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THE ADVENTURE OF RECONSTRUCTION

THE ADVENTURE OF RECONSTRUCTION

PEACE, EXPANSION AND REFORM

Selected Speeches

by

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CH., D.L., LID.

Minister of Reconstruction



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FOREWORD

IN a democracy the public decides. Whether it decides rightly or wrongly depends largely on the extent to which it has been clearly and precisely informed as to the issues at stake.

When I was Minister of Food I found great advantage in frequently telling the public, by Press and wireless, of the problems that we were facing and of the reasons for the decisions which I was often compelled by circumstances to take against my will. It was a well-informed public that gave the support to the Food Ministry that was essential to smooth and efficient working.

Reconstruction is a less precise task than feeding a nation. The need for it is not less urgent, but the time for meeting the need has not yet arrived, and action must be largely delayed till war ends. To a practical man this situation has its disadvantages; performance is so much more satisfying than planning.

During the short time I have been in this office I have, however, tried to lay down the principles on which the planning for reconstruction should proceed, and as time has gone on and the issues became more defined I have tried to outline some programme. In all these things, and without exception, the decisions reached have had the support of all the political parties represented in the Coalition Government. From time to time I have announced these policies in speeches either in Parliament or on the platform, and now it is suggested to me that a selection of these speeches might be published.

The public is vastly interested in reconstruction. It has a right to know what we mean by it and what we propose should be done.

That is the sole reason for this publication. Because of the circumstances in which these speeches were made,

to different audiences in different parts of the country, and over the course of a year, there is some repetition in them. Our problems can bear restatement, though to some extent I have cut the speeches to save the reader. The earlier chapters indicate an initial approach to the subject and an outline of a possible programme; the later ones show how far the Government have advanced towards a realisation of that programme.

On some matters, chiefly concerning social reform, the Government could be of a single mind. No one in the country, excepting an obstinate few, opposes, for instance, the ideas of universal insurance and fuller education, better housing and work for all, with a rising standard of living.

But there are some questions of reconstruction on which men of different parties hold widely divergent views. To attempt a solution of these problems in a war-time Coalition Government would be useless. Some principles leave no room for compromise. For this Government, whose members were drawn together by the common determination to wage war, to have embarked on discussions on which no agreement was possible would not only have been futile, it might have endangered the unity which the major need of the country made essential. These questions include the problem of the ownership of land and of basic industries.

On such issues, therefore, the pages that follow give neither lead nor enlightenment. Over the rest of reconstruction's wide field, however, the reader will find a fairly complete guide to the principles of Peace, Expansion and Reform on which depend, in my opinion, the future health, happiness and prosperity of this country.

W.

London, March, 1945.

WORK FOR THE NATION:
WHERE RECONSTRUCTION STARTS

House of Lords, 8 December, 1943

In reply to a Motion welcoming the appointment of a Minister of Reconstruction with War Cabinet rank

I AM grateful to the Noble Lord, Lord Addison, for having introduced this Motion and for the kindly comments that he has been good enough to make about me. When he talks about the duties of a Minister of Reconstruction he does so with knowledge. I am very conscious of the magnitude of the task that has befallen me. The responsibility of this office is one that I would willingly have seen on shoulders other than mine: but the Prime Minister decided otherwise and my duty was obvious; it was to do as I was told.

I realise the limitations of my personal capacity and knowledge, but I will devote to this task, without stint, such capacity as I have. One thing, however, I will not do. Whatever may be the pressure of Parliament, or in the country, for us to proceed quickly, I will make no promises until I know that they can be fulfilled. However eloquent the phrase that trips off the tongue and encourages one to make those promises, I will not arouse hopes that are doomed to be dissipated in disappointment. I hope that this war will not produce the lineal and barren descendant of "Homes for heroes to dwell in."

Whilst I was Minister of Food, my Department had one unbreakable rule: it was that no speeches should

be founded on hope. No promise was made until the food was in the shops and the promise could be tested by the event. As Minister of Reconstruction I shall adhere to that principle. It is inevitable that, in the course of this debate, Noble Lords will regret that His Majesty's Government have not promised legislation on large numbers of subjects which appear to them to be vital to the reconstitution of Britain. The Noble Lord, Lord Addison, referred to his post-bag. I have one too, and since I came into this office fourteen days ago I have had many letters from people who have been good enough to express great confidence that the appointment of a Minister of Reconstruction will make many things happen very quickly—each selecting according to his taste. Some have reminded me that in my early youth I was courageous enough—brazen enough—to assume that I could find a cure for poverty, and therefore they think that I may now be able to do it. Others have taken a less favourable view of me, and have regarded me as one of those hard-boiled business men, and they are, therefore, quite sure that I shall be able to deal with all "speculators." And there have been some who have reminded me of my hobbies, and have said that now that a Governor of the Royal College of Art is the Minister of Reconstruction we shall surely have a new Britain that is designed on a basis of beauty.

It is difficult to live up to all these thoughts, and to live up to them all at once. Throughout the war the Government have sought to inform themselves on matters of fact and opinion, many Commissions have sat and many reports have been presented: there is now a mass of information before us—Uthwatt, Barlow, Scott, Beveridge. To all these gentlemen, and to those who have worked with them, the country has a great obligation. These reports are very detailed and some of them

are very persuasive. But the Government does not contract out of responsibilities by appointing Commissions: it is the duty of Commissions to collect evidence and to present facts: but however erudite the Commissioners may be they can but present the facts within the restricted orbit of their terms of reference. The Government would be failing in their duty if they swallowed these reports whole. I make no apology for the fact that the Government have not, at the present time, decided on legislation on all these various reports. If I may take the most highly-publicised of them—that associated with the name of Sir William Beveridge—Your Lordships will remember that he, in his wisdom, stated that his proposals were dependent upon a state of full employment. Sir William undertook the task that was given to him and defined for him. He was not asked to report on full employment, and, being a sound economist, he presented his observations on what could be done towards the provision of social security if we had full employment.

At this stage I make no observations on the various provisions that he has commended for social security. I have referred to his report merely to illustrate my fundamental attitude to all these questions of reform. We must put first things first, and the things that our people want most urgently were clearly expressed by the Prime Minister when he spoke of work, homes and food. Full employment is the foundation of social security. To ensure work for the nation—that is where reconstruction starts. We must work to live, and if this country is to rebuild its commercial life and be able to afford social security for its people, it will need to work very hard. British people, fortunately, have plenty of common sense, and the Government will be able to plan more surely for the future if we place before them the whole of the facts—the obligations as well as the rewards: if we do

that we shall merit their co-operation, and I believe we shall get it.

During the war the Government have controlled both our lives and most of our material resources, but do not let us assume that, during the transition period between war and peace, all initiative and all action are going to depend on what the Government are going to do. It is not the Government's "new world" that will be built: it is the people's world. They will build it: they are the people who are going to work for it—and benefit from it. Government can direct, they can advise, they can encourage: they can control where control is necessary in the public interest, and from public funds they can provide such help as Parliament, representing the public, approves. But the enterprise and the scientific and industrial capacity of the whole nation will need to be harnessed—and not only harnessed, but indeed inspired—to the task of reconstructing our country.

At the outset, therefore, I appeal to the practical common sense and for the united effort of the whole nation, so that, when the time is ripe, we may all work together in industrial harmony in this task of moving from war to peace, from the destruction of our enemies to the construction of our domestic life and our international trade. Plans must be prepared, but action will have to wait on events. However hopeful we may be about social improvements, let us keep our eyes firmly fixed on the war: not one item of production that is needed for war must be sacrificed in order to ease the movement of industry from war to peace. We are committed to finish the war in the East as well as in the West, and in all our thinking and in all our deeds that must remain the predominant consideration.

That does not mean, however, that we must not make our plans ahead. There is nothing new about planning:

the phrase has come into popular use, and maybe into some disrespect because of the extravagance of its usages, but every wise business man makes his plans two, three, four or five years ahead of his current operations. It is ordinary business practice, and I hope that the industrialists of this country are doing it now. I hope they will make considered proposals as to what controls should be removed and what should remain during the period of transition when there will be a great shortage of labour and an even greater shortage of material. If we are to have work for all our people we shall need foresight and preliminary planning as well as great enterprise amongst industrialists and traders, and with these a willingness amongst our commercial men once again to take risks: with all we must have a spirit of co-operation and fair dealing between employer and employee.

Because of my long association with them before the war, I venture, in* the first speech I make as Minister of Reconstruction, to appeal to the industrialists and to the workpeople of this country to bring to the period of reconstruction that same sense of national devotion and subjugation of self-interest that they have shown so magnificently whilst our country has been in danger. The country is still in danger: the danger to its physical life has, unfortunately, not yet passed, and its commercial life will remain in danger for some years to come. If we are to rebuild our national prosperity we shall need all our commercial wisdom and foresight in the immediate post-war years. Let there be no mistake about this—from a nation's commercial danger there follows danger to all those hopes for a better world that depend on the solvency of national finance.

To prosecute this war we have sold, or pledged, much of our overseas investment, the interest on which we once used to help pay for our imports. We have vastly

increased our internal debt on which interest must be paid. Our wealth has been absorbed, our ships have been sunk, our towns have been burned and broken, and for some years to come we shall be a nation poor in material wealth accumulated from past savings, although we shall be rich, beyond any dreams of the past, in reputation.

But however strained our Exchequer may be, there yet remains, undiminished in the minds of our people, the faith that we can rebuild our enterprise, replan—and indeed beautify—our cities, provide adequate homes for our people, and, by the proper use of our land at home and by the development of our export trade abroad, purchase the food that is necessary to keep our people at least as well fed in the days of peace as they have been in the days of war. I believe that this faith is justified. It is a great commitment, but during these last four years we have demonstrated our national capacity for greatness, and the task that lies before us is within that capacity.

This task is not that of formulating phrases or making speeches, but of hard constructive work dealing first with the fundamental requirements of the people of this country, and dealing with them in their proper order of importance and having strict regard to the cost of the proposals that commend themselves to our rising hopes.

Let us look at the steps we must take. First—but first only in point of time—there will be the remobilisation of our civilian forces and the switching-over of industry from war-time to peace-time production. Let us frankly face the fact that this cannot be done without interruption of employment. If a factory has been used for making tanks it will not, because hostilities have ceased, be ready the next day, or the next week, to be used to employ its workpeople on civilian production.

The change-over must take time. The Ministers of Production and Labour are already devoting their attention to the means that must be adopted to reduce the volume of munitions production so that, industry by industry, locality by locality, and factory by factory, this may be done as the demands of the Services decline. They will take into account, in each locality, the need for a diversity of industry—a matter which the Barlow report very properly emphasised.

The plans for the demobilisation of the Forces have been the concern of a Committee of His Majesty's Government for some months. I have seen those plans, and of one thing I can assure the House—there will be no favour for anyone. Demobilisation will be ordered so that, above all else, it will be fair all round. The Minister of Labour is responsible for reinstating people in industry, and he can be relied upon to do it with the same orderly fairness that he has shown in taking them from industry and putting them into the Services.

Next to work comes food. We have made plans that will secure our major supplies of food for some time to come. We shall continue this policy and, with it, I hope we shall retain many of the provisions that have been made in order to care for the health of children and their mothers: the cost to the nation of these provisions has been very small when compared with the national benefit that has accrued from them. During the stress of war we have established in this country a national concern for nutrition: we have used our knowledge of the science of food to preserve national health—indeed to promote national health—and on that, after all, depends our capacity for hard work as well as our personal happiness.

Then comes housing. A programme of four million houses has been mentioned as an objective—indeed as

the requirement of the country. I do not promise four million houses, but I can tell you that we are planning to expand the building industry in order to try to cope with a programme of this colossal magnitude. Time must necessarily elapse, however, before the industry can be expanded sufficiently to meet all the claims for building in the post-war years. Our immediate objective will be to see that as the resources of this industry expand they shall be applied to the most urgent needs, among which, clearly, housing takes the foremost place.

Much preparatory work has been done. Local authorities, on whom must fall a substantial part of the housing work in the early years after the war, already hold enough land to accommodate 100,000 houses, and sites for as many again are in process of being acquired. The next step is to advise local authorities of the kind of houses they should build, so that they can proceed with their detailed plans. I can promise local authorities that there will be speedily available to them the best advice on this matter that Central Government are able to give them. Meanwhile, the Minister of Works is arranging to have erected a number of experimental houses, built with various kinds of materials, which will demonstrate to local authorities, and to the public, what can be done and at what cost. The time when house-building can begin must be determined by the needs of the war. In the meantime, preparations are being made so that we can get off with a flying start as soon as possible.

I know that many of Your Lordships will want to know when the plans of the Minister of Town and Country Planning will be produced. He was the first Minister with whom I had consultations. The Minister has already done an immense amount of work towards clarifying this matter, on which there are widely differing opinions: it is, in fact, a matter that for many peaceful

years has been the subject of the most violent political controversy. In the temper of today, when all parties in the State are determined, on this matter at any rate, to put the State before party, we have high hopes of suggesting a settlement that will be fair to everyone, even though it may fail completely to meet the ideals of the old controversialists. Of one thing Your Lordships may rest assured. The proper development of the land shall not be prevented or delayed either by motives of personal gain or other selfish reasons. Our proposals on this matter, which affect the groundwork of all sound planning, will be placed before Parliament at an early date so that local authorities may make preparations to meet the responsibility that will fall upon them.

