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'The Gentleman in Whitehall' Reconsidered: The Evolution of Douglas Jay's Views on Economic Planning and Consumer Choice, 1937-47



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Abstract

In his book *The Socialist Case*, first published in 1937, Douglas Jay wrote: 'in the case of nutrition and health, just as in the case of education, the gentleman in Whitehall really does know better what is good for people than the people know themselves.' This phrase became notorious, and, as a result, Jay's views on economic planning and consumer choice have frequently been misrepresented. Far from wanting to dictate to people what they should consume, Jay was a planning sceptic who believed that the price mechanism had many virtues. The experience of World War Two, however, convinced him of the merits of central planning, and this was reflected in key changes he introduced to the new edition of *The Socialist Case*, published in 1947. The changed role envisaged for Jay's 'gentleman in Whitehall' not only illustrates important points about the impact of war on the Labour Party's attitudes to planning and consumer sovereignty, but also casts light on the relationship between the socialist revisionism of the 1930s and that of subsequent decades.

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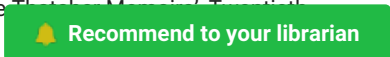
Douglas Jay, *The Socialist Case*, London, Faber and Faber, 1937 (henceforward *Socialist Case I*), p. 317. [The Socialist Case Google Scholar](#)

Ina Zweiniger-Bargielowska, *Austerity in Britain: rationing, controls and consumption 1939-1955*, Oxford, Oxford University Press, 2000, pp. 232-3, 240. [Austerity in Britain: rationing, controls and consumption 1939-1955 232 3 Google Scholar](#)

It is quoted, for example, in Matthew Parris and Phil Mason, *Read My Lips: A treasury of things politicians wish they hadn't said*, Harmondsworth, Penguin Books, 1997, p. 166. [Google Scholar](#)

Ben Pimlott, *Hugh Dalton*, London, Cape, 1985, p. 398; Kenneth O. Morgan, 'Practically, a socialist' (obituary of Jay), *Guardian*, 7 March 1996. See also Martin Francis, *Ideas and policies under Labour, 1945-51*, Manchester, Manchester University Press, 1997, p. 217; Steven Fielding, 'The Good War: 1939-1945', in Nick Tiratsoo (ed.), *From Blitz to Blair: A New History of Britain Since 1939*, London, Weidenfeld and Nicolson, 1997, pp. 25-52, quotation at p. 47; and Brian Brivati, *Hugh Gaitskell*, London, Richard Cohen Books, 1997, p. 420. (Brivati gives the variant 'Whitehall knows best'.) [Hugh Dalton 398 Google Scholar](#)

She omitted the qualifying words 'in the case of nutrition and health, just as in the case of education'. Ian Gilmour, reviewing her book, criticised 'the obligatory misrepresentation of Douglas Jay', rightly pointing out that 'Jay was arguing almost the exact opposite' of what Thatcher suggested he was saying. Margaret Thatcher, *The Downing Street Years*, London, HarperCollins, 1993, p. 6; Lord Gilmour, 'The Thatcher Moment', *Twentieth Century British History*, 5, 2, 1994, pp. 257-77. Quotation at p. 259. [Google Scholar](#)



Obituary of Jay (unsigned), *The Times*, 7 March 1996. [Google Scholar](#)

Francis, *Ideas*, pp. 48-9; Daniel Ritschel, *The Politics of Planning: The Debate on Economic Planning in Britain in the 1930s*, Oxford, Clarendon Press, 1997, p. 339; Jim Tomlinson, *Democratic socialism and economic policy: The Attlee years, 1945-1951*, Cambridge, Cambridge University Press, 1997, p. 129; Douglas Jay, 'Plans and Priorities', in Douglas Jay et al., *The Road to Recovery*, London, Allan Wingate, 1948, pp. 9-26. The lecture was given on 6 November 1947. [Google Scholar](#)

Douglas Jay, *The Socialist Case*, 2nd edn, London, Faber and Faber, 1947 (henceforward *Socialist Case II*). Some writers, clearly unaware of the differences between the two editions, quote from the second edition in a way which might well give readers the impression that in 1937 Jay held views which in fact he only expressed ten years later. See for example Edmund Dell, *A Strange Eventful History: Democratic Socialism in Britain*, London, Harper Collins, 2000, pp. 113-15. *The Socialist Case* [Google Scholar](#)

