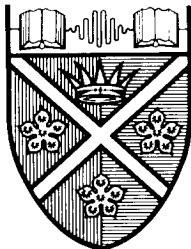


# STRATHCLYDE PAPERS ON GOVERNMENT AND POLITICS

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## *THE INTELLECTUAL CONSEQUENCES OF THE PEACE:*

*British Foreign and Defence  
Policy-Making in the 1990s*

*by*

*Peter Hennessy*

*No. 70*

*1990*

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**THE INTELLECTUAL CONSEQUENCES OF THE PEACE:  
BRITISH FOREIGN AND DEFENCE POLICY-MAKING IN  
THE 1990s**

**By**

**Peter Hennessy**  
**(Visiting Professor of Government)**  
**UNIVERSITY OF STRATHCLYDE**

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**Department of Government**

*To the memory of Victor Rothschild, 1910–90,  
who pondered intellectual consequences like no other.*

## Intellectual Consequences of the Peace

### INTRODUCTION

All the 'isms are 'wasms.

**Foreign Office Spokesman, August 1939 on the day the Molotov-Ribbentrop Pact was signed in Moscow.<sup>1</sup>**

There's a very good life of Castlereagh I want to reread. Castlereagh was Foreign Secretary at a time after 1815 when that very powerful shadow force in Europe called Napoleon had gone ... and he had to start again. He had to put together a Concert of Europe, and we are now putting together a Concert of Europe, keeping the bits of the old order that make sense ... but trying to include the Russians to some extent ...

**Douglas Hurd, Foreign Secretary, 1990.<sup>2</sup>**

For me, the Ministry of Defence is in the insurance business. You can't abolish or recreate armed forces at the drop of a hat, not even in a decade; so you must keep them going unless you think that never again will you need to use force by land, sea or air ... We must expect the Russians will remain a military superpower with nuclear weapons on the continent of Europe – a superpower whose benignity we cannot in all circumstances assume.

**Sir Michael Quinlan, Permanent Secretary to the Ministry of Defence, 1990.<sup>3</sup>**

The scene is the Traveller's Club, traditional watering hole of the British diplomatic and intelligence services, in the early weeks of 1990. Three retired members from the secret world are taking tea. 'I suppose', came a voice from one of the armchairs, 'that these days, the only good German is a live German.'<sup>4</sup> Once the laughter had died down, it was judged pretty apt as one-liners go. The world in which the old gentlemen had worked and operated in the post-war years was becoming evermore unrecognisable. Their counterparts in today's Whitehall were often reduced, like the rest of us, to watching 'The Nine O'Clock News' and 'News at Ten' to keep up with events as regimes toppled east of the old Iron Curtain, walls crumbled and secret policemen presented themselves to the Eastern European equivalents of the Job Centre.<sup>5</sup>

Nobody currently engaged in foreign and defence policy-making or intelligence analysis in London, Cheltenham and Her Majesty's embassies round the world had ever worked through a period like it. At least since the Berlin Air Lift of 1948-9, the realities of a bipolar world had simplified matters for all but a few dissenters and revisionists, sometimes (as in the early days of the Korean War or during the Cuban Missile Crisis) terrifyingly so. The same applied in all decision-taking centres, east and west. As Robert McNamara, the former US Defence Secretary put it, 'During my entire adult life my thinking has been a function of the cold war. It's time to break out of that. It's difficult to do so'.<sup>6</sup> Everybody found it so. In a perverse way, there had come to be a high degree of intellectual security in sustained international tension from the late 1940s when, in Denis Healey's words, 'all that the Red Army needed in order to reach the North Sea was boots'.<sup>7</sup>

Perhaps the trauma of uncertainty was greatest in the intelligence community. For Michael Herman is right to claim that 'the Cold War was in a special sense an intelligence war ... Never before in peacetime have the relationships of competing power blocks been so influenced by intelligence assessments. Never before have the collection of intelligence and its denial to the adversary been such an integral part of international rivalry'.<sup>8</sup>

Never, to continue in a Churchillian vein, has there been a better moment to ask the question what are the British Intelligence Services, Armed Forces, defence budget, Foreign Office and defence ministry *for*? The British have always prided themselves as being skilled players of 'The Great Game' (the evocative phrase coined by one of its clandestine exponents, Arthur Conolly, murdered in Bokhara in 1841<sup>9</sup>) and have continued to do so long after the winding up of the Empire. In the utterly new circumstances of the 1990s, do we need, as it were, to 'hang up' our

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spies and our soldiers, our Type 23s and our Tornados, our diplomats and our 'boffins'? Or is this the moment to raise our great game to new levels of sophistication and flexibility in a world in which the old fixtures have disappeared?

Before contemplating the intellectual consequences of the peace, let's examine how the job was viewed in the past, how it has been carried out in recent years in terms of internal processes with an eye to its strengths and shortcomings.

### **KEEPING THE NATION'S NERVE**

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.<sup>10</sup>**

What you have got to do in foreign affairs is not to create a situation.

**Ernest Bevin, late 1940s.<sup>11</sup>**

I know nothing about diplomacy, but I just know and believe that I want certain things for Britain.

**Margaret Thatcher, 1979.<sup>12</sup>**

Never forget that in the two great crises of my time, Munich and Suez, when by later universal consent the judgement of a British Government was grievously wrong, the sense of the Foreign Office was right.

**Lord Gore-Booth, former Head of the Diplomatic Service, 1974.<sup>13</sup>**

Paul Gore-Booth was a singular man with a strong dash of the unorthodox. He would take time off as Permanent Secretary at the Foreign Office to don deerstalker and tweeds before travelling to Switzerland where, as president of the Sherlock Holmes Society, he would re-enact the great sleuth's battle with Professor Moriarty at the Reichenbach Falls. He would

also speak truth unto power. It was Gore-Booth who drafted a memo of protest at the follies of Suez in 1956 and presented it to his chief, Sir Ivone Kirkpatrick, one of a tiny handful of officials who knew what was going on.<sup>14</sup>

In retirement Gore-Booth revealed a considerable gift for capturing and expressing the purpose of postwar British foreign policy. The function of the Foreign Office, he wrote, was 'keeping the nation's nerve'. This, he added, was 'a real task for some institution thinking in world terms to keep cool and to devise and execute, within the limits of knowledge, money and power, progressive but realistic policies to advance long-term interests rather than to satisfy immediate emotions. There is no great glamour about this. But we tried to do it, and not without success'.<sup>15</sup> Satisfying, no doubt, the modern requirement of management by objectives, Gore-Booth moved from the vague to the specific:

The object of policy had to be to ensure that a great nation could stop half way down and establish itself as a second-level power with real tasks to perform and obligations to fulfill.<sup>16</sup>

This was not the self-image of the heroic period of postwar British foreign policy-making in the late 1940s when the scaffolding of its bureaucratic support structure was put in place. Ernest Bevin was not a man to think in terms of the orderly management of decline. He could not bear the idea of a 'scuttle out of [India] without dignity or plan'<sup>17</sup> in 1947. A year later he took comfort from the notion that by developing the British Empire in Africa 'we could have the United States dependent on us, and eating out of our hand in four or five years .... The United States is very barren of essential minerals, and in Africa we have them all'.<sup>18</sup> The motive power of Bevin's foreign policy was his conviction that, in time, the British economy would recover to a point where, once more, a genuine great power

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status would be sustainable. It was not for him, therefore, to close off once-and-for-all important options for those who came after him in the Foreign Secretary's chair. This was precisely the argument which led him to push hard for an independent British nuclear weapons capability with 'the bloody Union Jack on top of it'.<sup>19</sup>