We are all looking forward to the Bill that the President of the Board of Education will presently introduce. This is the very essence of reconstruction, because here will be proposals designed to improve the opportunities of preparing our young people for the hard tasks with which their generation will be confronted. Here indeed is a fundamental step towards the reconstruction of our country after the war.

Many Ministers and many Departments are concerned with the problem of social insurance and security. I promise that there shall be no delay in informing the country of our specific proposals.

Concern has been expressed lest I should not have the staff I require. I have no ambition to have a large staff. In my last office I had a staff of 52,000 people. These plans of reconstruction will not be carried out by me. They will be carried out by a number of Ministers and Government Departments. The primary responsibility for formulating plans, and the responsibility for executing them, must continue to rest with the Departments concerned, working under the direction of their

Ministerial chiefs. That is why there is not going to be any "Ministry" of Reconstruction. The execution of plans must be the responsibility of the Ministers in charge of the Departments concerned with the particular problems. It is in these Departments that knowledge of these matters exists, and it is, therefore, the business of those Ministers to formulate the plans: it is not possible for any single Minister, or any single staff, to take over the whole of this work. If I tried to do it I should have to bring under one control large staffs of experts from the other Departments, and this procedure would involve waste and friction between Departments. My task is to see the reconstruction plan as a whole, to define the various parts which have to be worked out by the Departments, to bring the plans of the various Departments into relation with one another, and to make sure that there are no gaps, no overlapping, no conflict—in a word, to see that the whole range of preparations is brought into one single coherent whole and that work on those plans proceeds apace.

The responsibility of the Minister of Reconstruction is, therefore, quite clearly defined. It is his business, with his colleagues, to see that all these plans come into one orderly whole, and to see that nothing that ought to be done by his colleagues is left undone. I shall be helped by a strong committee of the War Cabinet, over which I shall preside, and I have the assurance of my colleagues of their willing co-operation. If I have not sufficient powers to do the job then I shall not attempt to do it. I have the unqualified assurance of the Prime Minister—and I am quite content with that—of his support in this matter.

I am grateful to Your Lordships for having given me this opportunity of adumbrating the general policy that the Minister of Reconstruction proposes to adopt.

PAYING OUR DEBT TO THE CRUSADERS

Philharmonic Hall, Liverpool, 14 January, 1944

*On the occasion of the conferment by the
University of Liverpool of the honorary degree
of Doctor of Law*

You have done me a great honour today, and I thank you for it.

Those who have the good fortune to meet with the approval of the Chancellor and the Senate are allowed on these welcome and flattering occasions to pretend that they are worthy to be considered as learned in the law, whilst an assembly of their friends joins in encouraging—and indeed in acclaiming—the illusion.

For a century this city has been the cradle of philanthropic effort: the practice of public service is in the Liverpool tradition, just as directness of thought and speech is in the Lancashire tradition. I realise how singularly fortunate I have been in having received so much of my early training among people who have cared so deeply for the conditions of their fellow men.

When the Prime Minister told me that he wanted me to become Minister of Reconstruction, I remembered the peculiar advantages that had been mine in having lived and worked in this city where, for so long, private philanthropy, public effort and a cosmopolitan outlook on the world have been a part of its normal life.

The problems that will face us when the war is over are immense: "reconstruction" is a convenient word that covers, in many minds, mainly a host of reforms. Let us look at the problems it involves. This peaceful

trading nation has become completely mobilised for war. Large numbers of our young people have joined the Services, have been far afield, and have become accustomed in their youth to the ways of war instead of receiving a training in trade or commerce. Our industrialists have become used to working under Government control, with assured markets for their products, whether they be for the purposes of war or for the needs of the civilian population. That spirit of striving that was induced by the forces of competition has been dormant. Production certainly has been surrounded by many difficulties, but never by the essential need to produce with a strict regard to economy. Our private lives have become controlled: we pull down the blinds each night at the appointed time: we regulate our consumption according to a ration card: we cannot even secure an extra half-pint of milk unless a doctor certifies that it is necessary for the maintenance of health. We accept all this under the direction of those whom we have elected, or who have been appointed, to govern us.

That is war, and we have indeed shown much fortitude. A reconstructed Britain, however, will not be like this, and one of the major problems of Government will be to secure public approval for the actions involved in the unwinding of this administrative machine. If the process is to work smoothly it will demand much patient understanding of economic necessities by the public, and a fine sense of mass psychology on the part of the Government.

There is much loose talk about controls. It is clear that as soon as the danger is over the controls imposed for security reasons must go: but the controls that have been imposed because supply was not equal to demand must stay until these two economic factors approach a balance. If control of the distribution of food and

clothes is abandoned too soon the inadequate supplies will inevitably go to the people who can pay the most highly for them. If this were to happen great misery, and maybe starvation, would stalk the land: our price and wages structure would be destroyed, and social unrest and inflation would inevitably follow. The Government are, therefore, preparing for an orderly unwinding of this machinery.

We are planning now, well in advance, the demobilisation of our fighting services: it must be done so that, whilst national needs are met, the process commends itself to the sense of fairness of the men who are left in the Forces when others come home. We shall have to demobilise the vast army of munition workers, many of whom have been directed to labour away from their homes. We shall have to rebuild our damaged towns, but, more particularly, we shall have to provide housing accommodation—and priority in this must be given to the places that have suffered most from enemy action. Without giving any pledge on behalf of the Government, my personal opinion is that some priority in the provision of housing should be given to the returning soldier, particularly to the newly wed, so that they may begin their married life in a home of their own.

Finally, there is the problem of industry: we shall have to change over the vast mass of our engineering capacity from war-time to peace-time production, and in all our industries we shall have to plan to obtain once more an overseas trade in a world that will be vastly disturbed.

You will understand with what hesitation I assumed this new office, and such heavy responsibility. Difficulties there will be in plenty: but they will be difficulties that will be shared. I have no desire to evade responsibility, either for myself or for the Government of which

I am a member. I venture, however, on the reminder that we are a democracy and not a totalitarian State. I hear, and I read, many enquiries as to what the Government are going to do about these problems: some of them undoubtedly fall wholly within the province of Government, but others, and particularly those concerned with the re-establishment of our industrial life, will depend upon the vigour and the vision of those men of commerce and of industry who, in the past, have made this country one of the greatest mercantile centres of the world. Those who are entrusted with the responsibility for government must show qualities of leadership, but we must not encourage the habit that is enforced by the circumstances of war of waiting on the edicts of government to determine our commercial life. That is the principle of authoritarianism, necessary in war-time, but not a principle that this country, with its free traditions, would wish to pursue into the years of peace. I look forward, when the time is opportune, to a revival of that spirit of vigorous enterprise in our commercial life which, surveying the needs and the well-being of the country, will once again advise the Government how they can further the commercial life of the nation, and what controlling forces of law are necessary to give proper protection to the workers in our industries.

I hope, and believe, that industrialists and traders are conscious of the extent to which the country depends upon them to prepare now their plans for the future, thinking of trade abroad as well as of trade at home. Within the limits imposed by the shortage of labour I trust that they will feel encouraged to make their plans now, and to call for such help as they may need from Government.

Many years spent in the world of business make me chary of prophecy and slow to make promises. It is

a maxim of all respectable business that to promise is to perform. One of the leading newspapers a few days ago expressed the hope that I would fix my sights high. That is a very different matter from making promises. We have a right to have very high hopes for the future. By fortitude and sacrifice, by skill and by heroism—both in the home and in martial realms—we have established and confirmed our place in history. We have once again become conscious of our power and responsibility as a nation. After some unhappy years during which we allowed ourselves to fall into indecision and impotence in both home and foreign affairs, we have emerged chastened by the suffering of war with a clearer idea of our place in the world and a surer sense of our capacity so to order our affairs at home that we make Britain a better place in which to live.

Before the war there were, in our national life, factors that we regretted and deplored: among them were much unemployment and some very bad conditions of housing. We were also slow to appreciate the national importance of health: we disregarded the part played by nutrition in determining the health of the manpower of the nation. We do ourselves less than justice, however, if we imply that all our conditions of life were bad. Large sections of the population were happy and well-circumstanced, and there had been an immense improvement in the general standard of social welfare: there had been a rapid development of scientific knowledge and in its application to industry.

Best of all, however, the sense of national purpose and of individual responsibility was deep in the heart of the nation, however much, in our peculiar British way, we disguised this truth from ourselves and from the rest of the world. The war—or perhaps more truly the imminence of military defeat—tore away, almost in a week,

this mask and affectation and showed us to ourselves for what we are—a nation destined for greatness. I believe that among the many services that Mr. Churchill has rendered to this country none stands higher than that he was able to sense the unflinching and courageous spirit of the people: he used language that explained and encouraged that spirit: he immortalised it. He interpreted Britain to itself: but the quality was that of the people. It was the quality that forgot self, that was prepared "to fight in the streets, to fight on the beaches," to endure anything for the sake of Britain: and the Battle of Britain will glorify the pages of history. In danger we have experienced the resurrection of the spirit of a great people. The danger will pass: but the people will remain, and their spirit with them. Before us lies the task of building again, in peace, the common life of this land in a manner worthy of our sons who fought and of us who kept our national pride.

What sort of country is it going to be? We ourselves will make it, and when peace comes we shall need that same spirit that we discovered in 1940. I take much trouble to inform myself of what the men and women in the Forces are thinking about reconstruction. When they come home, let us welcome them with bands and flag-waving, and all the heroic panoply that passes with the day, but also let us see that they have houses in which to live, a way of life that will give to them and to their children a chance of work, happiness and health and the opportunity of benefiting themselves by their own unfettered efforts. These men in the Forces have at the back of their minds a fear of the unemployment that wrecked not only the lives of their parents, but also the social stability of this country in the decade before the war.

The assurance of security against unemployment and

other preventable evils is the debt we owe to them: it transcends in importance any question of money, or of rights, or of pre-war interests. The obligation of Government in this matter is beyond question, but central Government alone cannot do it: the will of the people must find expression not only in Parliament but in the councils of local authorities and in the boardrooms of industry.

The Government have already produced the first of their plans, and, properly and imaginatively, they have begun with the education of the child: the country generally has welcomed the proposals. I trust too that we shall be able to secure that we retain in our social life those provisions that have been made during the war for protecting and strengthening the physical powers of nursing mothers and young children which it was my privilege to institute whilst I was Minister of Food.

We shall presently place before Parliament a set of constructive proposals, which, if they meet with public approval and the co-operation of public authorities and the medical profession, will enable this country to embark on a policy of positive health for everybody.

In the urgent matter of housing, great advances have been made in the exploration of the various ways in which, through the development of modern practices and the use of new materials, the production of houses to prescribed standards, with fittings that will bring the uses of science to the aid of the housewife, can be hastened. The demand for housing is much greater than the supply of labour and materials can possibly meet until some time after both the German and the Japanese wars are over. Meanwhile, we depend upon local authorities not only to prepare plans for the future, but to use now, and without delay, such resources as are available to repair damaged houses and to prepare building sites for the

future. Nothing is of greater urgency than this, and few matters call for more tolerance and understanding between the officials, central and local, on whom action depends.

My Lord and Chancellor, I have used your platform today to make my first speech outside Parliament on reconstruction. I wanted to tell our people at home that we are not only planning on paper: we are creating the legislative machinery necessary to make our reconstruction plans work. I want to tell the men who are now fighting very arduous battles overseas that we, too, are getting on with the job. We are not near the end of the war. There are many men in this country now, very fully trained and equipped, who are waiting impatiently for the signal to embark on an enterprise of great danger. They will win much glory for Britain; they will be crusaders, freeing other lands from the foul domination under which they have been living. They, and all who have preceded them will leave us with an indebtedness that we can pay in only one way—if we remember why they fought: if we match our spirit with theirs and, forgetting all else, work, together with them when they return, to build for future generations a life that is worthy of the high tradition they have established.

It is within our means and our capacity. Let us resolve to pay the debt in full.

RESTORATION AND REFORM

Albert Hall, Manchester, 24 February, 1944

*Address to members of the Manchester Chamber
of Commerce and others*

THE world of politics is very different from the world of business. No body of shareholders ever dreams of demanding that the Board of a good going concern shall disclose their plans for a future that is undefined, both in time and in circumstance. They look at the results achieved to date, and if these be reasonably good these sensible shareholders do not attend the annual meeting, but decide that the same capacity, the same enterprise, will probably produce results to their satisfaction in the succeeding years.

In politics, by tradition, all this is different. Electors want to know what a prospective Government propose to do: they want promises: and the elected member is not held to be seriously in default if some of his golden election hopes fail to appear on the legislative programme of the Government he has been returned to support. It is very different from the experience I enjoyed during many years in business. Then, at rare intervals, I put before the public a prospectus: it belied its name, for it was indeed a statement of retrospect, not of prospect, on which I invited—and secured—the confidence of the investing public.

I would submit that, on this issue of post-war plans, a similar test should be applied to His Majesty's Government. What is our record? We came into office in a period of great national danger: we, better than most people, have full and painful knowledge of the peril of

being unprepared: we have had to overcome many consequential difficulties. We have had to change the habits of the nation, to lead it from freedom and independence to the acceptance of control: we have had to direct the industrial capacity of the nation from the productions of peace to the munitions of war. Governing by consent, we have been compelled to impose restrictions on the nation in the matter of food and clothing. And yet we find ourselves today at least as well in health as before the war, and much stouter in morale. Moreover, under a Prime Minister who is also a great military leader, we have organised a fighting force on land, on the sea, and in the air, which excels in military capacity and endurance, and whose operations leave no room for doubt as to the final outcome of the martial struggle on which we are engaged.