See Ben Pimlott, *Labour and the Left in the 1930s*, Cambridge, Cambridge University Press, 1977, pp. 38-9, 201; Francis, *Ideas*, p. 38; and Stephen Brooke, *Labour's War: The Labour Party during the Second World War*, Oxford, Clarendon Press, 1992, p. 238. [Google Scholar](#)

See Noel Thompson, *Political Economy and the Labour Party: The economics of democratic socialism, 1884-1995*, London, UCL Press, 1996, pp. 96, 107. For evidence of Jay's slight scepticism towards Keynes, see in particular his review of the *General Theory* (Douglas Jay, 'Mr. Keynes on Money' *The Banker*, xxxviii, no. 123, April 1936, pp. 10-14), and also his description of the multiplier effect as 'a red herring' (Jay to John Strachey, 20 August 1938, cited in Michael Newman, *John Strachey*, Manchester, Manchester University Press, 1989, p. 88). [Google Scholar](#)

David Marquand, *The Progressive Dilemma: From Lloyd George to Kinnock*, London, Heinemann, 1992, p. 56. See also Nicholas Ellison, *Egalitarian Thought and Labour Politics: Retreating visions*, London, Routledge, 1994, p. 18. *The Progressive Dilemma: From Lloyd George to Kinnock* 56 [Google Scholar](#)

Pimlott, *Labour and the Left*, p. 201. [Google Scholar](#)

Douglas Jay, *Change and Fortune*, London, Hutchinson, 1980, pp. 15-49, quotation at p. 22. Additional recollections by Jay can be found in Douglas Jay, 'Civil Servant and Minister', in W. T. Rodgers (ed.), *Hugh Gaitskell*, London, Thames and Hudson, 1964, pp. 77-103; Douglas Jay, recollections of Clement Attlee (untitled), in Geoffrey Dellar (ed.), *Attlee as I knew him*, London, Tower Hamlets Directory of Community Services, 1983, pp. 25-6; Alan Thompson, *The Day Before Yesterday: An illustrated history of Britain from Attlee to Macmillan*, London, Sidgwick and Jackson, 1971, pp. 46, 52, 62, 64; and Peter Hennessy, *Muddling Through: Power, Politics and the Quality of Government in Postwar Britain*, London, Victor Gollancz, 1996, pp. 172-86 passim. A retrospective memorandum written by him in the early 1960s, reviewing the Attlee government's experience of planning, is also relevant: Douglas Jay, 'Planning Under the Labour Government', *Labour Party Finance and Economic Policy Sub-Committee*, January 1962, *Labour Party Archive*, National Museum of Labour History, RD. 201. For personal recollections of Jay by others, see in particular Shiela Grant Duff, *The Parting of Ways: A Personal Account of the Thirties*, London, Peter Owen, 1982; Peggy Jay with Eva Tucker, *Loves and Labours: An Autobiography*, London, Weidenfeld and Nicolson, 1990; and Nicholas Davenport, *Memoirs of a City Radical*, London, Weidenfeld and Nicolson, 1974, pp. 102-4. See also David Reisman, 'Introduction', in David Reisman (ed.), *Democratic Socialism in Britain: Classic Texts in Economic and Political Thought 1825-1952: Volume 8*, London, Pickering and Chatto, 1996, pp. vii-xiv. *Change and Fortune* 15 49 [Google Scholar](#)

Jay, *Change and Fortune*, p. 34. See also Douglas Jay, 'The Economic Strength and Weakness of Marxism', in G. E. G. Catlin (ed.), *New Trends in Socialism*, London, Lovat Dickson and Thompson, 1935, pp. 105-22. [Google Scholar](#)

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Jay, *Change and Fortune*, pp. 61-2; Hugh Dalton, *The Fateful Years: Memoirs 1931-1945*, London, Frederick Muller, 1957, p. 417n; Davenport, *Memoirs*, pp. 103-4. [Google Scholar](#)

Jay, *Change and Fortune*, pp. 58-60. [Google Scholar](#)

Confusingly, Jay also recalled that he had worked on it 'virtually every evening and weekend for three years' (emphasis added). Jay, 'Civil Servant', p. 81; and Jay, *Change and Fortune*, pp. 62-3. [Google Scholar](#)