Heroic it may have been but, in the end, it was unsustainable. Occasionally, the occupant of Bevin's old chair could become as over-despondent as he was over-optimistic. During a strategy session in November 1974 at Chequers, the Prime Minister's country seat, with the nation's political economy at a particularly low ebb after the OPEC price rises and associated industrial dislocation, James Callaghan told his colleagues in Harold Wilson's last Cabinet that (in the recorded words of Mrs Barbara Castle's Diary) 'If we ever got to a siege economy he, Jim, dreaded the effect on our democracy. He didn't think that the US would do a Suez in the Middle East. The more likely prospect was our declining influence. "Our prospect is that we shall lose our seat on the Security Council". Jim concluded gloomily that in his view we should go on sliding downhill for the next few years'.<sup>20</sup>

Between British foreign secretaries at their most bullish and bearish, there is a place for the permanent, professional nerve-keeper. Indeed, the skill with which this has been done is an important and morale-sustaining part of the self-image of those professionals to this day whether in the Foreign Office, the other departments of State or the clandestine agencies involved in the foreign policy process at all levels of assessment and policy making up to, and including the full Cabinet and its Standing Committee on Oversea and Defence Policy.

It is not easy to summarise the case Britain's orderly managers of decline (the phrase is that of Sir William Armstrong, a former Permanent

Secretary to the Treasury<sup>21)</sup> make in their own defence. It is, however, essential to try as *all* the important players in the process, temporary ministers excepted, are career officials enjoying permanent tenure and a job-for-life. Their arguments run something like this:

Since 1945 the art of the British foreign policy adviser has been that of a seasoned gambler under duress obliged to make the best of an ever poorer hand. Though the public's perception always lagged behind ours, we insiders recognised and coped with the benchmarks of Britain's decline as we crossed them – our ceasing to be a global superpower with withdrawal from Greece and India in 1947; our simultaneous recognition that we could no longer fight a major war without material assistance from the United States; our recognition after Suez that we could no longer fight a minor war without, at least, the acquiescence of the United States; our recognition after the Kruschev-Kennedy meeting in Vienna in 1961 that we could no longer expect an automatic place at the 'top table'; our recognition at Nassau in 1962 that a modern British nuclear force was no longer possible without American equipment and know-how; our recognition with the final withdrawals from East of Suez 1968–71 that we could no longer hope to be a global power; our recognition since 1973 that we are a medium-sized regional power within the larger grouping of the EEC; our skilful acceptance (hiccups like Rhodesia apart) of the right moment to withdraw gracefully from the territorial acquisitions of the past; at every point our mix of diplomacy and defence has been enhanced by top rate staff work processed by a policy-making machine brought by long years of experience to a degree of performance the envy of others even among the ranks of the superpowers.

I shall have something to say in my penultimate section about this comforting self-image held by many, if not all, of the British players of 'The Great Game'. There is a need to turn first to its mechanical underpinning, the advice machine and the decision-taking control rooms it serves. For it is part of the conventional wisdom of the decline manager that first class intelligence and staff work to match are invaluable 'force-multipliers' for those whose real forces are becoming progressively thinner on the ground.

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### THE ADVICE MACHINE

Our Cabinet committee system is, generally speaking, admired abroad and envied by others.

**Lord Greenhill, former Head of the Diplomatic Service, 1988.<sup>22</sup>**

The National Security Council, created in 1947, [was] modelled on the British War Cabinet.

**Zara Steiner, 1987.<sup>23</sup>**

For a British civil servant there is no problem so acute that it won't yield to a careful piece of drafting.

**Senior Australian civil servant, 1984.<sup>24</sup>**

If you ask the FO to write you a paper, you add up the paragraphs with odd numbers, and you get one opinion, add up the paragraphs with even numbers and you get another: and no conclusion.

**Winston Churchill, 1944.<sup>25</sup>**

Mrs Thatcher's Cabinet Committee on Overseas and Defence policy, known as OD for short, can trace its genealogy to the Committee of Imperial Defence (CID) created by her Conservative predecessor, A. J. Balfour, in 1902. The CID was in effect a prototype NSC intended to modernise Whitehall's capability to meet the growing threat of European instability with the rise of the Kaiser's Germany.<sup>26</sup> Apart from World War I, when it was superseded by the War Council, the CID, with its elaborate substructure of sub-committees, remained *the* forum for the handling of foreign and defence issues of both high policy and detailed application until the outbreak of the Second World War in 1939. From 1904, the Prime Minister took the chair.

In machinery of government terms, Churchill ran a very personal war between 1940 and 1945. In essence he split Cabinet government into two: he concentrated on waging war and grand strategy with the chiefs of staff

while the Lord President's Committee became a virtual Cabinet for the home front dealing with everything else.<sup>27</sup> The tidy minded Attlee reviewed his legacy in 1945–46 with the help of Sir Edward Bridges, who had been Secretary of the War Cabinet and two soldier/administrators, generals Sir Hastings Ismay and Sir Ian Jacob. Attlee created a new Cabinet Defence Committee in January 1947.<sup>28</sup> It was, in effect, the old CID minus its imperial component.

Its remit, however, did not include foreign affairs. The most striking lacuna in Attlee's elaborate Cabinet structure was lack of a specific committee for this. In practice, Attlee and Bevin disposed of it themselves.<sup>29</sup> In fact, it was not until 1962 that a formal foreign affairs committee was created after another review undertaken for Harold Macmillan by the old firm of Whitehall warriors, Ismay and Jacob.<sup>30</sup>

The structure created by Macmillan has held, with a few minor modifications, ever since. At the apex of foreign and defence policy-making, tightly brigaded together since 1962, has been the Defence and Oversea Policy Committee of the Cabinet with the Prime Minister in the chair (its precise name changes from administration to administration and its initials involve a combination of the same letters – DOPC, OPD, OD etc.). All inputs from every Whitehall department with an interest in foreign policy are processed by a free standing Oversea and Defence Secretariat in the Cabinet Office with a view to briefing the ministers on OD (to revert to current usage) its sub-committees or the *ad hoc* groups it occasionally spawns to tackle specific issues. It is the summit of Whitehall foreign, defence and intelligence machines.

The quality and width of that advice were transformed by World War II which remains the divide between the pre-modern machine (the CID legacy bequeathed by the Edwardians) and the modern system fashioned for total

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war and adapted after 1945 for cold war. Interdepartmental and interservice rivalry are perpetual problems in any bureaucracy however strong the central organisation for decision-taking. The five decades since the foundation of the Joint Intelligence Committee<sup>31</sup> have seen persistent attempts to win the advantages of clarity and consistency by subduing the turf-fights on a warring periphery.

The centripetal thrust has been marked on the defence side. Churchill took the title of Minister of Defence as well as Prime Minister in the war years and applied a variety of devices to overriding the dark blue, Khaki or light blue tendencies of the chiefs, including chairing about a tenth of the Chiefs of Staff meetings himself.<sup>32</sup> (In a memorable aside to Harold Macmillan he once observed that 'you may take the most gallant sailor, the most intrepid airman or the most audacious soldier, put them at a table together – what do you get? The sum of their fears'.<sup>33</sup> Attlee created what was intended to be a strong, co-ordinating central department in 1947 to counteract the institutionalised pressure-grouping of the War Office, the Air Ministry and the Admiralty. Ismay's and Jacob's recall to the colours showed the lack of real impact of the prototype Ministry of Defence. The abolition of the service ministries and the creation of a single Defence Ministry in 1964, with a new Chief of the Defence Staff in charge of the Chiefs of Staff Committee, took the process a stage further. In 1981, Mrs Thatcher removed the individual service chiefs from their seats at OD meetings leaving only the Chief of Defence Staff to represent their views. Finally, in 1984 Mr Michael Heseltine pushed through a plan to streamline the MoD still further by diminishing the power of the individual Armed Services which he drew up, literally on the back-of-an-envelope, on a flight home from Kuwait.<sup>34</sup>

Given the powerful traditions and loyalties of the uniformed services, each burst of reorganisation was accompanied by resistance and clamour.