Is this not a record that commands confidence for the future? A Government with that record is not likely to fail in capacity, in courage, or in enterprise, in preparing to deal with the affairs of the nation when the war is over.

I observe, both in Parliament and in the press, a demand for clearer definition of our intentions. I can understand that there are many different ideas as to the line along which we should proceed. Let me tell you about my approach. It is not a single-track approach: I want both reconstruction and reform. I conceive that there are two distinct and different demands that should be made on us at this time. When victory is assured we must demobilise the surplus men and women from the Forces and many of the munition workers, and we must make it as easy as possible for them to engage in the peace-time occupations that they choose to adopt. So we shall enable people to return to their homes and to their work, and all this must be done with strict justice

and with favour towards none. We must repair with all possible speed the damages done by the war—damage to men, to property, to trade.

That is the policy of restoration, but it is not good enough; we must aim at something better than the past. In war we learn to move rapidly: we achieve in a week what might take years in times of peace. We acquire adaptability not only in mechanical processes but in mental outlook: we learn the lesson of sacrifice for the common good. We learn to care for one another, and to take pride in national effort.

I believe that we are ready for a bold and courageous approach to the post-war world. Let us restore that which was good—and much of it was very good—and let us face together and fearlessly the building and the rebuilding of our social and industrial life. The challenge that faces us is both to restore and to reform, and fundamentally the problem is a human one. We begin with the education of the child. For this we have already produced our plans: you have seen them: they bid fair to open the gates of opportunity still more widely to the young, removing obstacles, and giving to every child both the training and the beginnings of enlightenment that will help to build their characters and give them the means of obtaining enjoyment as well as a living.

But we need healthy bodies as well as educated minds. When I accepted the responsibility of my present office, one of the first steps I took was to discuss with the Minister of Health the means whereby we could obtain a national health service. As Minister of Food I tried to lay the physical foundations for a strong and vigorous generation of children who would be untouched by the privations of war. In the early years of this century, when I was a social worker in Liverpool, I was constantly depressed by the low standard of health of the

people who were living in poverty. I thought then, and the years that have passed have confirmed my view, that much industrial incompetence—and indeed much of the lethargy of the poor—arises from physical ill-health. Much of it is preventable: the White Paper that was submitted last week to Parliament and to the country outlines the Government's proposals for an organisation of health services that will give to everyone the opportunity of benefiting from medical knowledge and skill, and of securing for themselves the greatest possible measure of positive health. By common contribution we can make a grand attack on disease and physical disability. There is no room for preventable suffering in a prosperous society.

I hope you will read our proposals. They constitute a bold and far-sighted attempt at the building of a healthy nation, and when they appear on the Statute Book they may well rank among the great landmarks in our history of social reform. There is no surer foundation on which to rebuild the economic life of a nation than that of good health.

But we cannot retain good health in bad houses, and this is the next urgent reform that is needed; and there is much to do. First, we must prepare for an emergency period: in the immediate post-war period we shall have neither the building labour, nor the conventional building materials, fully to meet the urgent demand for houses that has been created by the devastation of war and the postponement of new building during these war years. Some of this demand must be met by factory-made houses, using a variety of materials. These houses will be publicly owned: they will be licensed for a comparatively short time only, and, in the years to come, when we have caught up with the demand for building, they will give place to permanent houses. Every practical

measure that is now available to us is being taken in order to secure houses as soon as possible, and I hope that further evidence of this will soon be announced.

Work is also proceeding concurrently in all the other important branches of reconstruction. My colleagues and I meet almost daily, and we have made great progress in our discussions on the method to be adopted to secure land for the development of urban areas, the location of industry, and the provision of a scheme of social insurance.

We are in earnest about reconstruction, and we are approaching the problems involved with a consciousness that there is a place for reform, as well as for restoration,, in our plans. It must, however, be reform that is based on realism, and on an understanding of the simplest needs of the people. The fact that these active steps are being taken by the Government at a time when the battle for our freedom is approaching its height is a clear sign of our determination that the struggle shall not have been in vain.

There remains the fundamental question of ensuring that people have the chance of work to do. With the war still far from ended, this is not the time for a precise and factual statement of the steps that the Government will take to this end, but I can tell you that our approach to the problem is a positive one. We are not seeking schemes to deal with the distress that arises from unemployment: we are planning to prevent it: and both in our home economy and in our international relations this ideal is in the forefront of our deliberations.

Looking to the industrial prospect before this country when the war has finished its devastation, certain facts clearly emerge: above all is this—there is a lot of very hard work in front of us. I fail to see any easy road ahead. If we are to maintain our present standard of

living, then in peace, no less than in war, we shall have to mobilise the whole of our human resources. Economically we shall not be able to afford to have people not working, and from the social point of view we must never again accept the position in which vast numbers of people who are willing to work suffer the mental anguish that results from a vain search for employment.

This is in part an international problem. I wonder if you noted that in the conference that has been held between the United Nations, at Hot Springs, 44 nations undertook to enter into mutual discussions with a view to improving the nutritional standard of their nationals. There is a trade as well as a human aspect to that decision.

Before the war millions of people, throughout the world, who were engaged in the production of food received too little for their produce to enable them to be good customers of the industrial nations: the home farmer was in the same position. Every business man knows that it is bad business to buy so cheaply that the supplier goes bankrupt. We bought too cheaply, and our suppliers bought too little in return. Lancashire has special reason to support this policy of establishing a high standard of nutrition, and I believe that the Government policy at Hot Springs will prove of great value to the trade as well as to the health of the country.

If you will look back at the periods when we had great unemployment in this country you will find that they have coincided with the periods when our export trade had declined to low levels. In the days before the war our overseas investments were so great that we could afford for a time to continue to buy our food abroad, even although our export trade declined. We shall not be able to do this in the future. We shall need to export in order to live.

The engineering and the cotton trades of Lancashire have, in the past, stood pre-eminent in the eyes of the world, and have been the important factors in our export trade. When this war is over the world will be anxious to buy from us. I trust that not only the producing organisation of the cotton trade but the merchanting organisation also will be equal to the calls that the country's need will make on them. You may indeed require new forms of organisation.

We Lancashire folk take peculiar pride in our independence: we co-operate with difficulty, and we look with suspicion on large-scale amalgamations. I understand the desire of a man to run his own business in his own way. If he is good at it, and he is successful, and can do it without hurt to his fellows, then there is no better way. If, however, we are to regain our overseas markets, we shall require industrial units of the right size, and with the right equipment, to ensure the greatest possible economy in production and distributive costs. I would, therefore, appeal to you not to let individualism impede national prosperity. The history of the Lancashire cotton trade in the '30's made it clear that unrestricted competition was neither in the interests of the mill owners nor of the people they employed. It certainly was not in the interests of the nation.

After the early post-war years international competition may be severe, but if the Lancashire cotton trade will co-operate, organise itself into competent units, with the machinery, the research, the capital, and with a bold spirit of enterprise, then I believe that this county, which has contributed so much to the commercial life of England, can once again render it great service.

And so, as one who is determined that we shall—and believes that we can—achieve in this country the ideal of a full measure of employment and a high standard of

living: as one who recognises that to do this we must not only restore, but greatly increase, our export trade: I appeal for the united help of the business men of this county. I say to you, "Get together, Lancashire, and there will be work for all of you."

A CALL FOR INDUSTRIAL ENTERPRISE

Caxton Hall, London, 28 March, 1944

Speech to the Federation of British Industries

THERE is one thing about reconstruction of which I am convinced. It is that a very large amount of the things that are going to affect the future of this country are not going to be settled by the making of laws. They are going to be settled as the result of the determination of men to go out and in their own way do their jobs and secure for the country the benefit of their own enterprise. The world of our dreams will be made by men and not by laws. It is because of this belief that I have spent the greater part of my time since I became Minister of Reconstruction not in attending—as probably was my duty—at the House of Lords but in going around and meeting business men and industrialists in key positions.

I have met, I think, most of the bankers in this country. I have met very many of you gentlemen here in this hall: the leading manufacturers. And everywhere I have found the same spirit dominant—a sense of pride, a very pardonable pride, in the service that British industry has rendered to this country during the war, and moreover, an eagerness to find the opportunity of making that service continue so that this country can not only recover from the wounds of war, but, in spite of the losses that it has endured, take that place in the world to which its history and its achievements during the last four years have entitled it. If we could keep this high spirit alive in industry during the next ten years, when the danger

to our physical life is over, then there is nothing in our commercial past that can equal our prospects for the future.

Along with this faith, however, I have observed much questioning. Men are asking whether they are going to be allowed to run their own businesses in their own way: whether they are going to remain "fretting under the heel" of bureaucratic control. Don't be too critical of those gentlemen who, as His Majesty's civil servants—either temporary or permanent—have been working very hard according to their lights and their knowledge to render service to this country during the war. They have indeed served us very well. You should never blame the bureaucracy. Blame Ministers, if you want to blame anybody, because they are the people who are the heads of the business of Government.

I find people saying, "Well, when are we going to get our freedom?"—and I thought it might serve a useful purpose today if I spent a little time dealing with that particular comment. It is not a new story. Carry your minds back, gentlemen, to 1919: then the Government of the day were very receptive, and they heard what you said and quickly gave you that freedom. The results were not very encouraging. We had a great boom. We had high prices followed by high wages. We had a great slump. We had labour disturbances of the most serious order: and I do not think there are many people who were in active business in that period who would speak with very great confidence about the advantage of giving sudden liberty to the commercial people to run their businesses in their own way, without, for an interim period, having any of the controls over raw materials.

I suggest to you that once a Government undertake responsibility for the complete organisation of industry, as they have done in this country during the last four

years, that Government cannot get rid of the responsibility for seeing that industry gets back to ordered and reasonable status, to the position in which it can look after itself. The process of rehabilitation of industry must be controlled, and it must be a gradual one. But because it is gradual, it need not be slow. Industry after the war must continue to serve the State, and in the immediate future I think the State must be allowed to determine how it shall be used and what it is the State will want.

In the first place we shall find ourselves with a great shortage of the common necessities of life. Obviously the outstanding demand will be for houses, but equally there will be a shortage of the things that are necessary to make houses into homes. These are the things that the people of this country will want before they can settle down to normal life. I think, therefore, that the Government have a right to say to manufacturers that these are the things that you shall make rather than the goods that in the comfort of your private business would bring you higher prices but for which there would be smaller demand. Whilst the Government are in possession of the raw materials from which these essential goods are made, I want to suggest to you that it is proper, in the period of reconstruction, that they should keep control over the priorities for the uses of those materials as well as keeping control over the prices of them. Surely the last thing that any sensible business man wants is to see a repetition, either by manufacturers or by the public, of that scramble for goods, a scramble that could only be checked by the immediate comfortable method of letting price regulate demand and so let the wages and prices get into that inflationary spiral, which we know leads in the end to economic disaster.

We have no intention of making the same mistake

twice. We shall not do this time what we did last time. And, anxious as many of you are to get rid of control, I think there are very few of you who would not agree that these controls of raw materials should be kept on until we arrive at the time when there is a reasonable equation between supply and demand. But when that time arrives, then, for my part, I think those controls should go. Moreover, it seems to me that it should be part of the policy of His Majesty's Government so to regulate their import of goods into this country as to hasten the time when that equation can be reached.

The demand for goods when the war is over will be so great that for the purpose of their own profit there will be no need for manufacturers to seek orders outside this country. Orders will come to you in abundance. But what about exports? If we are going to maintain a standard of life which the people of this country will most certainly expect and deserve, it will be necessary for us to look to the export trade, not only as a matter of personal profit for individual manufacturers, but as a vital necessity in the maintenance of the life and health of the people. But we cannot in the immediate future leave it to the individual manufacturer, inundated with the temptations of profitable orders from the home trade, to determine whether or not he will use the material that has become available for making goods that are most profitable to him or whether he will make goods that are essential for national purposes. On that account, I hope—and I know that my colleagues share that hope with me—that His Majesty's Government will insist that a correct proportion of the resources of our raw materials in this country shall be devoted to the manufacture of goods for export. In spite of the fact that this involves some interference with personal liberty, I have found in my conversations with manufacturers that this form of

restriction appeals to them as being both sensible and being profitable in the long run to British industry.

We must sell our goods abroad, and here is the opportunity for a spirit of enterprise which will not be bound by Government control. Here is something that is going to call, in the highest degree, for those characteristics of which, commercially, we are very proud: for the spirit of enterprise, for the practice of legitimate speculation, for travelling throughout the world searching for the opportunity to sell goods. And on that issue there is but one thing that I would venture to say to you. Let us go in a spirit of "combined operations." Don't let us compete too heavily with one another in order to get these markets. Let us see whether we can, through the federations, get an organised attack on those overseas markets, so that we shall not waste our energies: that we send out our best salesmen, so that we have an intelligence service in those places that will tell us what it is that these people want. And let us remember that after an interval of five years these wants may have changed.

Let me turn to another problem you will have to face. The men will be coming back from the Forces. They will come back, I hope, in an orderly manner, so that the market is not flooded. I do beg that you gentlemen take great care when this happens. These men have been out of industry; they have been under a different sort of control for several years; many have been very far away; they have been facing great dangers, enduring great hardships, but they have been dreaming of home, of a time when all this trouble would be over, and they would go back home and to work. I know there are some people who believe that they are expecting to come back to a brave new world, very different from anything they ever had before. Don't you believe it. They are

dreaming of the home they knew, of their wives, and the children; they are thinking of their old employment, and the place in which they perhaps spent many years and in which, for the most part, they were reasonably happy and contented.