The whole first part of this book, on unemployment, was, Meade wrote, inspired by the work of Keynes. And crucially, from the point of view of the argument here, the book stated that 'The problem of a general planning commission, unaided by a pricing system ... would be incapable of solution'. Jay, 'Civil Servant', p. 81; Jay, *Change and Fortune*, p. 63; J. E. Meade, *An Introduction to Economic Analysis and Policy*, Oxford, Clarendon Press, 1936, pp. vi, 199. [Google Scholar](#)

Jay, *Change and Fortune*, p. 62. [Google Scholar](#)

'Conference on Some Aspects of Socialist Planning, 4-5 November 1933', *Fabian Society Papers*, British Library of Political and Economic Science, J14/2. See also Richard Toye, *The Labour Party and the Planned Economy, 1931-1951*, London, Royal Historical Society, forthcoming 2002, ch. 3. [Google Scholar](#)

Jay, *Socialist Case I*, pp. 295-6. [Google Scholar](#)

[Google Scholar](#)

Jay, *Socialist Case I*, p. 237. [Google Scholar](#)

This book, a landmark in the discussion in English of economic planning, consisted of translations of articles previously published at different times in various parts of Europe, with additional material by Hayek: F. A. von Hayek (ed.), *Collectivist Economic Planning: Critical Studies on the Possibilities of Socialism*, London, Routledge and Kegan Paul, 1935. Jay reviewed it when it came out, concluding that 'Most readers ... will probably lay the book down with the conviction that the solution of the problem must ... come from some sort of blending of competition and collectivism' ('Collectivist Planning' (unsigned review, by Jay), *Times Literary Supplement*, 20 June 1935). For evidence of Jay's authorship, see the TLS Centenary Archive database. [Google Scholar](#)

F. A. von Hayek, 'The Present State of the Debate', in Hayek (ed.), *Collectivist Economic Planning*, pp. 201-43. Quotation at p. 24 [Google Scholar](#)

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Francis, *Ideas*, p. 217. [Google Scholar](#)

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Review of *The Socialist Case* (unsigned), *The Times*, 5 October 1937 [Google Scholar](#)

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G. D. H. Cole, 'Socialism for radicals' (review of *The Socialist Case*), *New Statesman and Nation*, 20 November 1937, p. 846. 'Socialism for radicals' (review of *The Socialist Case*) *New Statesman and Nation* 20 846 [Google Scholar](#)

Barbara Wootton, review of *The Socialist Case*, *Economic Journal*, XLVIII, March 1938, pp. 95-7. *The Socialist Case*, *Economic Journal* XLVIII 95 7 [Google Scholar](#)

'Cameronian', 'Rose-Coloured Hopes' (review of *The Socialist Case*), *Reynolds News*, 3 October 1937 [Google Scholar](#)

See John Allett, *New Liberalism: The Political Economy of J. A. Hobson*, Toronto, University of Toronto Press, 1981, p. 232. *New Liberalism: The Political Economy of J. A. Hobson* 232 [Google Scholar](#)

J. A. Hobson, review of *The Socialist Case*, *Manchester Guardian*, 15 October 1937 [Google Scholar](#)

Jay, *Change and Fortune*, pp. 63, 124; Pimlott, *Dalton Political Diary*, p. 221. Jay also noted that reviews were written by Lionel Robbins, Redvers Opie and Keith Feiling. It has not proved possible to trace these articles; but perhaps Robbins, Opie and Feiling were amongst the authors of the various unsigned reviews that appeared, and perhaps Jay was aware of this. [Google Scholar](#)

See Jay, *Socialist Case I*, pp. 280-6 (and especially p. 283); and Pimlott, *Hugh Dalton*, pp. 140-1 [Google Scholar](#)

Attlee appears to have been similarly unenthusiastic about 'unplanned socialism', in that he was opposed to G. D. H. Cole's belief, stated in 1937 in a draft pamphlet, that 'the prices of goods and services should correspond as near as possible to the real cost of producing them'. Attlee protested: 'This statement belongs to the era of free competition. If I am to organise the Fuel industry, I must in my view base it upon adequate wages for the miners not upon the wages which competition in the world market will enable the industry to pay. Unless planning is based upon giving to all enough purchasing power to make them effective consumers at least of necessities, it will break down...', Dalton, *Practical Socialism*, p. 247n; Attlee to John Parker, 2 August 1937, G. D. H. Cole Papers, Nuffield College, Oxford, D1/1/56/5. [Google Scholar](#)

