Introduction

On October 4, 1951, the last of the Anglo-Iranian Oil Company's senior staff evacuated Iran's Abadan Island. There, the firm had built, owned, and operated the world's largest oil refinery, which Iran had nationalized several months earlier along with the rest of the country's petroleum industry.[1] A majority of Anglo-Iranian's British personnel left Abadan the previous day on the HMS *Mauritius*. Before boarding the small crafts that would shuttle them to the *Mauritius*, AIOC employees gathered with their bags and other belongings in the hot sun outside the Gymkhana social club, a potent symbol of the kind of informal colonial outpost that Abadan had become.[2] Indeed, while British imperialism in the Middle East was mostly informal, the British cultural and economic presence at Abadan demonstrated how, on the ground, the operation of informal influence could approximate formal control. Britain ceded that control when the *Mauritius* left that October, revealing the empire's vulnerability both within the Middle East and beyond. Possibly in an attempt to deny this fact – or at least to compensate for it – the ship's band gave a rousing, stiff-upper-lip performance of "Colonel Bogey" (the oft-whistled British military song made famous by David Lean's *The Bridge on the River Kwai*), as it traveled the short distance upriver to Basra, Iraq, which remained an important sphere of British influence.[3] The next day, after dominating the Iranian oil industry for half a century, the Anglo-Iranian Oil Company – in which the British government itself had a majority stake – was gone from Iran.

The AIOC's eviction from Iran represented more than a decline in British imperial status, however; it also meant real economic loss for the

[1] The views expressed herein are my own and do not necessarily reflect those of the US Department of State. This book is based entirely upon declassified, publicly available documents.

[2] See illustration 85 in J. H. Bamberg, *The History of the British Petroleum Company, Volume 2: The Anglo-Iranian Years, 1928–1954* (Cambridge University Press, 1994), 456.

[3] As described in Daniel Yergin, *The Prize: The Epic Quest for Oil, Money and Power* (New York: Simon and Schuster, 1991), 463.

United Kingdom. After all, the Abadan refinery was the nation's largest single overseas asset. But of greater significance was the fact that Britain imported much of its oil from Iran, where crude and its derivatives were produced more cheaply than in other countries. Given that the AIOC had exclusive rights to develop and market Iranian petroleum, Britain was able to pay for the oil in its own currency, the pound sterling. This and the company's huge profits greatly benefited the credit side of the country's balance sheet for international trade and payments, and, with a treasury as depleted by war as Britain's, being able to acquire oil with sterling proved vital to the strength of the currency and the larger economy. As one might expect, British officials worked feverishly to find a way to return the AIOC to Iran.

Examining the British experience in Iran uncovers a larger trend in British policy-making after World War II that involved the government's efforts to control the flow of Middle Eastern oil and the money associated with it. Britain's desire to preserve the international prestige of sterling motivated these efforts and, in the process, strained relations with countries and companies involved in the production, sale, and transport of Middle Eastern oil. The rising tide of nationalism in the postwar Middle East and the emergence of the United States as a competing power in the region circumscribed the way British officials were able to defend sterling through their Middle Eastern oil policy and thereby demonstrated the currency's vulnerability, sometimes in stark terms. Indeed, it had become clear to policy-makers that Britain's dependence on foreign oil exposed it to the constant risk of financial crisis – even more so as the nation's precarious balance-of-payments position persisted in the 1950s and 1960s. Thus, British officials viewed the Middle Eastern oil trade as critical not only to preserving sterling's international stature but also to protecting the currency from ruin, reinforcing the already powerful imperative to safeguard the nation's strategic and economic interests in the Middle East after World War II.

British external sterling policy after 1945

In the aftermath of World War II, British officials still considered their country a first-class power, despite the overwhelming physical and economic devastation that the conflict wreaked upon it. After all, London continued to serve as the seat of an empire that stretched into all corners of the globe, and its currency still facilitated half of all international trade. As long as Britain could rely upon financial support from the United States, the world's dominant power after the war, policy-makers across the political spectrum saw no reason why it could not participate in international affairs as it had done previously. Although Britain reduced its commitments in some parts of the empire soon after the hostilities ended, most notably in India and Palestine in 1947, it reinvigorated its commitments in others, including Africa, Southeast Asia, and the Middle East. Indeed, a combination of perceived economic advantage and a potent sense of pride and prestige would sustain Britain's imperial will well into the 1960s, encompassing the political, military, and economic spheres.[4] The last of these three categories frames the issues under consideration in this book, specifically British postwar external sterling policy.