When they come home I beg you, don't let questions of private profit or whether you can afford it break their dreams. Take them back into your business, and if in the process of taking them back quickly you lose some money, then you will never have lost money in a better cause. Let your minds be working now to see what you can do to be sure, not in the long run, not in six months' time, but at the earliest possible moment you can take these men back. And if in order that you can do that for your country's sake, for the sake of real social security in the State, it is necessary for you to have some help from some Departments of His Majesty's Government, then you must come along and tell us what you want us to do, and you may rely upon it that we shall do our best to help you to meet these proper desires.

THE NEED OF THE DAY

At Corn Exchange, **Leicester, 14 April, 1944**

Speech at a meeting of representatives of the industrial, commercial and professional life of the City of Leicester to consider "The Need of the Day"

WE meet here today—representatives of trade and industry, of manufacturing and commercial interests, of the civic and religious authorities of this city—to consider "The Need of the Day."

At the outset I would say to you that the principal need of today is to use the utmost effort of which each one of us is capable, to help to win the war. Enticing as may be the temptation to engage in rosy dreams and promises for the future, we must not allow thoughts of reconstruction to take our minds off the work of today. Some of us must think also of the future; a meeting of so representative a character as is this one is surely significant: if I interpret it rightly, this meeting, composed of men accustomed to the practical affairs of this very enterprising city, is not one that will find itself content with the making of phrases or the passing of resolutions. Practical men can only be content with action.

During recent months I have spent much time meeting men in the trade and commerce of this country; meeting them in private and without any public report of our discussions. The purpose of these meetings has been to enable us to discuss together the shape of the industrial life of this country when the war is ended. We have talked about the sort of place Britain is going to be for

the ordinary people to live in: what will they do: how will they live; what will be the motive power that will stimulate and direct us in the task of reconstruction.

These are the questions I put to you today. The same questions came to the minds of many of us 25 years ago. I well remember the mood of that time: the war left us in a state of great elation, with a new "wealthy" class to which the war had brought considerable financial gain and which was determined on the development of its expanded industrial capacity. Materialism was in the saddle and, not unreasonably, labour decided that the profits of industry would be more equitably divided if a much larger share came to them. Prosperity was followed by industrial strife of considerable bitterness, and in the end our dreams of a better Britain faded into disappointment. Our commercial prosperity declined: we lost our balance of trade abroad, and by hundreds of thousands able-bodied men walked the streets of this country, vainly seeking the means of earning a living. It was a desperate and humiliating disillusionment.

The causes that led to this regrettable state were many and varied: but there can be no doubt that our estimation of values was at fault, and without censure I think it is true to conclude that spiritual values took at most a secondary place.

Then, in 1939, our vision cleared. The country was in danger. Patriotism grew with the passion for preservation. Conscription and high taxation were accepted, not only without complaint, but willingly. Then came defeat and national humiliation: Dunkirk, Singapore, Tobruk: in our trial and sorrow we became a great nation.

Is it only in adversity that we can maintain that spirit? That is the problem before us. By what means shall we proceed if we are to keep it? That is one of the

most elusive of the problems of reconstruction. The word "reconstruction" is unpalatable to me: it savours of a complete return to the old conditions. I do not want to see Britain return to all its old ways. For those of us who were fortunately circumstanced the ways of the past were good beyond our deserts—but what of the other people? Did chance not play too great a part in their lives? I think of the people who lived, and brought up their children, in mean streets, in houses that lacked both sunlight and the conveniences of decent living. Yet these children brought up in such conditions have shown in their sacrifices in the field of battle the love for Britain that was in their hearts; we think now of these things. Then we lacked the will, but not the means, to provide houses that could be worthy homes in which to rear our race.

In a world of plenty and in a period when England was amazingly wealthy, no less than one-third of our children were suffering from malnutrition, and this at a time when the rest of the population enjoyed a high standard of living.

All of us engaged in industry were subject to the vagaries of trade: but to some—and indeed to those who had the least chance of influencing these issues—bad trade often meant loss of employment, domestic privation and a sure descent into industrial inefficiency. I think of those 2½ million people whose labour we could not employ in times of peace, but whom we have needed so badly in war, both in industry and in military operations.

Reviewing these facts, I have concluded that the need of the future is not only Reconstruction but Reform. Let us resolve that we will not go back to social conditions that are incompatible with national greatness.

Already the Government have given you their pro-

posals for providing health services that will promote positive health and give to everyone an equal chance of obtaining the skill and the care of the medical profession according to their need. These proposals will stand out in the social history of this country as wise, and provident, and benevolent.

Presently we shall submit to Parliament and to the country proposals, equally far-reaching, to deal by a system of national and universal insurance with the effects of chance on employment and with the ill-effects of industrial accidents.

You have already heard something of our proposals for the rebuilding of our devastated towns; side by side with this material reconstruction there will be a programme for the destruction of our slums and the worthy housing of all our people.

The fundamental object underlying all these proposals is fearlessly and boldly to seek social security for those who, in the past, have lived in fear of the slings and arrows of outrageous fortune.

Can we be fearless about it? I hear the question asked: "Are we strong enough to stand security?" "Will the moral fibre of our people be weakened if the factor of fear is removed?" It is a fair question and one that must be faced. It is the problem of human frailty. I see the danger, but I am no believer in the gospel of strength through misery: I have seen too much of the misery that falls on the righteous as well as on the unworthy to believe that, as a nation, we can with clear conscience leave this problem unsolved when we have seen the way to its solution.

Security must be no free gift. It must be an insurance and its benefits must be bought and paid for. The State can give its share to the common fund, but it can only continue to do that whilst it receives a return. It

can well organise national resources to banish economic fear, but in return it must demand work and service from all. If we are to meet the cost of such social services as I have indicated we shall all have to work hard and with understanding.

The reconstruction of the country calls for the building of personal and national character as well as for those acts of Government which will give social stability: meetings such as this surely signify that men who have achieved senior positions in industry are prepared to give leadership by example as well as by precept in this less definite, but not less practical, field of human and spiritual relationships. Don't let us be afraid to confess our beliefs in the value of the spiritual factors of life.

During the war industry has been the servant of the State: it has been conscripted, but it has been a good servant. I look forward to the time when it is no longer conscripted: when once again it has freedom to show its enterprise, to take its risks, and to hasten its development. But the release from control will not remove its social obligation. We cannot be content with a return to all the conditions of pre-war industrial employment with its widely differing conditions of service. We want to see a continuance of factory canteens: of factory buildings designed to provide healthy conditions for the people who work in them: of minimum rates of pay. Let us boldly say that we will put a floor into labour conditions and none shall be employed below it.

When the men return from the Forces it is you, who are engaged in industry, who more than anyone else will by your action demonstrate whether we are going to begin our industrial reconstruction in a spirit of confidence and goodwill. Here, indeed, will be an acid test. I know you will welcome the Servicemen home to this city with gratitude and rejoicing. The bands will play,

the bunting will float from the windows—and all the panoply, and the glory, and the applause will be theirs.

But the next day they will come to the works. What about their jobs? What will the boss say? Will he see them himself? I know from the men themselves these are the thoughts that are in their minds.

What will your answer be? We recognise that it will take a little time to change factories over from the production of war materials to peace-time work: new tools, new machinery will be needed, new processes maybe, and until the factory is reconditioned for peace production the old jobs may not be there. But be definite; tell the men when you will take them back: do it quickly, and before they have exhausted their post-war leave and gratuity. Maybe you will lose profit for a season, but you will pay a debt beyond price.

That is a chance to demonstrate your conviction that human brotherhood and gratitude is more than a phrase. That will be the "Need of the day." If you meet it, generously and open-heartedly and quickly, you will lay the foundation of industrial peace for a generation.

WORK FOR ALL

House of Lords, 5 July, 1944

Debate on Employment Policy

IGNORANCE and want are the two giant evils of which a sensitive society should be afraid. And the prevention of want is better—and cheaper—than curing it.

On the last occasion on which I occupied the time of the House, I outlined the Government's proposals for dealing with ignorance in young people by encouraging learning and cultivating knowledge over a wide field.

Today I commend to Your Lordships the conclusions at which my colleagues have unanimously arrived for dealing with the prevention of want.

The White Paper that I submit to you is called *Employment Policy*. With difficulty I resist the temptation to digress from the Paper, and discuss the more abstruse question of why people work: to many of us work is a pleasurable form of occupation—but we are very fortunate. The idea used to prevail that Government should make work in order to deal with the unemployed. I submit that the idea was amateur and ill-conceived: there is no virtue in working unless the effort produces something of personal or communal value. Work should be a means of satisfying wants.

The proposals in this Paper are designed to maintain such a general control over the volume of employment in the country as will secure that it is engaged on meeting the needs of our society: the control that is envisaged is one that aims at maintaining a high level of consumption, and, by that means, ensuring a high level of employment.

The document opens with a statement of Government

policy that has been highly commended: " the Government accept as one of their primary aims and responsibilities the maintenance of a high and stable level of employment," and it goes on to say that " the country will not suffer from mass unemployment so long as the total demand for its goods and services are maintained at a high level."

The question before us is whether a Government can, by any acceptable means of administration, meet these responsibilities and secure these ends. We think it possible, and have outlined our proposals. They involve three major considerations:

- (1) Our trading relations with other countries;
- (2) The management of our affairs in the period when we are moving from war to peace; and
- (3) The general conditions under which, in normal times, Governments can act to maintain employment at any required level.

I will deal with the domestic side first. This period after the war, or between the two wars if one of our enemies retires before the other, is going to demand much skill and tolerance. It will present problems, but always they will be of a temporary nature, and apart from the technical difficulties of moving over from one form of production to another, there will, I surmise, be a greater demand for labour than the supply that will be available. It will be a period in which we shall have to guide our commercial and industrial policy both at home and abroad with great foresight and clarity.

Capital and labour must flow to those industries that can perform the greatest national services. We shall have to rebuild not only our homes, but our industries, and we shall have to buy much of our food overseas.

We therefore suggest that, in this transition period, it

will be necessary to ask the country to exercise a continuance of restraint—to maintain a control over the use of such raw materials that are in short supply: to continue rationing in some degree until supply is equated to demand: to discourage the production of non-essential goods for home consumption, however profitable they may be: and generally to seek—during this period when money will be very plentiful in consumers' hands, when human spirits will be buoyant with relief, when, without doubt, there will be a great demand for freedom—to continue for a necessary while those controls which will prevent violent rises in prices, and a disorderly rush to some end that will serve personal rather than national purposes.

Meanwhile the Government will be seeking to give administrative effect to an orderly unwinding of the controls it has imposed for the purposes of war. I do not anticipate any great difficulty in this period, provided that throughout there is clear expression of the Government's intention, and full co-operation with all the parties concerned with these readjustments.

It is not true that we want universally to return to pre-war conditions: that might be simple—but disastrous. During these war years we have advanced a generation in experience and in productive technique. We must benefit by that experience, and one of the things that is outstanding is the great adaptability of the workers in this country. They have learned new trades, and quickly achieved great skill, and nowhere has this been more pronounced than in those areas which, before the war, suffered largely from unemployment.

These old "distressed areas" are places in which good and willing workers are available, and in which new industry can settle with some confidence. I think people in these areas had a very hard time before the war, and

the war has proved that they are capable of rendering much greater service than they were allowed. They don't want to be on the dole: they want to work—and they can work.

I ask Your Lordships' consideration of our proposals to secure, in these places, a balanced distribution of industry: I go further, and appeal to the industrialists of this country to recognise that, in the interests of human justice and social stability, this problem has to be solved—and I hope they will join with the Government wholeheartedly in effecting a solution of it.

And now I come to the long-term aspect of this problem. You will find it in chapters 4 and 5 of the White Paper. "Total goods and services must be prevented from falling to a level where general unemployment appears," and in paragraph 41 is this significant statement: "The Government are prepared to accept in future the responsibility for taking action at the earliest stage to arrest a threatened slump."

Someone asked me if this was a White Paper or an election address. I have read election addresses that have been worse—and less definite. Our proposals involve first of all the Government taking upon itself the obligation of knowledge: it will maintain an economic staff to advise it on the way that trade and employment is going. We shall have a human manpower budget, as well as a money budget. We shall require employers to give us information on which to frame it—and the information will be as confidential, between the employer and the Government, as is his income tax return. With this information the Government will encourage, or discourage, public and private investment in capital expenditure. In the past these two have tended to run parallel. If trade was bad, public economy demanded reduction in expenditure, and the position

became aggravated and trade went worse. Trade depends largely on the consumption of goods, and in the future the Government will ask public authorities to increase their public works when trade begins to show a sign of falling off—and to be ready to begin operations immediately, in order to check the slump at the start.

This is the purpose of the 5-year programme of public works indicated. The question is, will private investment follow these lines? No one can make it do so, but I am satisfied that if we accept these proposals as part of national policy we shall find active co-operation from the business community. It pays to develop capital structure in periods when trade is slack, in order to be ready for production or sales development when trade is brisk: moreover, the installation of new equipment when trade is falling often secures that increased efficiency that prevents further fall by reducing the price level and so stimulating demand without reducing the profit level.

Finally, I direct your attention to the proposals for increasing the demand for consumers' goods at home during a period of trade recession, by increasing the spending power of the public through a reduction in the level of social insurance payments.

I have referred to this before in this House: I called it an economic thermostat.