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The equivalent rejigging on the overseas policy sides has been relatively smooth and decorous. It, too, has been a story of gradual concentration with the progressive mutation or disappearance of old departments since 1945 beginning with the expiry of the India Office in 1947, the transmogrification of the Dominions Office to the Commonwealth Relations Office in the same year, the merger of the Colonial and Commonwealth Offices in 1966 to the final creation of a unified Foreign and Commonwealth Office in 1968 under single political and administrative chiefs in the Foreign and Commonwealth Secretary and the Head of the Diplomatic Service. A parallel process has seen the FO gradually modernising itself under the goad of ministers (the Eden-Bevin reforms of 1943)<sup>35</sup> and the pressure of external inquiries (Plowden 1964, Duncan 1968 and Berrill 1977).<sup>36</sup>

The intelligence side, too, has had its reorganisations though, as one would expect, these have received least attention of all. Given the nature of the perceived Soviet threat from (at least) the Tehran Conference of 1943 and the store set on top flight signals intelligence once Bletchley Park got into its codebreaking stride in 1940–41, there was no danger of Britain's intelligence services being starved of people and money by being put on something less than a care-and-maintenance basis as they were after 1919. All the key agencies remained in business in a big way: MI6, the Secret Intelligence Service (sponsoring department the Foreign Office); the Government Code and Cipher School, later renamed the Government Communications Headquarters (Foreign Office); MI5, the Security Service (Home Office); Naval Intelligence Department (Admiralty); Military Intelligence (War Office); Air Intelligence (Air Ministry). Only the Special Operations Executive (behind the lines activities) and the Political Warfare Executive (black propaganda) were wound up.<sup>37</sup>

The very special intelligence relationship which had developed between Britain and the United States during the war was formalised and extended

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into the peace by the secret UK–USA agreement of 1947 on the gathering and pooling of intelligence.<sup>38</sup> Its continued vitality and utility is apparent every week when representatives of the United States intelligence community meet with their British counterparts in the Cabinet Office in London before the weekly meeting of the JIC.<sup>39</sup>

There have been several reorganisations of the intelligence section of the advice machine since 1945. In 1957 the JIC moved from being a satrapy of the Chiefs of Staff to becoming an integral part of the Cabinet Office.<sup>40</sup> In 1964 the service intelligence departments were fused unto a single Defence Intelligence Staff under a Chief of Defence Intelligence.<sup>41</sup> In the early 1970s, Mr Edward Heath took a step towards improved performance at the centre by appointing a coordinator of security and intelligence in the Cabinet Office. He also stepped up the collection of economic intelligence.<sup>42</sup> After the Falklands War, the JIC and its Assessments Staff in the Cabinet Office were reviewed and the chairmanship of the JIC was removed from the Foreign Office in 1983 and awarded on an *ad hominem* basis with the man-in-place enjoying direct access to the Prime Minister herself.<sup>43</sup> Mrs Thatcher, too, has placed a renewed emphasis on the importance of economic intelligence.<sup>44</sup>

It is easy but erroneous to forget the economic input into the Cabinet's foreign policy advice machine. The external economic dimension is ignored at their peril by any postwar British government as even the well-organised Attlee administration discovered until the creation of its Economic Policy Committee of the Cabinet in 1947.<sup>45</sup> The Treasury's Overseas Finance Sector is the institutionalisation of hard economic reality, an untinted window to the outside world of the international economy in its various guises since the first days of peace when Keynes, in his famous prophecy, warned the Attlee Cabinet of a forthcoming 'financial Dunkirk'.<sup>46</sup> The

problems of what Gore-Booth called 'a thinly lined Exchequer'<sup>47</sup> have never, in fact, been far from ministers' minds. Forty years before Paul Kennedy's great synthesis became required reading in the foreign ministries of the world,<sup>48</sup> Bevin would tell the miners that if *they* gave him another million tons of coal, *he* could give the country a new foreign policy.<sup>49</sup>

The economic imput into Cabinet foreign policy-making, has changed very little in terms of Whitehall departments. The Treasury has been crucial throughout and the Chancellor of the Exchequer has been a constant member of whichever Cabinet Committee mattered in foreign policy terms. The industrial departments have gone through a series of baffling mutations,<sup>50</sup> though a Board or a Department of Trade has almost invariably been visible, in some shape or form, and, given the near constant refrain to 'export or die', has occupied an important, if unglamorous place, at the Cabinet committee table.

Occasionally there has been a bureaucratic outrider in Whitehall wielding considerable, if transient influence, on the economic front. In the early postwar period, Sir Edward Plowden, as head of the Central Economic Planning Staff, had a considerable input into the financial management of the Korean War taking the lead in several of the burden-sharing negotiations during the process of western rearmament.<sup>51</sup> Lord Cherwell, as Paymaster-General and head of Churchill's revived Statistical Section (a wartime invention for keeping tabs on Whitehall), played a crucial role in killing a Treasury/Bank of England plan to float the pound in 1952.<sup>52</sup>

More recently, Lord Rothschild's Central Policy Review Staff surpassed the rest of Whitehall put together in its advanced prediction, way ahead of the Yom Kippur War of 1973, of a substantial rise in the oil price if the OPEC cartel flexed its economic muscle as seemed likely.<sup>53</sup> In the Thatcher era there has been a one-man equivalent of Plowden's CEPS,

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Cherwell's Statistical Section and Rothschild's CPRS in the person of Professor Alan Walters, Mrs Thatcher's part-time Downing Street economic adviser. His influence was an important element in Britain's remaining outside the European Monetary System, despite the wishes of the Foreign Office and the Treasury, up to the moment of Nigel Lawson's spectacular resignation from the Treasury which consumed Walters in its wake.<sup>54</sup>

Mrs Thatcher has a preference for individuals rather than institutions in the giving and receiving of advice (she abolished the CPRS in 1983). Since 1982 there has been an influential equivalent of Walters on the foreign side. Her first foreign affairs adviser was Sir Anthony Parsons, a rather unorthodox and slightly dashing career diplomat who had won her admiration as Ambassador to the United Nations by telling her to stop interrupting him during a Chequers meeting at a particularly fraught moment of the Falklands War.<sup>55</sup> Parsons was succeeded after the 1983 election by another career man, the leading FCO sinologist of his generation who negotiated the transfer of Hong Kong to the Peoples Republic of China, Sir Percy Cradock. Cradock and Parsons served as the Prime Minister's eyes and ears on the JIC<sup>56</sup> and offered advice on a continuous basis, on a wide range of foreign and defence issues. Her private secretary dealing with the same sweep, Charles Powell, yet another career diplomat, is credited (rightly) with having a specially strong influence on Mrs Thatcher.