After spending most of the nineteenth century as the world's preeminent trading and reserve currency, the pound entered a period of decline triggered by World War I. Because of its global reach, the First World War disrupted and permanently realigned international trade patterns and, in the process, diminished both sterling and the City of London (the capital's financial district, usually referred to as "the City"), the world's leading financial center. By the 1930s, worldwide economic depression had forced Britain and sterling into retreat into a neo-mercantilist, imperial trading system that during World War II evolved into the currency bloc known as the sterling area. Nothing did more damage to the status of both sterling and the City of London than the Second World War. Six years of conflict precipitated a financial hemorrhage so great that the British government could not sustain the pound as an international currency without putting intense pressure on the domestic economy and keeping the sterling area and its rigid exchange controls intact.

Nonetheless, until its devaluation in 1967, both Labour and Conservative governments struggled to strengthen sterling in an effort to preserve

[4] A number of historians have demonstrated the persistence of Britain's imperial will in the postwar era. See John Gallagher, *The Decline, Revival and Fall of the British Empire: The Ford Lectures and Other Essays* (Cambridge University Press, 1982); John Darwin, *Britain and Decolonization: The Retreat from Empire in the Post-War World* (New York: St. Martin's Press, 1988); Wm. Roger Louis and Ronald Robinson, "The Imperialism of Decolonization" in Wm. Roger Louis (ed.), *Ends of British Imperialism: The Scramble for Empire, Suez and Decolonization* (London: I. B. Tauris, 2006), 451–502; and most recently Ronald Hyam, *Britain's Declining Empire: The Road to Decolonisation, 1918–1968* (Cambridge University Press, 2006). For a discussion of this subject in the context of the Middle East, see Wm. Roger Louis, *The British Empire in the Middle East, 1945–1951: Arab Nationalism, the United States, and Postwar Imperialism* (Oxford: Clarendon Press, 1984). In her classic work, *Britain's Moment in the Middle East, 1914–1971*, new and revised edition (London: Chatto and Windus, 1981), Elizabeth Monroe contends that Britain suffered a "decline of confidence about empire" during World War II but that protecting the flow of oil and stopping communism reinvigorated Britain's imperial mission in the Middle East to some degree.

the currency's international standing.[5] Clement Attlee's Labour government of 1946–1951 believed that a strong pound was the lifeblood of the sterling area, economically binding together the British empire and Commonwealth, the very existence of which demonstrated Britain's continuing importance in the world. Although Labour officials figured that sterling's strength also promoted London's position as one of the world's foremost financial centers, they considered this benefit ancillary to the currency's vital role within the empire.[6] In contrast, the Conservative governments that ruled Britain from 1951 to 1964 under Winston Churchill, Anthony Eden, and Harold Macmillan, respectively, were convinced that Britain's influence in world affairs depended on London's status as a financial center – which they thought depended on sterling convertibility – and, therefore, sought to bolster the pound before removing it from its safe haven of exchange controls.[7] They also believed that the future of sterling and the British economy lay outside the empire, a destiny that depended on the currency's strength and convertibility.[8] The Labour government that took power under Harold Wilson in 1964 fought to defend the pound's value for yet another reason: Wilson believed that the currency represented one of the two major pillars – along with the dollar – of the postwar international financial system. That sterling was considered the first line of defense for the dollar, the monetary foundation on

[5] Susan Strange believes that British officials suffered from "Top Currency syndrome," which she explains was a collective unwillingness of these officials to accept the declining position of sterling after World War II. Consequently, they followed an economic program ill-suited to the pound's fallen stature, having mistakenly assumed that the advantages of maintaining sterling as an international reserve currency outweighed the costs of such an effort. See *Sterling and British Policy* (London: Oxford University Press, 1971), 43–73. Catherine Schenk describes this view, widely held at the time that she published her book, as a "popular myth" in *Britain and the Sterling Area: From Devaluation to Convertibility in the 1950s* (London: Routledge, 1994), 1. That Whitehall promoted the strength of sterling after World War II, regardless of the party in power, has been well documented. See, for example, Andrew Shonfield, *British Economic Policy since the War* (London: Penguin Books, 1958); Frank Longstreth, "The City, Industry and the State" in Colin Crouch (ed.), *State and Economy in Contemporary Capitalism* (London: Croom Helm, 1979); David Sanders, *Losing an Empire, Finding a Role: An Introduction to British Foreign Policy since 1945* (New York: St. Martin's Press, 1989), ch. 7; P. J. Cain and A. G. Hopkins, *British Imperialism, 1688–2000*, second edition (London: Longman, 2002), Part 8; and Philip Williamson, "The City of London and Government in Modern Britain: Debates and Politics" in Ranald Michie and Philip Williamson (eds.), *The British Government and the City of London in the Twentieth Century* (Cambridge University Press, 2004), 5–30.