I have taken time to deal with this paper in some detail. I could not do otherwise. We are dealing with a problem that is vital to our social stability and to our economic life. It has defied solution in this country in the past: it has defied it during periods of great expansion in our trade and commerce. It is a problem that has beset the conscience of philanthropists and has eluded the skill of statesmen. And yet, patently, it is the greatest problem that confronts the industrial age in which we live. Some totalitarian states have gone a long

way towards solving it—at the price of freedom. We neither could, nor would desire, to do that in this country.

The problem is not a narrow one of Government responsibility, and it transcends personal or party issues. It is a matter of waging war against the greatest evil that threatens the welfare of the State and the domestic peace of our country. No Government can go to war without overwhelming public consent in its own country, and indeed in this country no Government can go to war without looking round for alliances.

Here is a proposal to declare war on want, on malnutrition and on all the misery that arises from both. It is the considered view of this Government of all parties, men of wide parliamentary experience, trade union leaders and industrialists, that the proposals in this White Paper are worthy of consideration as a means to this end.

Both at home and abroad we seek alliances in this work. We know that the Government alone cannot provide full employment. This is the question that we ask—will the employers of the country help us, along these lines, to solve the problem of unemployment? Will the trades unions help? Are local authorities prepared to exercise qualities sometimes of restraint and sometimes of adventure in the allocation of their expenditure on public works in order to help to even out the booms and slumps in the demands for labour? Do these proposals, with the restriction on capital issues and their hopes for low interest rates, appeal to the judgment of the bankers and the financiers? Are the merchants of this country prepared once again to become "merchant venturers," to resume their Elizabethan quality and with the products of modern industry to go out venturing in the world of overseas trade for the benefit of Britain? These are the questions that arise from this White Paper:

they are the questions that we put to this House and to the country.

And what is the prize? It is not the prize of personal profit—that is not enough. The prize is the future stability of our industrial life.

Think what unemployment has meant in this country—in misery, in suffering, in physical deterioration, and in the degradation that follows in the mind of a man as he goes about vainly seeking work, and when, as he fails, he sees his family suffering, his household goods being sold, his skill unwanted. What a cost it has been to the nation, and even when the country has been prepared to mitigate physical needs by the "dole," still, I say, what a cost it has been, what instability, and what distrust has arisen from it.

In the 17 years between 1922 and 1939 we paid in unemployment benefits £1,260 millions. We had an average of 1,700,000 drawing unemployment insurance benefit: we lost 250 million days of work through industrial strikes and lock-outs. It's an expense, both of man-power and money, and misery, that we must not again incur.

This is not a problem for Britain alone. The same problem has occurred in all industrialised countries of the world. Unemployment, like any other disease, knows no boundaries of nationality, and I am glad to know that this White Paper has already travelled the world and met with comment—almost always favourable—in the the press of other countries.

We are not seeking prosperity for ourselves alone. Looking back at the period between the wars, we realise that nations are mutually dependent: bad trade, reduction of spending power, lack of confidence in one country, all affect others. The slump in the United States in 1929 was very soon followed by trouble in this

country: narrow nationalism in trade doesn't pay, and our trade problems are not exclusively our own problems—they are world problems, and those of us who are looking for a fuller life for the people of this country are also looking for a fuller life for other countries.

We want to buy their goods because without them we cannot have the standard of living that this country has determined for itself—but we cannot buy their goods unless they buy ours.

For half a century we spent our savings overseas: we have adventured: we have built railways and docks, bridges and rivers: irrigated the arid lands, electrified towns and railways, financed the development of raw materials and the production of crops. And we have attacked famine and disease wherever we have found them. The small population of this island has done more than its share in developing the natural resources of the world—often to our financial advantage, but not infrequently at the loss of our capital.

That has been our past history: what is our immediate position? We have sold almost all that we had in saleable overseas investments in order that, when we stood alone, we could fight this war for the maintenance of our freedom. We have incurred overseas debts that are double the amount of all our previous overseas investments: we have given of the wealth of our past: we have pledged our future, and a new Britain has been born. We are infinitely stronger in productive power, in the application of scientific technology, than we were before this war. We now offer that capacity to the world with this assurance—our goods will be better, and they will be goods that can be trusted.

If we can trade with the world we shall secure full employment here and with it enjoy a rising standard of living: and we shall be able to pay the debts we have

accumulated. If we again embark, with our great industrial capacity, on this world trade, we shall add to the wealth of the world, and we shall buy from other countries their natural products at prices that we hope will bring them prosperity too.

I foresee a universal movement for raising the standard of living of the world by clearing the channels of trade, by orderly management of international currencies and international investment, by evening out the extreme fluctuations—those booms and slumps which in the past have affected, generally to the ultimate detriment of the growers, the prices of primary products (both food and the raw materials of industry): I hope that we shall have continuing consultation regarding the domestic employment policies of different countries.

Surely it is not without significance that 44 nations, gathered at Hot Springs, have subscribed to these ideas. The Government of this country believes in them, and conferences now meeting in the United States on monetary policy have these ends in view.

What we are working for is general agreement on an international code of rules which will limit the use of devices calculated to impede trade but will still leave the nations free to take the necessary action to preserve their own internal economic activity and balance of payments.

We seek our proper place in the trade of the world. We have earned it by enterprise in the past: we shall maintain it by the quality of the services we offer. We seek it for the expansion of the benefits that trade brings through the interchange of commerce: we seek it in no narrow desire for the exclusion of others. But trade we must if this country is to retain its place among the leaders of the world. By our past we earned that place and our recent record gives us unparalleled right to retain it.

THE DREAM AND THE BUSINESS

Technical College, Newport, 7 October, 1944

Speech at the opening of an Industrial Exhibition

IN the White Paper on Social Insurance that I recently presented to Parliament on behalf of His Majesty's Government are these words:

" The aim of national policy must be to secure the general prosperity and happiness of the citizens."

They are words of great importance. The whole future of our country and the shape of our civilisation depend on how much we desire to achieve that policy, and whether there can be inspired among us a national spirit of creative energy and of co-operative action coupled with adventurous enterprise and a belief in ourselves and in our national destiny.

When Mr. Churchill asked me to be Minister of Reconstruction, I determined to take my time to look around, to assess the position both at home and abroad, to consider the financial as well as the industrial position, before I propounded plans. A long experience in the world of business has made me cautious of hasty conclusions.

But the time came when I and my colleagues in the Government were ready to put forward our plans for the future structure of our society, and in a series of White Papers and Bills we have placed our ideas before the country. Of necessity they have come before you piecemeal, but, like the pieces of a jigsaw puzzle, they

make a picture: they fit in: they are co-ordinated into a whole. I do not say that there is a master plan, because that totalitarian mechanism fills me with mis-giving. The proposals leave room for the individual to play his part in determining the future of the nation: they allow the local authority to plan and to act. But behind them all there is a central thought and a central policy: the policy is to harness the powers of central Government so that the individual citizen shall have freedom to develop his powers, his character and his strength, unimpeded by the devastations of poverty, of unemployment, of unnecessary ill-health, of untutored ignorance, or of the fear of penury in old age. We are determined to wage war on want, and on unemployment, with all their consequent miseries.

That is the central thought and guiding policy behind our schemes. If you prefer so to name it, that is the "Master Plan." Nowhere have I heard this idea, this policy, challenged; although the sceptics enquire "What steps are you taking?" and others say "Can we afford it all?"

Let me take these two issues separately. What have we done? What steps have we taken? We began with education. Mr. Butler's new Act is a great Act. It has widened the door of opportunity: in the years to come we shall be a much better educated people. This Act will have three outstanding results. The young will have a chance of all the happiness and all the opportunities that come from a wide education. As a nation we shall have the national wealth and advantage that comes from having educated all our brain-power, regardless of class. And we shall no longer have smouldering in our midst that sense of injustice that comes to men who realise that they have been kept down throughout life because the poverty of their parents prevented them from having

an equal chance in life with others more fortunately circumstanced. This Education Act is pregnant with hope for our future well-being and happiness.

The next problem we are tackling is that of houses—houses that are homes. The obituary notices of discarded politicians in this country are full of the promises they made about houses.

I make no promises. I remind you that, at this present time in London alone, bombs have destroyed 130,000 houses, whilst over 800,000 are in urgent need of repair to keep out the cold and the rain. We are not at the end of this danger of bombing. That is a serious and pressing problem: we are dealing with it. As soon as labour and materials are released from war work we shall organise the whole resources of the building industry to erect the maximum number of permanent houses in the two years after the war; we shall supplement these permanent houses with temporary houses built of materials that will not interfere with the supplies required for permanent house construction. With the co-operation of local authorities we will build good houses, houses with ample space in them, houses designed to relieve the labours of housewives, and houses in which families can be raised to good health.

These are not vague promises: I am telling you of the practical steps which, at the present time, the Government is taking to prepare for the day when labour is available.

Now let me remind you of another very practical step that has been taken. We have agreed on a national water policy. I am surprised to find that not a great deal of interest in this proposal has been taken by the public—but many housewives will welcome it. Our aim is to see that there is a tap in every home. It will take some time: it must await the release of material and

labour from war production, but what a blessing it will be: what shame is on us, with our knowledge of sanitation and with our natural abundance of water, that this elementary provision has not been made years ago.

I come now to the major issue in our reconstruction plans. It is the maintenance of a high and stable level of employment. Our White Paper on Employment Policy states the obligation of Government to wage war on the poverty that arises from unemployment: it puts forward practical plans for the regulation of purchasing power and for stimulating it in periods when a decline in trade is threatened. It lays down the obligation of Government to secure a proper balance of industry, especially in those areas which are too largely dependent upon a very few types of industry.

I can understand that the spectre of unemployment must still haunt the valleys of South Wales. Between the wars, economic depression meant widespread misery and unwanted idleness. Now you have thriving factories. I can imagine the fear in the minds of those who work in those factories lest the blessings of peace may bring to them a return to the old conditions of unemployment. Before the war I was one of the Treasury's advisers dealing with the loans to establish industries in the Special Areas: I know what the conditions were. It was because we knew and cared about these things that this Government put forward proposals for securing fuller employment. The Government intend to see that the new factories that have been established in the old "special" areas are continued, either in munitions or civilian production. I realise that the South Wales and Monmouthshire area has for many years been unduly dependent on heavy industry: it has been very short of factory floor space. I can tell you that in this area very early building priority will be given for new factories.

The " standard factories " which are being erected for war purposes are being built with an eye to securing more industries in districts such as this in the transition period. They will be available to industrialists on the same terms as those already built.

For your encouragement I can tell you this: The Board of Trade are now receiving many enquiries from business men about the industrial possibilities of your area: these enquiries range from businesses on the largest scale to those of the smaller types, which are necessary for the balanced distribution of industry and labour. It should be possible to secure the balance of industry in this region, particularly as Monmouthshire has such remarkable natural advantages as an industrial area—advantages which, in the national interest, must be developed.

Again, the Government have promised to give early priority to the building of the road bridge over the Severn, and plans are in hand for speeding up all communications with Monmouthshire and South Wales. These are facts of which some of you are already aware, but I repeat them in order to draw national attention to them and to show you that the future of your industrial area is in the forefront of our minds.

To our industrial plans you must add the proposed National Health Service. I have no doubt that when this measure does reach the Statute Book we shall achieve a great improvement in the country's health, particularly in the health of the less well-to-do members of the community.

This week you have heard of the Government's social insurance plans; these proposals are so fresh in your minds that there is no need for me to dwell on them now.

As the various plans unfold, and education is extended, national health is improved, employment is steadied, and

poverty is reduced, a striking transformation will take place in our social institutions; they will march well with the role in world affairs which this country has filled in the past five years, and the part which she will undoubtedly be called upon to play in the difficult decade to come.

These proposals are not idle dreams of a brave new world: they are practical and workable plans. But *can we afford them?* The answer is that we can afford them, and we shall realise them if—but only if—we are prepared to work for them. If we work together with determination, exercising initiative and enterprise in management, and giving fair play as between employer and workman, we shall rebuild the prosperity of Britain within a generation.

We shall, however, have to exert every effort to do it; it will call for much tolerance and a high sense of justice and of national purpose. We shall need all these things. There is no easy road ahead of us. Let me tell you the state of the national balance sheet. All this prosperity that we now see is artificial. We are living on credit. Day by day we borrow more and more, and we are piling up a vast load of debt—partly, it is true, to one another, but we all know the interest has to be paid, and will be paid on it. Look at our position abroad. Before the war we had enormous investments and funds abroad, all over the world: from these, in times of bad trade, we drew what we needed to purchase our food and raw materials. To pay for these in war-time we have had to sell £1,000 millions of these overseas investments. In addition we have borrowed over £3,000 millions, and we are therefore £4,000 millions worse off in our foreign balances.

If in the future we are to live as well as we did in the past, we shall have to make, and to sell overseas,

goods with which to buy food, our raw materials, and to pay the interest on our debts.

The prospect for the future is one of constant and unremitting toil for a generation. The hardship the Nazis have inflicted on this land will not end for many years after the fighting ceases. We have spent the lives of our young men: we have thrown into the struggle the accumulated wealth of years. We shall emerge strong in faith, steeled to endurance, with a great task before us, but one that is not beyond our powers. I believe so profoundly in this vision of a new Britain that I venture to appeal to those engaged in industry to join in the spirit of a national crusade in bringing about a great industrial revival. For the purposes of war we have done it: let us join to do it in times of peace. We must not allow the grievances of the past to govern the relations and conditions of the future. We are primarily an industrial nation: let us develop to the full our industrial capacity. Industrialists—and by that I mean both employers and trades unions—must lose no opportunity of forcing industrial output to the highest point and turning out goods with the maximum efficiency.

