilson failed to break the mould in this sense in Whitehall (though there have been changes over the longer-term).

The Fulton Report was largely based on collectivist assumptions about 'big government' and a belief in a large civil service (Theakston, 1995, p.90). Labour ministers were more concerned about expanding public services than limiting the size of the public sector payroll. The 'non-industrial' (white collar) civil service expanded by almost 20 per cent between October 1964 and April 1970 (up from 412,000 to 493,000), and with the 'industrial' civil service seeing a 13 per cent cut, the overall size of the civil service rose from 652,000 to 701,000 over that period (a net increase of 7.4 per cent, compared to 1.3 per cent 1959-64) (PRO PREM 13/3092, memo by F. Cooper, 5 June 1970). Conservative Party and press criticisms kept the government on the defensive on this issue and anxious to 'bury the bad news', as one Number 10 aide put it, by slipping out information about increased civil service manpower figures on budget day in 1970 (ibid., Gregson to PM, 6 February 1970). A 'standstill' had been announced as part of the post-devaluation crisis measures in January 1968, but the government found it difficult to keep the lid down on departmental pressures for increased staff numbers. Roy Jenkins, the Chancellor, was convinced that there was 'a lot of over-staffing in the Civil Service' (PRO PREM 13/1969, Jenkins to Armstrong, 23 July 1968). Wilson hit upon the idea of appointing a panel of businessmen and industrialists to review staffing and undertake a programme of inquiries into particular areas of work, looking for staff savings and improved efficiency. However, the Bellinger Panel (starting work in late 1968) met with predictable opposition from the 'staff side' unions and scepticism from permanent secretaries. Thirteen investigations had been carried out by the time of the 1970 election, but the direct results were extremely modest (eliminating a couple of hundred posts) (see PRO PREM 13/3092). Michael Halls was disappointed at the progress made by Bellinger, telling Wilson firmly that there was scope for staff cuts and greater efficiency in the big blocks of executive and clerical work, and complaining that senior staff needed to take the issue more seriously (PRO PREM 13/2527, Halls to Wilson, 16 January 1969, 1 August 1969). However, serious axe-swinging, large-scale staff cuts and a determined programme of 'efficiency scrutinies' were to come only after 1979, with Mrs

Thatcher; unlike her, Wilson did not aim to 'take on' the civil service and attack 'bureaucracy'.

Another area were there was very little post-Fulton progress in the Labour years was in terms of 'hiving-off' government functions to agencies or bodies separate from the main Whitehall departments. Wilson announced a review of possible areas for 'hiving-off' in November 1968, later prodding the machine with the claim that this was 'a high priority in modernisation' and asking for 'some of the major and more spectacular cases' to be brought forward (PRO PREM 13/3097, Wilson to Halls, 15 February 1969). A CSD steering group considered various cases but officials strongly emphasised the possible pitfalls and problems (see PRO PREM 13/3242). By 1970 William Armstrong was warning about the barriers 'against the really large scale diffusion of power by hiving-off within the public sector', and the dangers of surrendering control while retaining responsibility (PRO PREM 13/3241, 'Machinery of Government 1970 - Organisation of Government functions', 11 June 1970). Wilson was quick to veto the proposal to sell or hive-off the state management districts (government-owned pubs and breweries mainly in Carlisle) (PREM 13/3242, Halls to Armstrong, 26 March 1970)!

Government secrecy

Previous Labour governments had left the traditions of 'closed government' and Cabinet secrecy undisturbed but official secrecy started to become a significant issue on the political agenda in the 1960s. Fabian reformers argued that it was an obstacle to good policy-making: 'it prevents the tapping of a sufficiently wide range of expert advice and . . . it narrows public discussion of policy issues' (Fabian Society, 1964, p.22). The Fulton Committee (1968) was concerned that the administrative process was surrounded by too much secrecy, favoured greater openness, and recommended a review of the Official Secrets Act.