[6] Jim Tomlinson, "Labour Party and the City, 1945–1970" in Michie and Williamson, *The British Government and the City of London in the Twentieth Century*, 183.

[7] Scott Newton, "Keynesianism, Sterling Convertibility, and British Reconstruction, 1940–1952" in Michie and Williamson, *The British Government and the City of London in the Twentieth Century*, 269–275.

[8] Gerold Krozewski, *Money and the End of Empire: British International Economic Policy and the Colonies, 1947–1958* (Houndmills: Palgrave, 2001).

which the Bretton Woods system rested, contributed to Wilson's view that the system would not survive if Britain devalued the pound.[9]

Within the British government, officials at the Treasury and the Bank of England[10] represented a sustained, one-note chorus of voices on the question of postwar international sterling policy that found a receptive audience in the Conservative Party. Advocating for sterling convertibility immediately after the war – and doing so until Churchill's government lifted exchange restrictions in 1954–1955 – they, like the Conservatives, believed that the City profited greatly from the pound's widespread use.[11] As the City went, they thought, so did Britain. Only in 1967 did these officials undertake a rigorous examination of whether or not the City's success depended on sterling's international role, eventually reaching the conclusion that it did not.[12]

9 Tomlinson, "Labour Party and the City, 1945–1970," 187; Diane Kunz, "'Somewhat Mixed Up Together': Anglo-American Defence and Financial Policy during the 1960s" in Robert D. King and Robin Kilson (eds.), *The Statecraft of British Imperialism: Essays in Honour of Wm. Roger Louis* (London: Frank Cass, 1999), 213–232. The pound's devaluation in 1967 indeed paved the way for the dollar's separation from gold in 1973 and the consequent unraveling of the entire Bretton Woods system. Saki Dockrill writes: "Wilson was determined to avoid devaluation not least because Attlee's Labour Government had been compelled, with serious consequences for Britain's international prestige, to devalue the pound in 1949, and he saw the maintenance of the existing policy of the parity of the pound as a crucial factor in keeping up his reputation as a Labour Prime Minister," *Britain's Retreat from East of Suez: The Choice between Europe and the World?* (New York: Palgrave Macmillan, 2002), 216.

10 The Bank of England was not a public institution until 1946 when the Labour government nationalized it. Only then did it undertake functions characteristic of a central bank whose policies conformed to the government's economic agenda. Originally established to raise money and to lend it to the government, the Bank of England was, before 1946, merely one of many joint-stock banks – but one that maintained a close relationship with Whitehall. Its chief responsibility across the nineteenth century was to secure sterling's convertibility into gold. See Alec Cairncross, "The Bank of England and the British Economy" in Richard Roberts and David Kynaston (eds.), *The Bank of England: Money, Power and Influence, 1694–1994* (Oxford: Clarendon Press, 1995), 56–82.

11 A report by a working party of the Treasury and the Bank of England read: "The fact that sterling is an international currency gives to the United Kingdom important advantages. The banking, insurance, and similar transactions carried out in London, largely because of the international character of sterling, bring in substantial current earnings," "Problems of the Sterling Area," June 25, 1956, National Archives of the United Kingdom (hereafter cited as "NA"), T 236/5362.