The foreign policy-making structure as I have described it so far has a notable absentee – Europe. Policy towards the EEC, though the FCO is in the lead both in London and in Brussels as the United Kingdom's Representation to the Community, involves virtually all aspects of economic, industrial and social policy as well as the pile of EEC directives rises and the trade and professional barriers fall.

No simple description of European policy-making is possible. It has its own European Secretariat in the Cabinet office entirely distinct from its

equivalent for Oversea and Defence Policy. But, unlike the Callaghan administration which was nearer in this respect, European business can be tackled in a variety of ways at the top of the Cabinet Committee structure. For example, many of the most important EEC issues, such as Britain's contribution to its budget, can be handled in EA, the Cabinet Committee on economic strategy which Mrs Thatcher chairs.<sup>57</sup> Other issues are resolved in OD (E), Oversea and Defence (Europe), over which the Foreign Secretary presides.<sup>58</sup> Ironically, the relative untidiness of European policy-making reflects the 'half-in, half-out' attitude of several members of the recent Thatcher Cabinets.<sup>59</sup> Whitehall's advice machine, the brief interlude of the Heath premiership apart, has always had difficulties in nudging ministerial committees into a more *communitaire* frame of mind. Having woken up rather late (the Treasury and the Foreign Office were not converted to Europe until circa 1960) to the notion of a post-imperial Britain within the EEC, the foreign and economic policy-making bureaucracy has advised with a zeal and consistency which has infuriated more than one foreign minister in the centre of British Politics.<sup>60</sup> The decision-making cycle, however, is supposed to prevent such things. In Whitehall the democratic theory is that, in the last analysis, elected people (ministers) shall always prevail over appointed people (diplomats, civil servants and intelligence officers) and the decision-taking machine is constructed accordingly.

## THE DECISION CYCLE

He told his colleagues about his great aunt's Daimler, which had travelled at the 'sensible speed of thirty miles an hour', and was sufficiently spacious to enable one to descend from it without removing one's top hat. Nowadays, alas! people had a mania for dashing around. But that being so Britain ought to 'cater for this profitable modern eccentricity'! He thought they all really agreed. It was all over in a few minutes.

**Nigel Lawson and Jock Bruce-Gardyne on the meeting of the Macmillan Cabinet in 1962 at which it was decided to collaborate with the French in making Concorde.<sup>61</sup>**

Jim [Callaghan] wanted it [Polaris] down to three, just to save money of course. But George Brown wanted it down to three on the grounds that, with three boats, we couldn't be sure always of having one on patrol and, therefore, it couldn't be regarded as capable of being used independently. And I remember Michael Stewart saying ... it reminded him very much of when he was on the committee of the Fulham Co-op and they were discussing in the 1930s, being good methodists all, whether for the first time they should stock wine. And they finally decided they would stock wine but only very poor wine.

**Denis Healey recalling the Cabinet meeting at Chequers in 1964 where it was decided to go ahead with the Polaris nuclear force for the Royal Navy.<sup>62</sup>**

Geoffrey, I know what you're going to recommend and the answer is 'No!'

**Mrs Thatcher to the Foreign Secretary, Sir Geoffrey Howe, at a meeting of the Oversea and Defence Committee of the Cabinet in January 1984 to discuss the possibility of exploratory talks with the Alfonsin Government in Buenos Aires.<sup>63</sup>**

Historians, the archive-mongers in particular, suffer from an occupational hazard. It is easy to be misled by the minutes of meetings into assuming that calm, reason and Socratic method prevail where they patently do not. Harold Macmillan, himself a great stylist in Cabinet Room and on Cabinet

Paper, recognised this and, as Minister of Housing and Local Government in the early 1950s, took issue with a member of the Cabinet, Sir George Mallaby, about it. 'Historians reading this [set of Cabinet minutes] 50 to 100 years hence', said Macmillan, 'will get a totally false picture. They will be filled with admiration and surprise to find that the Cabinet were so intellectually disciplined that they argued each issue methodically and logically through to a neat set of precise conclusions. It isn't like that at all you know'.<sup>64</sup>

At some times and on certain issues it is difficult for outsiders to appreciate fully just how spotty the quality of ministerial decision-taking can be. Take the Falkland Islands – a 'front burner' issue for the Cabinet's OD Committee since 1982. It was not always so. When official papers for 1954 were released at the Public Record Office in 1986 under the 30 Year Rule, Admiralty files were declassified dealing with the response required should General Peron launch an assault on the islands. They prompted one senior Admiralty civil servant to recollection of a ministerial meeting at which the First Lord (i.e. Navy Minister) J.P.L. Thomas, was asked by a colleague where, exactly, the Falklands were. With supreme self-assurance, Thomas drew a ring around St. Helena and tossed the map across the table.<sup>65</sup> Matters had improved a bit by the early 1980s but not enough for OD to appreciate in time to take preventive action that where Peron had hesitated, Galtiere was to plunge ahead.

There is, however, a degree of general regularity about the foreign-policy making process at the highest level in Whitehall, a smoothness of operation which justifies Lord Greenhill's contention that the British way is widely admired abroad. It is a reflection both of the continuity of official personnel and the efficiency of the Cabinet Office machinery. With a change of government in Whitehall, there is none of the

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uprooting of procedures and groupings (the National Security Council apart) that Washington experiences. The second person to call upon a new Prime Minister (the first is the Downing Street Principal Private Secretary, another career figure) is the Secretary of the Cabinet. He outlines the most urgent business requiring collective, as opposed to Prime Ministerial, decision and suggests an embryonic committee structure to tackle it. His suggestion is invariably accepted and the result always bears the genetic traces of the system established by Lloyd George and the first Cabinet Secretary, Sir Maurice Hankey, in 1916. As for procedures, the meetings are called, the substance recorded and the minutes circulated to those who 'need to know' as if by clockwork.

The chemistry of the meetings is another matter as Macmillan made plain in his aside to Mallaby. The system as a whole has to cope with issues of all kinds – the routine, the *ad hoc* and the unexpected. The routine, in the sense of the foreseeable not the prosaic or the trivial, is tackled by OD which, when Parliament is sitting, meets once a week. The background briefing provided for it is impressive. The Prime Minister will have a 'Steering Brief' in her role as chairman provided by the Cabinet Office's Oversea and Defence Secretariat. Her Downing Street foreign affairs adviser, Sir Percy Cradock, will often put a personal brief in as well. Each departmental minister attending (the membership fluctuates but always includes the Foreign Secretary, the Chancellor of the Exchequer, and the Defence Secretary or ministers standing-in in their absence) will be in possession of a Cabinet Office paper and a brief provided by his own ministry. In addition ministers will receive the weekly 'Red Book' of intelligence assessments and summaries produced by the Joint Intelligence Committee after the myriad of inputs from open and closed sources have been processed by its regionally-focussed current intelligence groups.