It is pointed out in the Government's White Paper on Employment Policy that various restrictions may impede the full flow of goods at proper prices, thereby endangering the standard of living that would otherwise be possible for the community. The Government are not prepared to countenance, in any industry, commercial arrangements by which prices may be stabilised at the expense of output and employment.

The Government are equally anxious that labour shall play its part in removing any obstacles to the expansion of trade and employment. Trade union practices exist which have just as serious an effect upon the volume of production and employment, and upon the standard of

living of other people, as do the restrictive practices found among industrialists. These practices arose when labour found it necessary to protect itself against unemployment: they were understandable. But I hope the positive way in which the Government now propose to prevent unemployment, and to maintain a standard of life for people temporarily unemployed, will open the way to the removal of restrictive practices and release for the national good the full productive power of labour.

To employers of labour I can say this: In your hands lies the initiative: Britain's future depends on your enterprise. There is great joy in building business, in finding new and better methods, in harnessing the new discoveries of science to the service of production. Often there's more joy than profit!

Whatever may be the level of taxation after the war, it is certain that the great financial rewards of the past will not be repeated in the future: business men will no longer be able to depend only on the stimulus of making and keeping great wealth. There are, however, other rewards than wealth: to share in creating the commercial prosperity of one's own country is no small satisfaction for personal endeavour.

When this war is over the world will be anxious to trade with us: they must trade with us: we are its biggest customer. The world wants our goods: we want the food and raw materials that other nations produce: there is a vast trade waiting to be done between us.

I say therefore to manufacturers: get ready to adventure forth: get ready to travel the world over in search of trade for British goods. Such were the Merchant Venturers who made Britain in the past: their spirit is not dead.

This enterprise that I open to-day;

the old spirit remains. In many countries our sons have shown the world the quality of British manhood in the struggle of war. The quality of our nation in peace will be the same as in war. Inspired by national purpose, and working all together, we will show again that peace hath her victories too—victory over want, victory over ignorance, victory over all those things that hinder or mar our realisation of national greatness.

THE VALUE OF VOLUNTARY WORK

Friends House, London, 7 December, 1944

Extract from speech (as Chairman of the Executive Committee) at a meeting of Officers and Members of County Branches of the British Red Cross Society

LET US for a few minutes contemplate the strange ways of progress and the attitude of mind of the country to these cognate problems of war and suffering. Look back to the Crimea War. Is it not amazing that not so very long ago British people, people very much like us, should have shown such peculiar callousness as to have so little concern either for the casualties of war or for the comfort of the troops who were engaged in it? Can you imagine what would happen if those things were to occur now? The struggles of Florence Nightingale that went on for so long would today be settled in a very short time. The question would be raised in the House of Commons, and before the end of the day a Government that had shown so little concern about the misery of soldiers would be rightly defeated and out of office. That is the difference between the temper of that time and the temper of today.

What has caused this change? Is it because we are better people than those who were our grandfathers? Is it because of the growth of knowledge, or because we are more sensitive, and have more imagination? Is it because we take more pride in our powers of organisation than they did in those days, or do you think it is because we care more for each other than they did?

You may be led into thinking that it is because we have a higher regard for the sanctity of human life. I do not think so. The sufferings at Solferino that moved the heart and stirred the soul of Henri Dunant—they were all on a field of battle: literally, on a *field* of battle. Now, at this moment we have 400 miles of people stretched out for the purpose of killing one another. The great advance in scientific knowledge enables people, without any danger to themselves, to fire rockets at us from 200 miles away and, so to speak, we are dead before we knew that they were coming. That is one aspect of the progress of science.

Look at our attitude to non-combatants. Only 25 years ago we should have been horrified at the totalitarian nature of war. Now we accept it. We bomb our enemies: they bomb us. Lives are lost, and we regard it as one of the things that has to be accepted in war-time. In truth, we have become so accustomed to it that we do not even stop our work. We hear the bomb come, and thankfully we hear it pass, and say, "Well, that's over." And then maybe the reflection comes—15 people have just lost their lives, possibly 100 homes are wrecked—and we go on with our work. It seems callous: yet we are not a callous people. At this same time there has developed a deep concern about human suffering, whether on the field of battle or in civil life; its relief has been recognised as a challenge both to the nation and to the individual.

Medical progress and social consciousness have made great strides, and you officers of the Red Cross and the St. John Organisations have given practical demonstrations of your conviction that it is the common duty of men and women to relieve suffering whenever the opportunity occurs to do it.

Will there be a need for the work of the Red Cross

in the future? Science will go marching on: science that is beneficent and science that is destructive. We shall increase our power to heal and we shall increase our power to kill. To be a realist about this is not to be a cynic! We hope that good will triumph, but we must be ready to deal with evil whenever and wherever it raises its head.

The Red Cross must be prepared so that it can deal with war if war comes. Now its organisation is magnificent. The nation cannot do without it. It stands, outside controversy, on the bridge that spans the horrors of war and the highest instincts of humanity. But think how much of our organisation is improvised. I was not in it at the beginning of this war. How ready were you? How did you know that you would have to create in so short a time this gigantic and all-embracing organisation? I recently went to see the place where parcels are made up. 26½ million parcels have been sent to prisoners of war in Europe! Parcels made up with such meticulous care that precisely the necessary food value shall be sent to the prisoners of war in each of the different prison camps. We as a nation are great improvisers, but we are bad at preparing beforehand. We believe it will always "be all right on the night"; we have been lucky—it *has* always been right on the night. But it is dangerous to trust too often to luck, and I think we shall be very well advised to keep this organisation prepared for future eventualities.

Let us look to the future: what will it be? Will there be any work for you? Does this Minister of Reconstruction who (according to the newspapers) is planning a new world, need your help? Will there be any room for the sort of work that you do? Ladies and gentlemen, it is not going to be a new world. The old world was not so bad that we want a completely new world.

There was much in it that was good; the sensible thing is to preserve what was good and to improve that which was not so good. Nothing could be more fallacious than to suppose that people want something totally different. This country is one of which we are proud to be members—why should we want something completely different? We want improvements, but let us beware of the danger in seeking perfection. A perfect world would be a most uncomfortable place for most of us. We should feel so out of place! We should feel as though we had wandered away from home! Nevertheless there is much to be done. I am sure that, in the world into which we are moving, there will be a great deal of work for people like you, and for organisations like this.

In war the State very wisely leaves to the Red Cross a large amount of the work involved in dealing with human suffering arising from war, and I conceive this to be because it knows that a personal relationship is needed for the relief of suffering and distress. In peacetime we shall still need "social pathfinders"—people with sensitive minds, people with imagination, people who are experimenters—and are not afraid to fail in experiments—people who are adventurers in betterment. That is a description of what you are when you are doing your Red Cross work and the social work that arises from the Red Cross work. Let us stick to it. Do not let us exaggerate what the State can do for people: always when emergencies arise we need volunteers; we need adventurers. I formerly controlled a very large Department of State. I had immense power given to me by Parliament. I had in my charge all the food that I could secure from all over the world. Then there came the London "blitz," and with that huge organisation and with all those powers, what happened? I called in the voluntary workers. I asked the W.V.S. to come; I asked

the Y.M.C.A. and the Y.W.C.A. and the Salvation Army if they would come and help. We were able to feed the people in the shelters because we called in voluntary workers. Let us dwell on that: it is worth remembering for the future. There was a Department of State, possessed of all power—and you were good enough just now to indicate that you thought it was not such a badly-run Department—but, in spite of that, I knew it could not deal with an emergency on an official basis. It was not money, it was not food, it was not power that we wanted. The people who had lost their homes—who were sitting on the steps where their front doors used to be, looking at the wrecks of their houses—they wanted food, but they wanted something in addition to the bowl of soup—they wanted the kindly word of someone who would go to them and show that they cared. That was why I asked Her Majesty, who symbolises kindly words associated with severely practical help, to allow me to call the volunteer workers in the "blitz" the "Queen's Messengers."

However efficient a Government organisation may be, I am convinced that there will always be a need for personal service. But social pathfinders must not become a "vested interest." They should know when to retire; when they have found the track, the proper thing for them to do is to point the way, and to leave the State, with its great powers, to make the highway along which everyone can travel.

People of my generation were trained in the tradition of philanthropy and of social service: I think the country has been better for it. We shall need it in the future, and I ask you, ladies and gentlemen, who are prominent officers in the Red Cross movement, to see to it that you pass on the torch, that you train the young people in your districts, so that they follow in the excellent way

in which you have led. Symbolise this by having in your district a Red Cross Centre, so that, in times of peace as well as times of war, there will always be this living symbol of the glory of the work you have done in war, and a promise of the work you will do in peace so long as the country needs you.

THE BUSINESS MAN'S PLACE IN GOVERNMENT

London, 17 January, 1945

*Extract from speech at the Annual Dinner of
the British Insurance Association*

THE world of politics calls for the long apprenticeship that is proper for membership of an assembly whose functions are mainly those of legislation. The ultimate end of Parliamentary discussion is to produce legislation. To legislate wisely, or indeed to criticise proposed legislation with effect, demands experience and capacity of a specialised order which it takes years to acquire. We have, therefore, tended in the past to separation between the men whose time is fully engaged in business and the men who are seriously engaged in determining national policies and producing the legislation that controls the present and the future destiny of our country.

War makes new demands on Government: in war, it's not legislation we want, but action—policies determined with speed in the light of constantly changing circumstances. These are times for risk. That is the field of the administrator, rather than of the legislator: it is the explanation, and the justification, of the importation into high places in Government during war-time of men from the world of business.

If it is clear that I am speaking impersonally, I would express the hope that this practice will continue after the war. Irrespective of the way in which political thought may develop in domestic matters, I think international forces will compel whatever Government, of whatever political party, are in power to be more concerned than

they have been in the past with the operations of trade and commerce. Such is the trend of the times: there are many instances of this. It is true that we complain of controls, although often the same people who complain about the imposition of them seek eagerly for their benefits. Indeed, let us remember that many people have led a very comfortable life under the operation of Government control: and they were not all Civil Servants. Merchants, manufacturers, bankers have had no anxiety about bad debts: there has been no anxiety about securing orders or indeed about prices. There never has been a more independent person in the community than the British farmer—or one who objected more to control. Yet I observe from them a demand for "fixed" prices, for "guaranteed" markets. I do not say that it is wrong: I make no comment, except to ask "guaranteed by whom?" The answer is, of course, the Government. Is that not an indication of a great change in political thought?

Consider the position of the merchant export houses. In the past they have been willing to run all the risks of losing money on their enterprises overseas: now many indicate that in the changed world of the future they will require to be guaranteed against political risks causing fluctuations in the value of currencies.

I observe during the war an increase in large-scale trading, not between traders, but between Governments. This creates new and complicated problems: in many cases matters arise that are outside the administrative experience of a Civil Service, or the political experience of legislators: they are matters of trading and commercial practice. For this reason I hope that, at any rate in the transition period before we arrive at the stable conditions of peace, Governments will be chary of taking responsibility for the determination of industrial and

commercial conditions unless they have guidance at the highest level from people possessed of the necessary knowledge and experience.

Problems of trade and commerce are of vast moment to the country. However well-intentioned the Government may be, if they are not fortified with the knowledge that only years of experience in industry and commerce can gain, they may do great harm whilst seeking to do good. It is, therefore; important that there should be continued in peace-time the habit of close consultation that during the war has been practised with such beneficial results between Government and industrialists.

SCIENCE AND RECONSTRUCTION

Saturday, 13 January, 1945

*Address to members of the British Association
for the Advancement of Science*

BRITISH people are persistent and unrepentant opportunists. An unreasoning faith in our destiny has successfully sustained us throughout the centuries—and in the end that faith has always been justified.

We have fought and won many wars in the past, but when peace has come it has been so welcome that we have rarely followed it by inquests; it has not been our national habit to allow the future to profit much from the experience of the failures of the past.

We have been content to be unprepared for prospective dangers and we have trusted to our natural capacity to meet the circumstances of the time as they arose. There are indeed many students of politics who consider this to be a sound political policy: they claim that the future is hidden so completely in the unknown that undue preparation is wasteful—and likely to be futile. On the other hand, there has developed in recent years a new school of political theory that places deliberation and thought above instinct and the popular judgments of the time: a school that believes in the submission of the people in general to the Government of selected groups and which deliberately and consciously organises the whole of the society under its control to achieve predetermined ends: such a society is rarely caught unprepared, and recent history has proved it capable of attacking great national projects with thoroughness and

competence, fortified by the service of its ablest brains. Such a philosophy abandons freedom in order to secure the benefits of specialised planning.

But such a philosophy is not in tune with the British way of life. Our instinct is to look with suspicion on those who would plan our future ways. That is natural. We shall be unwise, however, if we fail deliberately to ensure that in reconstructing our life after the war we have all the knowledge and the power that knowledge gives us over the forces, whether human or material, which constitute the make-up of our social life. We need not stumble blindly into the future. I reject the political approach of the totalitarians, in spite of their efficiency, but equally I reject the *laissez faire* doctrine of trusting to chance that we shall be all right "on the night."

Public opinion determines political action. I believe it will demand that in certain spheres the Government shall exercise a greater measure of influence than it did before the war. Whilst Government keeps in step with public opinion in this matter we need have no fear of totalitarianism, or the boggy of bureaucratic rule, or the loss of the freedom and liberty which we rightly prize.