12 "Costs and Benefits of the International Role of Sterling and its Reduction," Group on the International Monetary System, IM (69) 31, September 9, 1969, NA, T 312/2305. In my research in the Treasury files, I found only two statements by officials expressing serious doubt about the strong-pound policy. The first was by Under-Secretary R. W .B. Clarke in November 1951: "Over the next ten years, sterling is unlikely to be strong. There is no real solution to the UK balance of payments in sight . . . If a genuine doubt exists about the ability of the country to concentrate whole-heartedly upon paying its way during the next ten years (to the exclusion of defence and consumption), it may not be very sensible to seek to foster the use of sterling as an international currency . . . The

Treasury and Bank officials also noted other benefits to sterling's international presence. British merchants could use their own currency "over a large part of the world" and be saved the "expense and inconvenience" of operating in foreign currency, they explained in a 1956 working party report. They also pointed out that Britain could keep smaller working balances of other currencies if it tended to buy and sell goods in such currencies. Ultimately, though, they felt that the British government had no choice other than to maintain the pound's international role. Even if it wanted to reduce the pound to a purely domestic vehicle of exchange, Britain did not have the financial resources necessary to buy back the sterling held in the reserves of countries all over the world.[13]

To strengthen and stabilize sterling, postwar British governments had to rebuild the gold and international monetary reserves depleted by the conflict. In a gold standard or gold-exchange standard international monetary regime – both of which will be discussed in chapter 1 – the reserves of a country's central bank help to determine its currency's value.[14] A country adds to its reserves by absorbing more gold and foreign exchange from the rest of the world than it releases, which is known as running a balance-of-payments, or current account, surplus.[15] Consistent surpluses will result in upward pressure on a currency's value, while consistent deficits will do the opposite. A country will generally run a current account surplus if it exports more goods than it imports, that is, if it develops a surplus on its visible trade – physical products – with the rest of the world. A country's invisible trade, which includes the interest and dividends earned on foreign investments, as well as the earnings from services such as banking, shipping, and insurance, also constitutes part of the current account. Because the City developed such superior financial services across the nineteenth century, Britain's invisible income became an increasingly important element in the nation's balance of payments.

reasoning behind this policy during the last few years has never been very clear," "Future of the Sterling Area," Memorandum by Clarke, November 20, 1951, NA, T 236/4611. The second reconsideration, by D. M. B. Butt, came in October 1957: "The more I think of it the more I am convinced that we are mistaken or at best shortsighted in both our lines of defence of sterling's status as an 'international currency,'" Butt to Rickett, October 31, 1957, NA, T 236/6051.

13 "Problems of the Sterling Area," June 25, 1956, NA, T 236/5362.

14 In the case of sterling, Treasury official J. A. Ford wrote, "The United Kingdom's reserves are generally watched as the sole index of sterling's strength." See "Iraq: Diversification of Currency Cover," September 10, 1957, NA, T 236/4796.

15 The balance of payments is the total account of a country's trade and capital transactions with the rest of the world. The current account measures the difference between the sale of goods and services to foreign residents and the purchase of goods and services from them, while the capital account refers to the difference between the sales of assets to foreign residents and the purchase of assets from them.

And as the decline of Britain's industrial sector relative to its competitors led to progressively smaller visible earnings – a trend accelerated by the destruction World War II wreaked on the British mainland – the country's invisible earnings became even more valuable.

The invisible side of a country's current account also includes the profits generated by its multinational corporations, and no two firms contributed more to Britain's balance of payments in the postwar era than the Anglo-Iranian Oil Company (AIOC)[16] and Royal Dutch-Shell,[17] the two major multinational oil firms residing in the United Kingdom. They both produced enormous invisible income flows for Britain, particularly the AIOC, whose production facilities were located almost entirely in the Middle East, where oil was the cheapest in the world to produce. Not only did the profits of the companies help increase Britain's invisible earnings, but by virtue of the fact that they were treated as British residents, their operations also protected and bolstered the visible side of the nation's current account, simultaneously saving and earning foreign exchange for Britain's reserves. For a country so dependent on imported oil, it is impossible to exaggerate the advantages that Anglo-Iranian and Shell afforded Britain – and never more so than after the war when domestic petroleum consumption almost doubled and British imports of crude grew more than six-fold between 1946 and 1955.[18] As countless files at the Bank of England and the records of the Foreign Office, the Treasury Office, the Ministry of Fuel and Power, the Cabinet Office, and the Prime Minister's Office illustrate, British officials fixated on the connection between the state of the nation's balance of

16 In 1954, the Anglo-Iranian Oil Company was renamed British Petroleum (BP). Since almost all subsequent discussion regarding the firm concerns the Anglo-Iranian years, the name British Petroleum is not used here.