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Big, time-consuming issues which are foreseeable and foreseen are usually taken in a sub-group of OD specially commissioned for the purpose. OD (HK), for example, dealt with the protracted and delicate negotiations covering the transfer of the sovereignty of Hong Kong from the United Kingdom to the People's Republic of China due in 1997.<sup>66</sup> An unforeseen emergency, like the Falklands Crisis in April–June 1982, was handled by OD (SA), [Oversea and Defence (South Atlantic)] which became popularly known as the 'War Cabinet'.<sup>67</sup>

Slightly less grand 'one-off' subjects are often processed through a third layer of Cabinet committees in the MISC, or miscellaneous, series. For example, an official, as opposed to a ministerial group, MISC 32, was active in the early eighties on the logistics of deploying the British Armed Forces outside the NATO area. It was chaired by the then head of the Oversea and Defence Secretariat, Sir Robert Wade-Gery.<sup>68</sup> In 1983 the Prime Minister herself took the chair at MISC 91, a committee convened for the purpose of choosing a new anti-radar missile for the Royal Air Force.<sup>69</sup> Full Cabinet, in many ways, is a ratifying body for decisions processed and taken in the network of Cabinet committees. Though there are two fixed items at every weekly Cabinet meeting on a Thursday morning and a report on Foreign Affairs by the Foreign Secretary is one of them (the other is forthcoming business in Parliament). This is not necessarily an occasion for illumination. Nor is it an occasion for decision-taking. Big issues requiring a decision are treated as separate items of business. It is largely up to the Prime Minister to decide what decisions are taken at this level. It is not always easy for a minister to force an issue on to the Cabinet agenda as Michael Heseltine found during the Westland Affair. At whatever level these committees operate, they are the beneficiaries of what a former Defence Secretary, Michael Heseltine, has called the 'Rolls Royce' service from 'a machine of supreme quality'.<sup>70</sup> The question remains, is the outcome up to Rolls Royce standards?

## PERFORMANCE ASSESSMENT

We, my dear Crossman, are Greeks in this American empire. You will find the Americans much as the Greeks found the Romans – great big, vulgar, bustling people, more vigorous than we are and also more idle, with more unspoiled virtues but also more corrupt. We must run AFHQ [Allied Forces Headquarters] as the Greek slaves ran the operations of the Emperor Claudius.

**Harold Macmillan to Richard Crossman, Algiers, 1943.**<sup>71</sup>

It was an extraordinary relationship because it rested on no legal claim; it was formalised by no document; it was carried forward by succeeding British governments as if no alternative was conceivable. Britain's influence was great precisely because it never insisted on it; the 'special relationship' demonstrated the value of intangibles.

**Dr. Henry Kissinger, 1979.**<sup>72</sup>

In our foreign policy 1945–70, could our governments have done better? My answer is 'I doubt it'. But I can hear you saying in the immortal words of Mandy Rice Davies, 'He would say that wouldn't he?'

**Lord Greenhill, 1988.**<sup>73</sup>

On the grand strategic level, a reasonable fist can be made in support of Lord Greenhill's verdict on his profession and his times. Such advantages as Britain possessed – an experienced political and official class, a high degree of bipartisanship for most of the postwar period, an intangible like the 'special relationship' milked for all it was worth (particularly on the nuclear weapons side after the restoration of collaboration in 1958) a relative freedom from internal faction and external pressure groups<sup>74</sup> – were utilised to the full. In terms of the great debate stimulated by Paul Kennedy's *The Rise and Fall of the Great Powers*, the Greenhills and the Gore–Booths can be portrayed as exemplars of the cool and seasoned realists easing their political chiefs into a realisation that the world has changed and suggested a series of timely and prudent adjustments to compensate.

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This would wash as welcome balm for British sensibilities and wise advice to those who might be following us down the superpower league if it could be pretended that it was a deliberate, planned strategy to meet foreseen contingencies. It was not. That other great figure of postwar British diplomacy, Sir Roger Makins, now Lord Sherfield (who was at the heart of the special relationship, economic diplomatic and nuclear for over 20 years) has admitted as much. In an interview with the BBC's Michael Charlton for *The Price of Victory* (a programme about Britain's missed opportunities in Europe in the 1950s and 1960s), Lord Sherfield's remarks are a necessary reminder of the danger of feeding back the preoccupations of 1970s and 1980s Whitehall into the heroic if spartan period of foreign policy-making immediately after the war when Bevin was buying-time for his successors. 'Two things we were not to foresee', Sherfield told Charlton.

The first was de Gaulle and what that meant in terms of European defence, European political organisation, and so on; and the second thing, which I certainly never foresaw and would not, I think, perhaps have credited at the time we are talking about –1950 – was the economic and industrial failure of the United Kingdom in the 1960s. It was perhaps to be foreseen, but I certainly did not foresee it.<sup>75</sup>

Be that as it may, the question then arises: was the necessary readjustment made smoothly and on time? Such things are very difficult to measure. There is, however, one very revealing test: how many times since 1945 has the Cabinet, its advice machine and its committees had to undertake the painful labour of a defence review when resources no longer tallied with aspirations. The answer is no less than seven (1949–50, 1953–54, 1957, 1964–65, 1965–68, 1974–75 and 1981)<sup>76</sup> the score falling to four under Labour and three under the Conservatives. Whatever else this

record suggests, timely and orderly management of decline is not among them. Ministers, naturally, are reluctant to ask themselves profound and disturbing questions such as 'are we trying to do too much?' unless events force them to.

It is, of course, the job of the adviser and the diplomat to put the best face possible on reality. 'When you need credit you usually wear your best suit', was how Lord Greenhill put it.<sup>77</sup> I recall an interview with Sir Antony Acland when he was Head of the Diplomatic Service in which (comparing Bevin's time to the 1980s) he stressed that the United Kingdom still had an Atlantic, a Commonwealth and a European role as in the late 1940s.<sup>78</sup> Sir Antony's successor, Sir Patrick Wright, updated the Gore-Booth definition of what the FO is for in 1988. 'For much of my career', Sir Patrick told me,

for post-imperial and other reasons, we have been in the business of managing decline and adjusting to Britain's position after the war. What encourages me, and I tell this to the new entrants to the [Diplomatic] Service, it seems to me that we are out of that period of managing decline. This is not a party political point. Our job is to promote the development of British interests in an era in which Britain has a new political and economic strength and respect in the world. This opens up new opportunities.<sup>79</sup>

Will this sound hubristic to early twenty-first century ears? I hope not. But it may do.

It's the job of the intelligence services to bring reality consistently and forcefully to bear in the counsels of their customers. It's no easy task when their customers, ministers on OD, are also their political chiefs and (when some of them meet as a separate ministerial committee on the management of the clandestine agencies) their paymasters and quartermasters as well. Assessment here is all but impossible. Without an official history for the

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years since 1945 compared to Sir Harry Hinsley's for World War II, the answer to several key questions (the quality of advice just before the Chinese intervention in Korea in 1950, the appraisal of who might form a government to replace Nasser in Cairo in 1956, to name but two) is unknowable as peacetime intelligence archives are beyond the reach of the 30 year rule.

The only evidence one has is anecdotal. For example, after President Nyerere had asked for British military assistance to quell internal trouble in Tanzania in 1963, the then Foreign Secretary, Lord Home, asked the then First Sea Lord (soon to become Chief of the Defence Staff) Lord Mountbatten, 'on how many occasions have we had to send out military expeditions of this kind since the war and on how many occasions was the trouble foreseen?' His answer was 'Forty-eight and none'.<sup>80</sup> The one exception where we have chapter and verse is the Falklands where the conclusion of the Franks inquiry was far from reassuring on both the intelligence side (a shake-up followed in the organisation of the JIC with the Foreign Office losing the chairmanship) and on the OD side. The criticism, though couched in typical British understatement, was unmistakeable.