Whilst we long for a return to freedom, don't let us delude ourselves into thinking that all was perfect in the past. No one who has been in Government during these last five years can be blind to the fact that the national policy during this current century brought us very near to defeat at the hands of our enemies on two occasions: and that there was great suffering and distress in our economic and social life at home even in days of peace. We feared to look danger in the face and we failed to utilise the power and knowledge that was at our service.

We were living at a time when the men of science were making great discoveries in many directions. We

gave them little support in their academic pursuits and small encouragement in the wider application of their knowledge. The universities were almost divorced from the practical men of affairs, and deliberate planning to meet either the needs or the dangers of the future met with little encouragement.

Wars wake people up. Those who take part in them gain vast new experiences that widen the horizons of their minds and increase their knowledge of men and of countries. Those who remain at home reflect on the mistakes of the past, and hope that the future will be better. This is the mood of the present time: but it was also the mood immediately after the last war. The hopes of 25 years ago were born to disappointment. Is it necessary that the hopes of today shall prove equally barren? It was my belief that they need not do so that led me to accept the office of Minister of Reconstruction, for I believe that if we use the knowledge and the stimulus which the necessities of war have given us we have much material on which to reconstruct a healthier and a happier society.

If we are wise we shall look at this knowledge and see what we can do with it. That is the scientific approach to political problems, no less than to those of medicine or philosophy. You will understand my inclination to take my first examples from food, about which I can speak from experience. Would it be unjust if I said that before the war the practical application of science to food was mainly in its commercial sphere: processes for preserving it against putrefaction: for making it more appetising: for producing substitutes? I do not decry these results of scientific study; some of them certainly improved our standard of life. Food then was regarded largely as a matter of appetite; but its function is not primarily to satisfy appetite: it is to promote human

growth. Before the war we thought we had food in abundance, and yet not less than 25 % of our population were suffering either from malnutrition on the one hand or improper feeding on the other. It is significant to remember that this happened after all our experience of the last war and after the grave disquiet aroused by the discovery then made that so many of our young people were of the C.3 category of military fitness. We remained unprepared to breed a nation that would be physically fit: we took few precautions to grow, and to store, sufficient food to insure us against the growing dangers of submarine attack against the ships on which we relied to bring our food from other countries.

Within a few weeks of my taking office in April, 1940, we were faced with a drop in our food imports of 50%. We were saved from starvation only by the application of scientific knowledge to the problem of securing the right foods; not those that would tempt our appetites, but those that would give us adequate nutrition.

This handling of a serious situation met with the approval and support of the public: it commended itself as a factual and practical approach that was based on knowledge. With the aid of science it was possible to prescribe and to administer a national policy which aimed at distributing food on the basis of its nutritional value, so that the particularly vulnerable classes—expectant and nursing mothers, infants and children—should have special protection because their needs were special, and the rest of the population should have a physiologically adequate diet. What we failed through indifference to do in peace, we did under the more difficult conditions of stringency imposed by war.

Much credit is due to your Association for what you did to educate the public mind on this matter. Beginning with the presidency of the father of the science of

nutrition, Sir Gowland Hopkins, at Leicester in 1933, and followed by the discussions at Norwich on the social implications of nutrition in 1934, and the great debate on its relation to agriculture and human needs at Aberdeen in 1935, the British Association hammered home the proven facts. People were forced to realise that nutrition, far from being a fad, was the plainest of common sense.

So, when the Ministry of Food applied to the problems of the nation's food the knowledge and standards that science had made available, it introduced a method that was understood by the public, and therefore accepted by them. Through this department the Government not only encouraged science, it applied it; and did so to the advantage of the whole nation. It made direct use of the scientist; it profited from the advances made by scientific research in the handling of food, such as dehydration, a process which had a double value in that it saved shipping space as well as preserving food.

Belatedly, we used science to make life more healthy and abundant. How great would have been the national benefit had we had the political wisdom to harness earlier to the knowledge of the scientist!

Scientific research applied to agriculture during these war years has made it possible for Britain's farmers to increase the yield of the land beyond the most hopeful expectations. Today, in the sixth winter of the war, the great "Combined Operation" which the Food Front represents, and in which the scientist has played such a conspicuous part, finds our standards of health well maintained; it is indeed, in many ways, actually improved, in spite of the stresses and hazards of war, whilst British agriculture flourishes and serves a great national purpose.

I beg the public of this country to secure that the

measures taken with such beneficial results, in the stress of the present emergency, shall be continued in the days of peace. The steps that have been taken to increase the consumption of milk, to encourage the eating of selected vegetables, to provide certain classes of people with orange juice, cod-liver oil, vitamin and calcium tablets, to develop communal feeding and meals in factories, and to expand the meals in schools scheme—these are not steps along the blind alley of opportunism enforced by war; they are, and must remain, an ordered march of progress along the open highway to the health of the future nation.

It is not, however, only in terms of feeding and of health that the scientist has rendered conspicuous service to a nation at war. From the first this has been a scientific war. In the earlier stages science, used defensively, helped to stave off defeat; now, in the offensive phase, it is making victory possible for the Allies. War acts as a forced draught upon inventive genius, and it is not without pride that we can claim that British research workers have maintained their great reputation for ingenuity and enterprise. Some thrilling chapters of the story of the success of science in arms have been given to you at this conference by the authors themselves; they will be amplified when the censor is able to relax his vigilance. I can, however, point the lesson for the future that is provided by these brilliant achievements. Very significant has been the application of the scientific *method* to the operational field. Eminent scientists are to be found at the right hand of our military, naval and air strategists, applying to combat the same scientific methods that are used in peace-time research. Taken out of their laboratories, away from the theoretical problems of physics, chemistry and biology, they have been at work on problems of civil defence, of combined

operations, of defeating the U-boats, and even of operations on the battle-field. These men of peace, working in an unaccustomed field, have given us great hopes of what planned operations may achieve in other fields of labour.

The part the scientist can play in the operations that lie ahead of us in the days of peace will be as great as the role he has played in military operations. He must be given his chance to serve. We shall look to the scientists to make their contribution not only by their researches, and by their ingenuity in evolving new materials and new techniques, but by their application of scientific method to our social and industrial problems. Housing, food, health, trade and industry, and the effective use of manpower, are subjects full of opportunity for the contributions of new knowledge. We cannot afford to lose the progress in knowledge and in method that we have gained amidst the disasters of war. In the post-war years we shall be too poor to be able to afford the extravagance of preventable ill-health. Scientific knowledge to ensure positive health must be extended and imparted to all classes and to the young and to the old. I hope this Association will continue its work of education on matters of health. We must not, for example, return to the days of "starchy satisfaction" that has little relation to nutrition. I would like to see in the curriculum of every school a short and compulsory course of instruction on the subject of food values and how to use them. I should like to think of the doctors of this country taking a more active part than they have done in teaching the laws of health through the laws of nutrition. That is work which must begin with the teachers in the medical schools.

The nation's fitness has been maintained in war-time with gratifying success and valuable lessons have been

learned for the future. The fighting Services, with their millions of men and women under controlled conditions, have provided a wealth of experience of social medicine which must be translated into peace-time civil practice. There have been great advances in research—in therapeutics, surgery, the rehabilitation of the injured, maternity and child welfare, and in applied psychology. The mass infections which in past wars have accounted for more casualties than the fighting itself have been conspicuously absent in this war. Even in the almost impossible conditions of the jungle doctors have accomplished wonders. The research work on Penicillin which with Government help has been done in this war would have taken many years in times of peace. Yet human life is as valuable in peace as it is in war. A national health scheme is a part of the social reform programme of the Government's reconstruction plans. It will cost money, but it will pay its way.

The problem that most interests the public at the present time is that of housing. I am in full agreement with those who demand that post-war reconstruction must begin with housing. I only ask those who demand houses to remember that the house builders who are now in the Armed Forces must finish off the enemy abroad before they can tackle the enemy of bad and inadequate housing at home. The problems of the scientist on housing are twofold. First, to determine the standard of housing that will enable people to live healthy lives; I think you have done that. The second problem is to apply scientific knowledge to the design and construction of houses: to use scientific method to build houses at less cost and to make the home a better place in which to live.

Science must come into the home as well as into the kitchen. **We want ventilation without draughts:** win-

dows that keep out the cold but let in the vital rays of the sun: fire grates that give the cheerfulness of a good coal fire to a room, but use the heat that goes up the flue to warm the rooms on an upper floor: fires that do not spoil the amenities of the neighbourhood by covering them with a pall of smoke. Here is a problem for the applied scientist—to combine efficiency and cheerfulness in the domestic grate. I am impressed by the scientific work that has been done on building research, and I believe that when the builders return from the Forces we shall, as a result of war-time planning, make within three years a contribution to the housing problem of this country such as has not been made in any previous decade. Not only will houses be built, but they will be homes in which the scientist will have helped to eliminate unnecessary drudgery for the housewife and to improve the health of the people who live in them.

To achieve success in this social programme, the importance of an expansion of trade and industry cannot be over-emphasised. Here the scientist must figure as prominently in the peace-time factories as he has done in the war industry of this country. If British industry is to recover and retain a pre-eminent position in world markets we must mobilise and utilise scientific research in ever-increasing measure. We cannot rest on our past. Our reputation for quality must be preserved, but we must also lead in technical advances. If our peace-time products embody the scientific ingenuity of which we have had outstanding evidence during the past five years we shall make great commercial strides. The skill of our craftsmen must go hand in hand with the efficiency of industrial methods. Our goods will be judged by their appearance as well as by their quality; more attention must be paid to design in industry. We must marry art to technology, and train designers not only in the prin-

ciples of their art but also in the technical processes of industry.

Fuel technology affords scope to the research worker for benefiting the nation as well as a particular industry. The possibilities of research into the development of a better use of coal are enormous. In 1913 only 15% of the available energy in every ton of coal was tapped. By 1938 this percentage had been doubled. It has been estimated that, if this 30% could be increased to 45%, it would be worth £60,000,000 a year, and this for an expenditure on research of perhaps £1,000,000! Research is profitable as well as beneficent, and we can no longer waste one of our most vital raw materials.

For trade and industry an expansionist policy has been outlined by the Government, who have for the first time accepted their full share of responsibility for maintaining a high and stable level of employment. If we are to succeed with this ambitious but vital programme, it must be our concern to see that new industries, made possible by modern science, are encouraged and developed in this country. We must not repeat in the 20th century the story of Perkins's discovery of the aniline dyes thrown to the German dyestuff industry for exploitation.

We shall need to borrow heavily on the resources of science. In order to make the best use of these resources a number of conditions must be observed and fulfilled. There must be a closer contact between scientists in industry and those in universities, between the theoretical and the practical, the pure and the applied. There must be greater integration between research and development: and there must be more pooling of information on new developments. War has forced us to adopt the principle of the "common fund" of knowledge. Scientific knowledge must be common knowledge; those who possess it must place it above personal or sectional

interest, and demonstrate that this principle can exist and thrive in times when danger from an alien enemy is no longer a driving force.

Research costs money: the State and industry must see it is forthcoming. We must not allow the position to continue in which only one-tenth of one per cent, of our national income is spent on scientific research: that valuable and beneficent work must not be left to live, as it has been in the past, from hand to mouth. Research must be well and securely endowed; the results of research must not be left to the tender mercies of the casual passer-by from the commercial world. In war we have seen the value of endowing development, of nursing new ideas and techniques through the difficult period of infancy. Someone must take care of the infant idea: it may become an invaluable national asset. You will recall Faraday's retort to the question, "What is the use of this new discovery?" "Sir, what is the use of a new-born baby?" he replied. Let us ensure that the State shoulders a share of this responsibility, and that, in industry, the smaller firms, as well as the larger, contribute to research associations and participate in group research.

I would like to see adequate funds at the disposal of the trustees of science; funds which would ensure that fundamental research would be well financed: I would like to see it applied to medical and agricultural research as well as to industrial research.

Nor must the horizon of the scientist himself be limited. The labourer is worthy of his hire. If the nation is to profit from science, if it is to acknowledge and repay the debt that it already owes it, science and scientific men must have the reward which their contribution to human well-being demands and justifies.

Let us tell the story of the progress of science to our

country and let us applaud it. During the war every soldier, sailor and airman has been in daily contact with the achievements of the scientist; this knowledge in its turn is creating understanding of what science can do in peace. Your Association has already done great work in this field; I pray that it will continue in well-doing.

Today, amidst the misery and anxiety of war, our eyes are straining into the future. We look to it with great hopes: we do not want a brand new world, but we do want a better world: a world refreshed by the acquisition of much new knowledge and an aroused public conscience. It must be a world that we ourselves desire, not one that is imposed on us. The omens are propitious. As I look on the vast armament of scientific knowledge at our hand I feel justified in my faith in the future of Britain. Let us be firm in resolution. Let us determine to build a society that will match our endurance in war and the bravery of the men who made a future possible for this country. It must be a society free to choose its own destiny, but one firmly resolved to remove from its midst the misery that has come in the past in the train of poverty, of sickness and of the failure to bring human understanding into the industrial world.

* All these things are possible if the spirit and the will of the people are resolved that they shall be ours.