17 The ownership and management structure of Shell was complex. When Royal Dutch, a Dutch firm, and Shell Transport, a British firm, merged their interests on January 1, 1907, the two corporations kept their separate identities. They earned their income from the various operating companies that they co-owned, but they did not become operating companies themselves. The Anglo-Saxon Petroleum Company, based in London, owned and ran the transportation and storage facilities, while the Bataafsche Petroleum Maatschappij, based in The Hague, owned and ran the production facilities and the refineries. Oil historian Anthony Sampson described "the Group" as having "a hundred different faces," and in the 1970s three of those faces, at least in terms of shareholding, were British (39 percent), American (19 percent), and Dutch (18 percent). Dutch interests had 60 percent management control in the postwar era. See Stephen Howarth, *A Century in Oil: The "Shell" Transport and Trading Company, 1897–1997* (London: Weidenfeld and Nicholson, 1997), 75–77, and Anthony Sampson, *The Seven Sisters: The Great Oil Companies and the World They Shaped* (New York: The Viking Press, 1975), 11–12.

18 M. F. G. Scott, *A Study of United Kingdom Imports* (Cambridge University Press, 1963), 33–40.

payments, the strength of sterling, and the operations of the AIOC and Shell.

Given how much the British government's sterling policy seemed to undermine the nation's manufacturing sector – by making exports more expensive and imports cheaper – and benefit the nation's service sector – by attracting foreign investment – it is worth asking whether there was an official bias in favor of finance. After all, the City did not generate enough national income to justify such favoritism in material terms.[19] P. J. Cain and A. G. Hopkins address the issue of financial influence on British imperial and foreign policy by describing a common worldview among policy-makers within Whitehall and City elites based on their similar socioeconomic backgrounds and experiences, something they call "gentlemanly capitalism."[20] From the Cain and Hopkins perspective, gentlemanly capitalists in government were, in effect, socialized to pursue an imperial or foreign policy agenda that would inherently benefit financial interests. Thus, it was not simply the physical proximity of the City to the machinery of government that enabled this sector to have more political influence than northern-based manufacturing interests, but the sociocultural proximity as well.[21]

Without dismissing the merits of the Cain and Hopkins argument, a more compelling explanation for official bias in favor of finance in British policy is that the Treasury Office had enormous influence over policy-making after World War II. According to one historian, the department had attained a "zenith of responsibility and power" not seen since the late seventeenth century as a result of the nationalization of British industries, as well as the dire financial straits in which Britain found itself after

[19] Shonfield, *British Economic Policy since the War*, 153–159. Shonfield makes this point in the context of blaming the sterling area for draining investment away from the domestic British economy. He also believes that the sterling area persisted after World War II merely to bolster the international status of the pound. Catherine Schenk challenges this view in *Britain and the Sterling Area*.

[20] Cain and Hopkins, *British Imperialism*, 43–53, 619–622. J. A. Hobson was the first to address the issue of the influence of financial elites on British foreign policy in his landmark *Imperialism: A Study* (Ann Arbor: University of Michigan Press, 1965), first published in 1902. In it, he argues that the British financial class had "the largest definite stake" in nineteenth-century British imperial expansion, so it must have provided the primary impulse for it.

[21] It is important to note, however, that several large companies, especially in newer industries, moved their head offices to London in the 1920s, including the Anglo-Iranian Oil Company, Courtaulds, GEC, GKN, ICI, Shell, Unilever, and Vickers. As a result, "top industrialists" were "much closer to the country's social and political heart, including a residence in London or the Home Counties and membership of a London club." See Youssef Cassis, "Financial Elites Revisited" in Michie and Williamson, *The British Government and the City of London in the Twentieth Century*, 89.

the war.[22] Because Treasury officials regularly sought advice from their colleagues at the Bank of England, who in turn had a great deal of contact with their like-minded associates in the City, conditions were ripe for the City to influence policy on behalf of its interests.[23] But, as recent studies have demonstrated, scholars should avoid broad generalizations about the historic relationship between the British government and the City: it was complex and changed over time based on the party in power and the domestic and international economic context.[24] While a financial bias undoubtedly existed at the Treasury and the Bank, such favoritism did not guarantee that City interests got everything they wanted from the British government, nor was it a prerequisite for Whitehall's support for a strong and stable pound. Ultimately, the desire to maintain Britain's place in world affairs provided enough incentive for both Labour and Conservative governments to pursue policies that promoted sterling's international role.[25]

That said, the philosophy that seemed to underpin foreign economic policy in the British government in the 1950s and 1960s could not help but reflect the shift in the center of gravity in the British economy from manufacturing to finance that began to occur earlier in the century.[26] In

[22] Henry Roseveare, *The Treasury: The Evolution of a British Institution* (New York: Columbia University Press, 1969), 282.