Government policy towards Argentina and the Falkland Islands was never formally discussed outside the Foreign and Commonwealth Office after January 1981. Thereafter the time was never judged to be ripe although we were told in oral evidence that, *subject to the availability of ministers* [emphasis added], a Defence Committee [i.e. OD] meeting could have been called at any time, if necessary at short notice. There was no meeting of the Defence Committee to discuss the Falklands until 1 April 1982; and there was no reference to the Falklands in Cabinet, even after the New York talks of 26 and 27 February [with the Argentine Government] until Lord Carrington [the Foreign Secretary] reported on events in South Georgia on 25 March, 1982.<sup>81</sup>

Lord Franks (himself a former ambassador to Washington) and his fellow privy counsellors concluded:

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We cannot say what the outcome of a meeting of the Defence Committee might have been, or whether the course of events would have been altered if it had met in September 1981; but, in our view, it could have been advantageous, and fully in line with Whitehall practice, for ministers to have reviewed collectively at that time, or in the months immediately ahead, the current negotiating position; the implications of the conflict between the attitudes of the Islanders and the aims of the [Argentinian] Junta; and the longer-term policy options in relation to the dispute.<sup>82</sup>

The Franks Report raised questions about the competence of OD to handle what, rightly or wrongly, are seen as second- or third-order problems with busy ministers often in the air on an interminable round of international meetings, the tendency of departments to keep as much to themselves as possible with as little as possible given as hostages to fortune to collective decision at meetings of Cabinet committees, and the sometimes inward looking nature and leaden performance of intelligence services on seemingly insoluble, 'running-sore' problems such as the Falklands.

Always bearing in mind that disasters get written about, triumphs are ignored and routine (however creditable) is not even noticed, what improvements could be made to the British foreign policy Rolls Royce which, in terms of original design, is almost as venerable as the real thing? The question was worth asking before the big melt in the Cold War. It's doubly apt now.

## TOWARDS A NEW SPECIFICATION

It was a devastating experience, and one that I found it difficult to talk about for about two years afterwards.

**David Young, MOD assistant secretary, on the Think Tank's attempt to refashion Britain's overseas representation.<sup>83</sup>**

The Foreign Office is...less of an oak than a willow.  
**Lord Gore-Booth, 1974.<sup>84</sup>**

We meet at a time of enormous change in which in the last six months there have been the most exciting developments in Eastern Europe and in the Soviet Union and which bring into question a number of the bases on which our defences in the past have been structured. This White Paper sets out the story so far. It does not contain a master plan for change because that is what, in part, we are looking at under the 'Options for Change Programme' that is under active consideration at the moment.

**Tom King, Secretary of State for Defence, launching the 1990 *Statement on the Defence Estimates*, April 1990.<sup>85</sup>**

It's not called that, but the 'Options for Change Programme' 1990 is postwar defence review number eight. It's unique in that domestic cash shortage, though as ever a constraint, has not been the motor driving the rethink. For once the stimulus has come from where ideally it always should – the outside world and the configuration of threats, plus the armaments which sharpen them, to the security of the United Kingdom however ministers, aided by their analysts, choose to define them. The review was long expected, almost from the moment John Nott laid down his pen in 1981 not because of any inkling that the Russians might conduct their defence-review-to-end-all-reviews by the end of the 1980s, but because of the familiar and still continuing gap between Britain's foreign and defence aspirations and the funds to pay for them.

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A new call had been added, however, to that of the economisers, that of the rationalisers, though they, too, could claim a venerable antecedence in the Ismay-Jacob tradition. The essence of their case was that the chief need was a specific examination of the *central* machinery of foreign and defence policy, including its intelligence back-up, and not another look at the hyper-scrutinised overseas representation side.

Support for this notion came from influential and knowledgeable quarters. For example, the late David Watt, as Director-General of the Royal Institute of International Affairs in London (Chatham House), noticed the shortcomings exposed by British membership of the EEC. In a lecture at Chatham House to mark the bicentenary of the Foreign Office in 1982, he said:

There will have to be a much more elaborate form of inter-departmental liaison than now exists to co-ordinate our foreign policy interests. The Cabinet and its sub-committees work reasonably well where traditional functional issues like defence interact with foreign relations; less well on geographical areas, such as the European Community, where large numbers of departments are concerned; and often not at all where the ministries are as ill-assorted as, say, the Foreign and Commonwealth Office, the Department of Education and Science, and the Department of Health and Social Security, handling various aspects of the overseas students [payment of fees] question.<sup>86</sup>

On the intelligence side the 1980s saw the mega criticism of the Franks report of the JIC and its machinery and the occasional micro, yet important, criticism of the quality of personnel, their pay, prospects and conditions, engaged in the crucial task of military intelligence assessment of the Soviet Union and the Warsaw Pact.<sup>87</sup>

On the mega-level, Sir Frank Cooper, a former Permanent Secretary at the Ministry of Defence, has raised the question of whether Britain needs 'some kind of National Security Council with, supporting it, a properly

qualified military and civil secretariat or planning staff?'.<sup>88</sup> In a letter to the author Sir Frank pursued this notion further.

The United States experience of a National Security Council has not been altogether happy, for example, the relationship between the NSC Adviser and both the State Department and the Pentagon – particularly the former – has had its ups and downs and sometimes, far from producing co-ordination, has seemed to produce alienation.

Nevertheless, the British tend to be at the other end of the spectrum, though it is perhaps significant that the Cabinet Office plays a far more prominent role in co-ordinating intelligence and nuclear policies than it does in many other fields, both in a national sense and, of course, in an international sense.

It is also perhaps true that at times of major crisis the British Cabinet Office has played a very active role in co-ordination: I suppose the classic examples recently are at a time of a Defence Review, Cuba, or in a major change of policy such as the withdrawal East of Suez.

Historically the British were at the forefront of co-ordinating advice within Government and seeking to bring together foreign and defence policy. This goes back to the days of the Imperial Defence Committee right up – and continuously – to the present day Defence and Oversea Policy Committee which is serviced by the Cabinet Office. Yet the Cabinet Office has very little experience of defence and the Secretariat is basically provided by people temporarily on loan (for a couple of years) from the FCO and the MOD. The question is, ought it to have a rather stronger persona?

One of the difficulties is that we are hung up by our past. Any heightened activity by the Cabinet Office tends to be regarded as a precursor of a defence review. Yet, there is evidence of growing concern, that we are not able and have never been able in the recent past, to bring together our forces and our commitments and to enunciate policy. Some will argue that to have the Cabinet Office

play a larger role gives undue power to people without responsibility (perhaps even without sufficient knowledge), that it is a disruptive element, and that it simply tends to bring about change for change's sake.

My own view is that we would benefit as a nation from having a somewhat higher profile in the Cabinet Office with an identifiable team which did act as a Defence and Oversea Policy Advisory Group. Could this have helped, for example, prior to the Falklands? Would it help to move policy along in a number of various ways? Do we not need to have an on-going look at a number of the issues involved? Would the MOD and FCO benefit from a little more external scrutiny as there are few genuine practitioners in the field outside as there are, for example, in economic and social affairs?

I think there is a case for a small team – of not too high a profile and not operating competitively or aggressively vis-a-vis the two main Departments of State. It is difficult to do this; there could be friction. Nevertheless the style and practice of British Government, particularly from the centre, would mean that it is a practical possibility and, of course, the true safeguard is that Ministers are on the Defence and Oversea Policy Committee and the group would be working for them.<sup>89</sup>

I don't believe that the validity of Sir Frank's suggestion has been overtaken by the 'Options for Change' exercise by which Tom King sets such store. For, in reality, the postwar period has ended at last. With a neatness that historians should not expect, it began in Berlin in August 1945 when the victors met at Potsdam and ended in Bonn in May 1990 when those same victors plus the foreign ministers of the soon-to-be-reunited Germanies gathered to recognise and, hopefully, to manage the consequences of fallen walls and open ballot boxes.