Harold Wilson - who 'combined in a bizarre fashion an opener's temperament with a paranoia about leaks' (Hennessy, 2003, p.29) - deserves credit for pushing through the 1967 Public Records Act, which reduced from fifty to thirty years the time-limit placed on the opening of government records (PRO PREM 13/742, 13/1957). When Wilson consulted the other party leaders, Grimond indicated that the

Liberals favoured releasing records after twenty or twenty-five years, but Heath and the Conservatives initially drew the line at forty years, concerned that a shorter period would open up the files about appeasement in the 1930s. The Labour Cabinet decided on a thirty-year rule in August 1965 but there was unhappiness and foot-dragging in Whitehall (and by some ministers). At one stage Wilson had toyed with the idea of the general release of documents after forty years but with a mechanism for access within that period; there would be a 'partially open' period, with the onus on departments to justify continued withholding of information after twenty-five years. Sir Burke Trend and the permanent secretaries had disliked this option, worried that it would be the thin end of a wedge. Prime ministerial pressure had to be maintained to prevent departments like the Foreign Office and the Lord Chancellor's Department subverting the new legislation's objective by reclassifying and holding back even more material (PRO PREM 11/1077, Wilson to Crossman, 22 December 1966; Crossman, 1976, p.328).

Wilson did from the start 'see some merit in an enquiry [into official secrecy] of the kind suggested by the Fulton Committee, involving outsiders' (PRO PREM 13/1972, Shackleton to Wilson, 27 September 1968). But senior officials (and, it turned out, other ministers) were opposed. William Armstrong thought it 'by no means clear that an enquiry by a body of outsiders - the bulk of whom would probably be naturally biased against secrecy - would advance matters' (PRO PREM 13/1970, 'The secrecy of official information', draft memo of 16 May 1968). He acknowledged that the Official Secrets Act was 'restrictive', albeit 'extremely difficult to enforce', and was brought into 'disrepute' by ministerial leaks. But it was not itself a barrier to the adoption of a more liberal policy towards the ('authorised') release of government information (PRO PREM 13/1972, Armstrong to Halls, 17 June 1968). In November 1968, Wilson was reported as being 'not in any particular hurry to reach conclusions' about these issues (ibid., Halls to Walker, 26 November 1968), but he was stirred into action in January 1969 when Heath called for a review of government secrecy. Not wanting to be outbid, Wilson announced that 'the whole question of the release of official information, including the Official Secrets Act, should now be under consideration' (PRO PREM 13/2528).

Various names were bandied about for the chairmanship of an enquiry committee. When Wilson suggested Lord Aylestone (the former minister, Bert Bowden), Michael Halls warned him that he 'might well come out with a far too

liberally minded report - almost Swedish' (ibid., Halls to Wilson, 21 February 1969). Whitehall's sense of the problems and dangers lurking down the 'open government' road is clearly caught in an official brief prepared for the prime minister (ibid., 'The Release of Official Information', 5 March 1969). Doubts were expressed about 'how far there is a real public demand' for the release of more background 'factual and statistical information', which would in any case be costly in terms of civil service staff numbers required to implement. Through 'the Green Paper approach' (the first of these appearing in 1967) the government had already started to make more information available and extend public consultation, it was claimed. However, greater openness about the making of policy decisions would not be 'practicable or expedient' because it would open up to the public gaze the role of 'subjective judgments' and 'the reactions of various interests at home and abroad'. The terms of reference of outside enquiry, if there had to be one, should be framed in such a way as to 'minimise . . . the risk of embarrassment'. As to Fulton's proposal to progressively relax the convention of civil service anonymity - an idea which Wilson had favoured in the early days of the government but had apparently become 'much more cautious' about (PRO PREM 13/1970, Halls to Armstrong, 22 May 1968) - the catch here was that senior officials could become identified as personally responsible for the advice given on particular issues, and the corollary of that would be 'they should be free to disclose in what respects their advice had not been accepted by Ministers'.

Labour ministers needed little persuading, and Jim Callaghan later summed up their executive mentality with his comment that 'we are not going to tell you anything more than we can about what is going to discredit us' (Theakston, 1992, p.159). In March 1969 the 'Inner Cabinet' (the Parliamentary Committee) ruled out an outside inquiry as likely to push the government further than it wanted to go (PRO PREM 13/2528, Trend to Wilson, 24 March 1969). Instead, a rather limited and bland White Paper, *Information and the Public Interest*, was issued in June 1969 (Cmnd 4089, 1969) putting a positive gloss on the government's record in making more information available. A ministerial briefing paper about the White Paper mocked the 'fashionable current myth that the quality of public business would be improved if it were carried out in a kind of goldfish bowl' (PRO PREM 13/3096, 'Information and the Public Interest: Background Notes for Ministers', 19 June 1969).