[23] The Treasury and the Bank of England worked very closely together in the post-World War II era. According to Roger Makins, the Joint Permanent Secretary of the Treasury, "in practice the relationship between the Treasury and the Bank is necessarily very closely knit . . . This relationship and the mutual responsibilities to which it gives rise call for close and continual contact and co-operation between the Treasury and the Bank, and this, in my brief experience, has been the rule at all levels in both organisations," from "Radcliffe Committee: Opening Statement by Sir Roger Makins," September 1957, NA, T 236/6050. G. C. Peden writes: "There are good grounds for believing that the City would have influence on the Treasury. The Chancellor's responsibilities included public loans, the national debt, banking and currency, foreign exchanges and international financial relations. Chancellors rarely brought economic or financial expertise to their office and normally depended upon their officials for advice," and "expert advice regarding most matters that would affect the City would be sought from the Bank of England." He also notes that "Treasury officials maintained informal links with the City on a personal basis." But he is careful to point out: "The fact that the City was well placed to influence policy does not, however, establish that its influence was always predominant." See "The Treasury and the City" in Michie and Williamson, *The British Government and the City of London in the Twentieth Century*, 119–120.

[24] See in particular Ranald Michie, "The City of London and the British Government: The Changing Relationship," Peden, "The Treasury and the City," E. H. H. Green, "The Conservatives and the City," Tomlinson, "Labour Party and the City, 1945–1970," and Catherine R. Schenk, "The New City and the State in the 1960s" in Michie and Williamson, *The British Government and the City of London in the Twentieth Century*.

[25] Williamson, "The City of London and Government in Modern Britain," 22.

[26] Eric Hobsbawm, *Industry and Empire: An Economic History of Britain since 1750* (London: Weidenfeld and Nicolson, 1968).

this way, postwar British political economy followed a pattern of development experienced by other leading economic powers. The internationalization of the economies of Spain in the sixteenth century, Holland in the seventeenth century, and the United States in the twentieth century, through the export of goods and capital, led to the development of advanced commercial and banking sectors. As these countries became more willing to pay emerging economic powers to manufacture what they wanted and needed than they were to make such things themselves – because the emerging powers could do so better, more cheaply, or both – their economies became dominated by financial services. And because they had more developed capital markets and financial services than those of their manufacturing competitors, they tended to place increasing value on the financial sector of their economies, an area where they had the greatest comparative advantage.[27]

In the years after World War II, Britain ceded its advantage in financial services to the United States, which raises the issue of British economic decline, the timing and nature of which has been a subject of vigorous debate among scholars, politicians, and others over the past century.[28] First and foremost, any discussion of economic decline must be based on precisely defined terms. To what sector of the economy are we referring? Are we referring to relative decline, meaning a country's performance measured against the performance of others, or absolute decline, meaning a country's performance measured against its own past performance? This book deals specifically with the decline of sterling as a leading international currency and deals with it in both relative and absolute terms. There is no question that the dollar superseded the pound as the world's preferred trading and reserve currency after World War II, a point best exemplified by the decision to underpin the Bretton Woods international monetary system with it. There is also no question that fewer and fewer countries wanted to use sterling as either a trading or reserve currency after World War II: Britain was forced to maintain capital controls in the sterling area until 1958 to prevent member countries from abandoning the pound; and after 1958, those countries began diversifying their reserves out of sterling and into gold and dollars.

[27] For a provocative discussion of these issues, see David Landes, *The Wealth and Poverty of Nations: Why Some are so Rich and Some so Poor* (New York: W. W. Norton, 1998), 171–174, 444–446.
[28] The best survey of this debate is in Barry Supple, "Fear of Failing: Economic History and the Decline of Britain" in Peter Clarke and Clive Trebilcock (eds.), *Understanding Decline: Perceptions and Realities of British Economic Performance* (Cambridge University Press, 1997).