In British foreign and defence policy-making terms, now is the moment to ask ourselves some truly fundamental questions, far more fundamental than the series of secret reviews Harold Macmillan commissioned on

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Britain's place in the world in the late 1950s.<sup>90</sup> This time, too, the process must be in the open. No more Macmillan-style injunctions to the chairman of the JIC *not* to tell the Cabinet or the Americans what was going on.<sup>91</sup> It should, too, embrace every element of the 'great game' – economic and diplomatic, not just the defence side.

For the first question that must be asked is this: are we now at the point where a genuine scaling-down of aspiration and capability is not only possible but desirable? We have been so used for so long being a 'top table' power, either as an imperial superpower or, after 1947, a continental great power second only to the United States as the protector and rebuilder of a war-wrecked Europe. Even after the Nassau conference, in 1962, (which reinforced our dependence on the United States with the Polaris Agreement) and our absence from the east-west summits after the Kruschev-Kennedy meeting in Vienna the year before, we still retained the appetite for influence and the willingness to buy at least a little of the nuclear capability thought indispensable to it.

By the end of the 1960s the territorial empire had all but gone. By the end of the 1970s so too had sterling's role as the world second currency. Yet still defence spending as a proportion of gross domestic product hovered around five per cent, far higher than any NATO partner except the United States. Our diplomatic establishment, despite the raiding party mounted by the Think Tank, remained the kind of Rolls Royce suitable for a great power. All this could be justified relatively easily while a superpower existed east of the Elbe capable, in the worst circumstances, of launching an attack on western Europe from a standing start with virtually no warning. It's very difficult to justify it now even if you accept the intelligence analyst's customary argument that it's equipment that matters – long-term military capability – rather than the short-term factors which influence battle-readiness.

To put it crudely, if there ever was a moment to bow out gracefully from a 'great game' at which Britain has excelled, that moment is now. The problem is nobody on the inside, in those Whitehall committee-rooms where the 'Options for Change' are considered, will put that case. Radical thoughts are not welcome, as the Think Tank found in 1977. It's not just that to do so would raise the possibility of their talking themselves out of a job. In the Foreign Office and the Defence Ministry they are simply not those kind of people. They did not join-up because they harboured doubts about the traditional, working assumptions of the British foreign and defence community:-

1. That we're good at these skills which are in short supply in the rest of the world.
2. That as our economic and military clout wanes relative to others, such skills can compensate, enabling us in international organisations to punch heavier than our weight.

Nor are ministers in a Conservative Cabinet likely to compensate for their officials' mind-sets with a dash of politically inspired soul-searching.

This leaves the world of the outsider which Whitehall, in this area, has traditionally been disinclined to listen to on the ground that only the insiders know as only they have the information. Yet in 1990 you don't have to work in the Cabinet Office Assessments Staff to have a pretty good idea of what is happening 'on the other side of the hill' as the cameras are over there filming constantly.

Perhaps money rather than reason will be the spur – the lure of the so-called peace dividend, especially if there is a change of government and the attraction of beating missiles into kidney machines becomes all too apparent. In the meantime, the very least that should happen is that the all-party House of Commons Select Committees on Defence and Foreign

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Affairs should get together for a joint inquiry which poses this very basic, first-order question to ministers and officials. Such an inquiry would have the additional and supreme advantage of being in the open with television cameras present. For the intellectual consequences of the peace are too profound to be left to our traditional Whitehall version of insider trading.

Only when a sense has emerged of what we, as a medium-sized regional power within an increasingly powerful supranational European community, should try to do as a political entity, can second-order issues be addressed. In advance of that, however, some principles can be established.

1. That whatever Armed Forces the country feels the need to maintain, they should be well equipped and trained with none of the skimping which accompanied the penny-pinching of an overstretched Britain in the 45-year postwar period. Tom King's 'smaller but better' slogan is apt here.<sup>92</sup> The danger here is of protectionist log-rolling by the professions (half a million military and civilians tied up on the government's defence payroll; another half a million in the UK defence industries<sup>93</sup>). It should be resisted.
2. That the review should extend to the diplomatic and intelligence establishments. Already you hear arguments that you knew where you were in the old days of the cold war. In an uncertain, fluid post-confrontation world you need an even bigger and better intelligence capability because the confusion is greater. This is arguable. Even if a new and nasty regime emerged in Moscow, the old west would have plenty of warning time to get reinforcements 'across the pond' from the United States.
3. The structure of decision-taking in Whitehall on foreign and defence policy matters. The criticisms of David Watt and Sir Frank Cooper retain their relevance. Is this not the moment for streamlining?
4. The mixture of people in the professional back-up available to ministers in the FO, the MOD and the Cabinet Office should be looked at. As old mind-sets are jettisoned, however slowly, the need for fresh clusters of grey cells is apparent. This means

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outsiders. In Britain, unlike the United States, there are precious few of them. Sir Michael Quinlan and the Ministry of Defence have taken a commendable initiative of funding a new Centre for Defence Studies with full academic independence as part of the University of London and housed in King's College.<sup>94</sup> There should be more such ventures in capacity-growing of an intellectual kind if a stream of knowledgeable 'in-outers' is to become available to the state.

There is a missing element here whose absence could undermine the achievement of any raising of the Whitehall game in the 1990s – ministers, and the time and energy they will be prepared to devote to the long-term intellectual and analytical questions posed by recent events rather than to the short-term adjustments rapid change demands even on the part of people with already overcrowded agendas. Without ministers generating and retaining what Einstein once called 'a holy curiosity'<sup>95</sup> (plus an unusual degree of self-knowledge and awareness of the degree to which they, like all of us, are prisoners of old thought-patterns), beneficial changes in the state machine and those who staff it can only achieve so much. Getting that to happen could be the greatest task of all.

FOOTNOTES

1. According to Whitehall legend, these are the words uttered when journalists asked the FO News Department for a comment on the surprise news from Moscow on 23 August 1939.
2. Terry Coleman, 'The world according to Douglas Hurd', *The Independent*, 3 April 1990.
3. Peter Hennessy, 'Whitehall Watch: Defence intellectual who came in from the cold', *The Independent*, 5 March 1990.
4. Private information.
5. Peter Hennessy, 'Whitehall Watch: Trying to decode the signals from the east', *The Independent*, 26 February 1990.
6. He was speaking in 'Out of the Cold', BBC Radio 4 *Analysis*, 5 October 1989.
7. Denis Healey, 'NATO, Britain and Soviet Military Policy', *Orbis*, Vol. XIII, No. 1, Spring 1969, p. 48.
8. Michael Herman, 'The Role of Military Intelligence since 1945', Paper delivered to the Seminar on Twentieth Century British Politics and Administration, Institute of Historical Research, University of London, 24 May 1989. Mr Herman is a former member of the Defence Intelligence Staff now working on the theory of intelligence at the Royal Institute of International Affairs.
9. I'm grateful to my friend Anthony Verrier, author of *Through the Looking Glass, British Foreign Policy in the Age of Illusions*, Cape, 1983, for this information. Letter from Anthony Verrier, 11 March 1990.
10. Richard N. Gardner, *Sterling-Dollar Diplomacy*, expanded edition, McGraw-Hill, 1969, p. xvii.
11. Roy Jenkins, *Nine Men of Power*, Hamish Hamilton, 1974, p. 77.
12. Kenneth Harris, *Thatcher*, Weidenfeld and Nicolson, 1988, p. 99.