Martin Francis, 'Old realisms: Policy reviews of the past', *Labour History Review*, 56, 1, 1991, pp. 14-24. *Old realisms: Policy reviews of the past* *Labour History Review* 56 14 24 [Google Scholar](#)

See Richard Toye, 'The Labour Party and the Economics of Rearmament, 1935-39', *Twentieth Century British History*, 12, 3, 2001, pp. 303-26, at pp. 318-19. *The Labour Party and the Economics of Rearmament, 1935-39* *Twentieth Century British History* 12 303 26 [Google Scholar](#)

Jay, *Change and Fortune*, p. 63. [Google Scholar](#)

Ibid.; Hugh Thomas, John Strachey, London, Eyre Methuen, 1973, pp. 175, 273. See also John Strachey, *A Programme For Progress*, London, Victor Gollancz, 1940, p. 73n. [Google Scholar](#)

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See Richard Toye, 'Gosplanners versus thermostatters: Whitehall planning debates and their political consequences, 1945-49', Contemporary British History, 14, 4, 2000, pp. 81-106. Gosplanners versus thermostatters: Whitehall planning debates and their political consequences, 1945-49 Contemporary British History 14 81 106 [Google Scholar](#)

Jay to E. M. Nicolson, 9 November 1945, Public Record Office, CAB 124/891. See also Tomlinson, Democratic socialism, p. 129 n. 17 [Google Scholar](#)

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'Economic Thinking' (unsigned review, by Wenzel Jaksch, of the second edition of The Socialist Case), Times Literary Supplement, 15 November 1947. For evidence of Jaksch's authorship, see the TLS Centenary Archive database. [Google Scholar](#)

Jay, Socialist Case II, p. vii. [Google Scholar](#)

See Toye, Labour Party, chs 5, 6 and 8. [Google Scholar](#)

Douglas Jay, Labour's Plan for 1947, London, Labour Party, 1947, p. 6. Labour's Plan for 1947 6 [Google Scholar](#)

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Francis, Ideas, pp. 48-9. [Google Scholar](#)

In his 1956 book Contemporary Capitalism (London, Victor Gollancz, 1956, pp. 138-40) Strachey quoted at length and with approval passages on the distribution of the national income from the second edition of The Socialist Case, which Jay had revised to take account of the passage of time. [Google Scholar](#)

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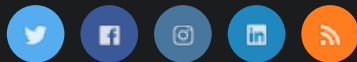
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This phrase became notorious, and, as a result, Jay's views on economic planning and consumer choice have frequently been misrepresented. Far from wanting to dictate to people what they should consume, Jay was a planning sceptic who believed that the price mechanism had many virtues. The experience of World War II, however, convinced him of the merits of central planning, and this was reflected in key changes he introduced to the new edition of *The Socialist Case*, published in 1947. a significant shift in his views on the question of consumer choice which the 'gentleman in Whitehall' remark addressed: the overall context of the remark changed.⁹ The purpose of this article, 3. 'The Gentleman in Whitehall' Reconsidered: The Evolution of Douglas Jay's Views on Economic Planning and Consumer Choice, 1937-47. Article. Full-text available. The changed role envisaged for Jay's 'gentleman in Whitehall' not only illustrates important points about the impact of war on the Labour Party's attitudes to planning and consumer sovereignty, but also casts light on the relationship between the socialist revisionism of the 1930s and that of subsequent decades. Cambridge Core - Economic Development and Growth - Socialist Planning. 'A note on the confirmation of Podkaminer's hypothesis in post-liberalization Poland', *Europe-Asia Studies* 47(3): 527-30. Berger, P. (1974). *Pyramids of sacrifice* (New York). Bergson, A. (1953). *Soviet national income and product in 1937* (New York). Bergson, A. (1961). *The Real National Income of Soviet Russia since 1928* (Cambridge, MA). Bergson, A. (1964). *The economics of Soviet planning* (New Haven, CT, and London). Berliner, J. (1957). *Factory and manager in the USSR* (Cambridge, MA). An essay on economic growth and planning.