The White Paper's tone of self-congratulatory benevolence was in sharp contrast to the actions of Labour's Attorney-General who in March 1970 initiated the

Sunday Telegraph secrets trial (concerning leaked information about Biafra embarrassing to the government). This backfired and gave the open government cause a boost a year later (when Labour was in Opposition) when the defendants were acquitted and the judge declared that section 2 of the Official Secrets Act should be 'pensioned off'. In April 1970, the Foreign Office and the MoD were still stridently opposed to weakening the secrecy laws and wanted to resist a review 'for as long as possible', officials describing a 'public interest defence' in secrets cases as 'clearly unacceptable', but Wilson recognised that this line was increasingly difficult to hold and was prepared to publicly signal that 'there is a case for considering the operation of the Official Secrets Act' (PRO PREM 13/3473). The outside review that ministers and Whitehall had wanted to avoid finally came in the shape of the Franks Committee, appointed by Heath's Conservative government and reporting in 1972 - though legislation to reform the much-criticised 1911 secrets law was only finally passed in 1989 (the 1974-79 Labour government defaulting on its freedom of information manifesto pledge).

Conclusion

It is a fair criticism that Harold Wilson's political style and his basic institutional conservatism reinforced each other, 1964-70. Absorbed into the Whitehall ethos, he arguably came to regard the smooth process of business through the official machine as the equivalent of successfully dealing with real problems. Most other Labour ministers too, as Ponting argues (1998, pp.173-4), 'settled down into the routines and rituals of Whitehall life, content to be in office'. As with their counterparts in the 1945-51 Labour government, most Labour ministers in the 1964-70 administration came to rely on and admire their officials for their bureaucratic professionalism, policy advice, and neutral competence. However, on the left of the Labour Party the experience of office rekindled the traditional suspicions of the civil service and the Treasury as obstructing or sabotaging radical socialist reform, fuelling calls after 1970 (and still more during and after the 1974-79 Labour term of office) for major reform of Whitehall to check bureaucratic and strengthen ministerial power, to appoint more politically-committed advisers, and to increase government accountability (Theakston, 1992).

In this context, it is worth pointing out that Tony Benn, in his diaries for the 1960s, certainly complains about 'the Civil Service network' and about problems with his civil servants, but that he only really developed a full-blown critical analysis of bureaucratic power after he moved sharply to the left in the 1970s. Indeed his technocratic thinking in the 1960s led him to criticise the civil service for its lack of dynamism, ideas and initiative, and to back the Fulton Report, without apparently seeing that a more professional and expert bureaucracy might also be a more powerful one (Benn, 1987, pp.182, 220, 226-7, 367).

Both Wilson (1964-70) and then Heath (1970-74) were fascinated by the machinery of government. However, Wilson's *ad hoc* and very political approach to the issues showed little evidence of strategic purpose or design (in contrast to Heath's). Whatever their differences in character and personal style, both - as successive Labour and Conservative PMs - tended to exaggerate what could be achieved by rejigging official machinery and reshaping the pattern of Whitehall departments. Going along with fashionable 'bigger is better' business management ideas, there was an element of wishful thinking in their belief that institutional tinkering and re-labelling could solve deep-seated economic and policy problems (Campbell, 1993, p.222). Later, by the mid-1970s, politicians and top Whitehall officials became much more sceptical about the likely benefits of structural redesign in central government.

Much of the debate about the civil service in this period is dominated by the Fulton Report and its fall out. In many ways Fulton was opportunistic - 'in telling politicians what they wanted to hear and in seizing upon existing trends and dressing them up as something new' (Drewry and Butcher, 1991, p.54). The report's derogatory tone raised hackles but the actual proposals were, on the whole, far from radical or original. The Fulton exercise may have largely served to assist, encourage and accelerate developments which were already underway in Whitehall or in the pipeline. The Fulton reform programme was just starting to take shape and gather momentum when Labour left office in 1970, but it ran out of steam a few years later under Heath. There were real improvements in training, organisation and management but by the late 1970s it is true to say that Whitehall had changed in more evolutionary, piecemeal and modest ways than outside critics had wanted (Garrett, 1980, pp.3, 191). In some ways the Fulton Report laid the foundations for or foreshadowed the radical Whitehall reorganisations and reforms of the 1980s and 1990s (executive agencies,

financial management reforms, etc), but it cannot be claimed that either Fulton or Wilson's Labour government directly generated them - the real political clout was provided by Mrs Thatcher, who had her own agenda and motives (Theakston, 1995, p.107).

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