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13. Paul Gore-Booth, *With Great Truth and Respect*, Constable, 1974, pp. 397–8.
14. It was dated 2 November 1956. It is reproduced in Peter Hennessy and Mark Laity, 'Suez – What the Papers Say'. *Contemporary Record*, Vol. 1, No. 1, Spring 1987, p. 5 and can be read in the original in the Gore-Booth Ms in the Bodleian Library, Oxford.
15. Gore-Booth, *With Great Truth and Respect*, pp. 424–5.
16. *Ibid.*, p. 424.
17. Public Record Office (PRO), FO 800/470/IND/47/1.
18. John Gallagher, *The Decline, Revival and Fall of the British Empire*, Cambridge, 1982, p. 146.
19. Peter Hennessy, *Cabinet*, Blackwell, 1986, pp. 126–7.
20. Barbara Castle, *The Castle Diaries, 1974–76*, Weidenfeld, 1980, pp. 219–24.
21. Peter Hennessy, *Whitehall*, Secker and Warburg, 1989, p. 76.
22. Lord Greenhill, 'British Foreign Policy, 1945–70: Could We Have Done Better?', Address to the Institute of Contemporary British History/London School of Economics Summer School on British History, 8 July 1988.
23. Zara Steiner, 'Decision-Making in American and British foreign policy: an open and shut case', *Review of International Studies*, 1987, 13, p. 7.
24. He said it to me.
25. Quoted in: Alistair Horne, *Macmillan 1894–1956: The Making of a Prime Minister*, Macmillan, 1988, p. 221.
26. For an account of its genesis see Stephen Roskill, *Hankey, Man of Secrets*, Vol. 1, 1877–1918, Collins, 1970, pp. 90–1.
27. For a brief account of Whitehall under Churchill-as-warmaker see J. M. Lee, *The Churchill Coalition, 1940–1945*, Batsford, 1980, Chapter 3, pp. 52–81.

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28. Franklyn A. Johnson, *Defence by Ministry*, Duckworth, 1980, pp. 18–21.
29. Alan Bullock, *Ernest Bevin, Foreign Secretary*, Heinemann, 1983, pp. 56–7; Peter Hennessy and Andrew Arends, *Mr Attlee's Engine Room: Cabinet Committee Structure and the Labour Government 1945–51*, Strathclyde Papers on Government and Politics, No. 26, 1983, p. 10.
30. *Central Organisation for Defence*, Cmnd 2097, HMSO, 1963, pp. 2–3. See also Eric Grove, *Vanguard to Trident, British Naval Policy since World War II*, Bodley Head, 1987, pp. 259–61.
31. For the origins of the JIC see F.H. Hinsley, *British Intelligence in the Second World War*, HMSO, 1979, Chapter 1, pp. 3–44.
32. Johnson, *Defence by Ministry*, p. 16.
33. Horne, *Macmillan, 1894–1956*.
34. The envelope is reproduced in Michael Heseltine, *Where There's A Will*, Hutchinson, 1987, p. 29.
35. For an account of these see Geoffrey Moorhouse, *The Diplomats, The Foreign Office Today*, Cape, 1977, pps. 24, 28, 53, 325.
36. *Report of the Committee on Representative Services Overseas*, HMSO, 1964; *Report of the Review Committee on Overseas Representation, 1968–69*, HMSO, 1969; *Review of Overseas Representation, Report by the Central Policy Review Staff*, HMSO, 1977.
37. Though it should not be thought Whitehall lost these capabilities altogether. See Verrier, *Through the Looking Glass*, pp. 50–3.
38. Christopher Andrew, *Secret Service: The Making of the British Intelligence Community*, Heinemann, 1985, pp. 491–2.
39. Hennessy, *Cabinet*, pp. 25–6.
40. Private information.

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41. Cmnd 2097.
42. Private information.
43. Private information.
44. Private information.
45. Alec Cairncross, *Years of Recovery: British Economic Policy 1945–51*, Methuen, 1985, pp. 51–3.
46. PRO, CAB 129/1, CP(45) 112. ‘Our Overseas Financial Prospects’, 14 August 1945.
47. Gore-Booth, *With Great Truth and Respect*, p. 232.
48. Paul Kennedy, *The Rise and Fall of the Great Powers*, Unwin Hyman, 1988.
49. As recalled by Bevin’s private secretary, Sir Nicholas Henderson, in his farewell despatch from the Paris Embassy, 31 March 1979 and printed in *The Economist*, 2 June 1979, pp. 29–40.
50. See Brian Hogwood, ‘The Rise and Fall and Rise of the Department of Trade and Industry’, in Colin Campbell and B. Guy Peters, *Organising Governance: Governing Organisations*, University of Pittsburgh, 1988, pp. 209–232.
51. Sir Edward Bridges as Head of the Civil Service wrote privately to a leading Conservative shortly before Labour fell outlining Plowden’s contribution in an attempt to allay the impression that he was a socialist appointee who should be removed if Churchill returned to office. Churchill was returned and Plowden stayed building up a fruitful relationship with the new Chancellor, R.A. Butler.
52. The plan, codenamed ‘Robot’, and Cherwell’s role in its destruction, are described in Samuel Brittan, *Steering the Economy*, Secker and Warburg, and Anthony Seldon, *Churchill’s Indian Summer*, Hodder, 1981, pp. 162, 165, 168, 171–3.
53. See Tessa Blackstone and William Plowden, *Inside The Think Tank, Advising the Cabinet 1971–1983*, Heinemann, 1988, pp. 76–7.

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54. For the Lawson-Walters tussle, see William Keegan, *Mr Lawson's Gamble*, Hodder, 1989.
55. For an appraisal of Parsons see Hennessy, *Whitehall*, pp. 646-7.
56. Private information.
57. Hennessy, *Cabinet*, p. 27.
58. *Ibid.*
59. A recent example is the conversation between two Cabinet ministers who left office after the 1987 General Election. John Biffen declared over breakfast with an *Independent* journalist that one country within the EEC would have to stand its ground to counteract the enthusiasms of the Community's trade commissioner, Lord Cockfield. Norman Tebbit chips in, 'I'm a Gaullist too ... The creation of Euro-regulation and, in effect, a Euro-government, is bound to end in tears.' Andrew Gimson, 'Who's a Tory?', *The Spectator*, 9 July 1988.
60. As Foreign Secretary, 1977-79, Dr. David Owen took the view that in European matters, 'Foreign Office civil servants had been acting almost as politicians, making political concessions and judgements...' David Owen, *Personally Speaking*, Weidenfeld, 1987, p. 110.
61. Jock Bruce-Gardyne and Nigel Lawson, *The Power Game*, Macmillan, 1976, p. 28.
62. He told the story on *The Bloody Union Jack on Top of It. Programme 2: From Polaris to Trident*, BBC Radio 4, 12 May 1988.
63. Quoted in Hennessy, *Cabinet*, p. 99.
64. Sir George Mallaby, *From My Level*, Hutchison, 1965, pp. 16-17.
65. David Walker, 'Churchill advised to leave Falklands unguarded', *The Times*, 12 January 1985.
66. Hennessy, *Cabinet*, p. 28.
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91. FO 371/143702, Dean to Selwyn Lloyd, 11 June 1959; Dean to Gore-Booth and others, 23 June 1959.
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93. *Ibid.*
94. Letter from Sir Michael Quinlan to the author, 20 March 1990.
95. Ronald W. Clark, *Einstein: The Life and Times*, Avon Books, 1979, p. 755. Einstein delivered this remark in the last year of his life.