COMBINED OPERATIONS FOR WORK AND TRADE

Bristol, 20 January, 1945

Speech to Industrialists and Business Men

TRADE is the job of the business man. Bristol, the ancient home of the Merchant Venturers, has always been a city of traders. It is fitting, therefore, that in Bristol today I should talk to you about trade and employment in the post-war years. If we are to restore the nation's prosperity and reconstruct its fortunes, a period lies ahead of us when the spirit of adventure will be needed as never before. But the spirit of adventure must be used for a common purpose. In war we have found that unity pays: that it brings victory and success in its train. So also, in peace, unity of purpose and work for a common end will lead to national prosperity; I believe that nothing short of it will bring us through the difficulties of the post-war years. But we must know what we mean by a common purpose. We must know what we are aiming at and, broadly, how we intend to achieve it.

The Government have defined the primary aim of our industrial policy. For the first time in our history the Government have accepted the responsibility for maintaining in this country a high and stable level of employment with a rising standard of living for our people. "Full employment," it is popularly called. In the White Paper under that title we have outlined the means by which this goal can be achieved. We believe in an expansionist economic policy—and I want to convince

the commercial community of this country that the proposals contained in this White Paper are both practical business and social common sense. I am fortified in this belief by the reception the Paper has had, both at home and overseas: it has influenced the political and economic thought of the world. It is being discussed in every English-speaking country and has been reprinted by the Government in at least one of them.

The realisation of economic policy is not, however, a task for Government alone. Government should lead: Government must play its part: but this new policy cannot succeed unless it has the understanding and co-operation of all sections of the community. Public authorities, business men and workpeople all have a part to play in it.

Let there be no misunderstanding about the formidable size of the problem. Social instability arising from unemployment is the greatest danger to our future. This was the rock on which our hopes of the last war were wrecked. We all remember how the free play of economic forces brought the booms and slumps in trade—and therefore in employment—which followed our hard-won victory on that occasion. We all remember the number of unemployed people, rising, on occasions, even to more than two and a half millions. The fear of a recurrence of such unemployment is ever present today in the minds of the workers in industry and of the men in the armed forces. That fear is the great danger to social stability.

Men want to work; to provide them with work is a challenge to the enterprise and capacity of the business men of the country. It is, moreover, a problem that vitally concerns the well-being of industrialists: depression doesn't affect only the working classes: many business men lost all their capital in their efforts to breast the swelling tide of depression of the thirties.

That history is one that we cannot afford to allow to be repeated.

Therefore I come today to an audience composed primarily of business men to explain the Government's policy in some detail and to look at this problem of trade and employment after the war from the point of view of the contribution that must be made by the business man—the employer in industry and in commerce.

There will be two separate stages in the solving of the problem, and conditions in the first, the transition period after the defeat of Germany, will be quite different from those that we shall have to meet later when we have also finished the war in the Far East. We must keep the second stage clearly in mind whilst we grapple with the conditions of the first and immediate stage. We must be long-sighted.

During the early part of the transition period our industrial resources will still be heavily engaged in meeting the demands of the Far Eastern war. Assuming that the same folly that embroiled Japan in this war leads her to stay in it until she suffers major military defeat, we estimate that, even one year after the end of the war in Europe, more than one-half of the labour and capacity now engaged in munitions production will still be on war work. Taken in conjunction with the large number who will still be in the Forces, fighting the war against Japan, this means a continuing shortage of man-power of substantial proportions to meet the growing demands of civil industry and the urgent work of reconstruction.

What are the problems that industry will have to face? The shortages created by war are spread over a wide area: for years ahead the demand for goods of all kinds will far outrun the supply. Over-riding all in popular demand will be the provision of houses. Next will come

the supply of all those necessary adjuncts to a home-life: the furniture and carpets, the pots and pans, knives and forks, tablecloths and sheets. And clothing, too—the clothes of even the most immaculate of the gentlemen of commerce proclaim them as shining examples of austerity.

Concurrently with satisfying the most pressing of these home consumer demands we shall have to begin to regain our export trade, nearly three-quarters of which has been sacrificed—and that, let it be realised abroad, by a deliberate act of policy—to the needs of the war effort. We must export: there must be no mistake, no false theorising, about that. From time to time I hear people asking, "Why this emphasis on exports? Why don't we look after home needs before we bother about foreigners?" "Before the war," they say, "exports represented only one-seventh of the total production of the country. Are they then so important?" The answer is that they are essential to the trade and life of the nation. Exports are as vitamins are to our diet if we wish to maintain health and vigour. We can produce in this island only a proportion of the food we need to support our population: nor have we in this country the raw materials to meet even our home needs of manufactured goods. To pay for these imports we must export. We must export to eat: we must export to live. After the war, to a greater extent than ever before, we must export *goods* to pay for imports. Before the war the interest on our overseas investments was available to help to pay for the purchase of imports. It amounted to £200,000,000 a year. In the emergency of war we have had to sacrifice capital assets to the extent of £1,065,000,000: this was the figure up to June of last year, and, by that time, we had incurred new liabilities to the amount of £2,300,000,000. This sum is now con-

siderably larger. We are therefore faced with the task of increasing the volume of our exports by at least fifty per cent, over the pre-war figure.

There are some steps that Government can take to make it possible for industry to achieve this expansion of the export trade—and, as a Government, we are determined to take them. In the first place, we cannot export unless oversea markets are open to us. The Government must, therefore, make arrangements with other countries to encourage a full and free flow of goods. To this end, they have given their accord to the Atlantic Charter: they have entered into a " Mutual Aid Agreement" with the United States for action " directed to the expansion of production, employment and the exchange and consumption of goods." They have accepted the recommendations of the United Nations Conference on Food and Agriculture, one of which laid down that " freedom from want cannot be achieved without effective collaboration among nations." The Government are continuously engaged in discussions in the fields of monetary, banking and commercial policy which they hope will provide the basis for fruitful collaboration between the nations in the future. There are welcome signs that our American Allies are thinking as we are about economic international affairs and are as determined as we to work for an expansionist policy which will enable each nation to maintain employment at a high level to the mutual advantage of all. That is a welcome and encouraging fact.

Don't let's be afraid of trade rivalry with the United States of America. There is plenty of room in the world for the trade both of Britain and the United States. We are allies, fighting against common enemies—that is all that matters now. We are people speaking the same language, but with custom* and traditions that are

different. There is nothing to be gained by our exaggerating the differences and finding fault with one another. I deprecate this recent press outburst of bickering which is called plain speaking. It is easy to find one another's faults, but it's not wise to make a score that leaves a scar. The scar may be remembered long after the score has been forgotten.

In addition to seeking good international understanding, we have also been active at home. We shall shortly introduce legislation to expand and strengthen the export credits scheme. Parliament will be asked to raise the limit of the Government's liability under export guarantees from the pre-war figure of £75,000,000 to £200,000,000; to increase the sums available for the backing of the re-export trade and to abolish certain restrictive conditions which hampered the pre-war scheme.

A few months ago manufacturers were encouraged to ask for facilities to undertake preparatory work on post-war export models. The latest figures show that 792 applications to make designs and prototypes have been approved and only 30 rejected for the time being. This invaluable work of preparation is now proceeding in almost all the major industries of the country: it is proceeding without detriment to our war effort.

Government Departments are studying overseas markets: reports dealing with economic conditions in twenty-six countries are in an advanced stage of preparation. It is our intention to employ a large number of marketing officers among our official representatives abroad.

None of these measures will, however, avail if the goods are not so designed as to satisfy both the customer's needs and tastes. Design will play an increasingly important role in the success both of our manufacture and marketing. The Government have given full recognition

to the importance of this aspect of trade by the recent appointment of a new Council of Industrial Design which will be linked with a number of design centres in the different industries.

To help in the maintenance and improvement of the technical quality of our goods we have approached industries to discover whether they wish legal powers to make a compulsory levy for industrial and commercial research. Our national reconstruction recruiting campaign should begin by the extended use of scientific method and research, both in production and marketing—and the experience of these war years has proved that British manufacturers know how to use and adapt scientific knowledge in the factory.

Government can, however, only provide the right conditions for a rapid expansion of our exports: industry itself must do the job. Business men must take the initiative. They must co-operate: individual effort is not enough to meet a national need as great as ours: I suggest that they should extend the practice of forming their own export groups and sharing knowledge and production. They should be prepared to supplement any market research which Government officers can provide for them by having men from their own trade organisations in the foreign markets, watching trends and sizing up possibilities. Individual enterprise is on the march again: since July last 1,512 exit permits have been granted to business men to travel abroad: that is a welcome sign.

Sound research, apt manufacture, imaginative salesmanship: in all of these we must excel, and we are capable of excellence.

I have always felt that there was a great scope for the further standardisation of British goods for export. I suggest that groups of exporters might collaborate in

the production of a selected and limited number of high quality articles, which might carry a special mark—a British mark—and which would be particularly suitable for the markets we attack. There have been examples of this in many British industries in the past; this technique is capable of development and expansion to the profit both of industry and of the nation.

It is important that, after the end of the German war, British enterprise shall not concentrate on meeting the immediate *home* demand. There will be a strong temptation whilst trade is brisk to snatch a quick profit in a sellers' market. That temptation must be avoided. We must look ahead. The world also is hungry for our products, and we must not encourage our customers overseas to find other sources of supply. We must get out quickly into the export markets, re-establishing old connections and creating new ones. In foreign trade lost ground is not easily recovered, especially in the trade in capital goods.

This, then, is the task on which we must begin, as soon as the war in Europe is over: to meet a pent-up demand at home and to restore a truncated trade abroad. It is, indeed, a formidable task; but we can do it, and we can certainly take courage from the war record of our industries. Let us glance for a moment at a portion of what we have achieved. Since 1929 the rate of output of munitions and warlike stores has been increased six-fold, and the weight of aircraft produced by a similar proportion. Measured in calories and proteins, our home output of food has been raised by seventy per cent. Remember these astonishing results have been achieved under extraordinarily difficult living and working conditions, and with so many of our young and vigorous men and women away in the fighting services.

What has been done can be done again. We want

"Combined Operations" to win the battle of production in peace: Combined Operations of Government, employers and employees. By this means we shall win through the transition period. It will take time: we did not reach full war production until the end of 1942, and the task of retracing our steps will in some ways be an even more difficult one.

One thing is sure. In this transition period, while demand outruns supply, workers will not be haunted by the spectre of unemployment. The work to be done will often be different from the work that people have done during the war: the pay packet may be smaller when overtime ceases: the work may not be with the same firms, or indeed in the same district. This thought is disturbing to many now working on munitions, but with common sense and consideration, and with readiness to show reasonable adaptability, we shall soon overcome the economic disturbances of the transition. If we have industrial peace we shall secure industrial prosperity for a long time ahead.

Certainly for some years there will be no lack of work to do. But the time will come when the temporary and abnormal demands which result directly from war scarcity, deprivations and damage will have been satisfied. The question that is troubling the working men is this: "Shall we then fall back into the conditions of mass unemployment, the fear of which caused the strikes, disputes and discontent which prevailed before the war?" We need not, and we must not.

In recent years economists have been expounding with increasing confidence, with agreement among themselves and with a widening circle of assent from the educated men of commerce, the view that mass unemployment can be avoided without sacrificing the essentials of freedom or of our democratic principles. The Government

believe that these views can be applied successfully in practice, provided that within the community there is sufficient social cohesion to foster a sense of responsibility and understanding of the problem and of its possible solutions.

If, for any reason, the total demand for goods and services threatens to prove insufficient to keep the population at work, then the State must step in to stimulate construction or consumption, or both, in order to redress the balance.

There are various methods by which the Government intend to discharge their obligations, but here again there must be combined operations between the State, industrialists and labour. Let me mention two ways in which responsibility will lie upon business men and trade unionists. In the first place, industrialists must be prepared to follow, within the limits of ordinary commercial prudence, the policy laid down by the Government regarding capital expenditure. Expenditure on extensions of buildings and the purchase of new machinery represents one of the most fluctuating elements in our total national expenditure. It is understandable. It is prompted by prudence. It is not easy to go forward with confidence with plans for expansion when markets appear to be sagging. So we all sag together: pessimism becomes an epidemic: one trade infects another. We must secure greater stability in capital expenditure by private industry. One method suggested is for the State to control this "investment" policy. I do not subscribe to that suggestion. Successful private enterprise depends essentially upon individual decisions, made by producers who are constantly adjusting their policies to the conditions of production and marketing. I cannot imagine that this process of fine balancing and re-adjustment could with the slightest chance of success be carried out

by groups of officials at the centre, remote from the details of each case and with no personal interest in the outcome of their plans. Overall centralised control might give us stability, but at too great a cost to progress!

Nevertheless, if we reject this approach we must find a substitute in the voluntary system. There will be periods in the future when the Government will indicate to industrial federations that there are indications of a probable forthcoming relapse unless remedial steps are taken. That will be the time for industrialists to take their courage in both hands. They must share the belief and the confidence of the Government that the industrial decline can be prevented. They must help to maintain total expenditure and income by refusing to be "rattled" or diverted from their long-term plans for capital extension because of the immediate and temporary conditions. The fight against unemployment is a worthy battle for the nation: we must win it. The struggle for immediate profit must give way to the struggle for stability. With courage and considered confidence we can win it: clouds always break. For competent and well-founded businesses to spend capital in times of slackening trade is not only a national service: it is sound and profitable investment.

Let me now say a word to labour. A policy of maintaining full employment involves playing with fire—the fire of inflation. That is a real danger, but do not let us be over-anxious about it. It is true that the first man who used fire under a boiler for generating steam-power was accused of running grave risks. We must apply the proper safeguards: in using the method of increasing total demand to prevent unemployment we must not let the system run away from us in a spiral of rising prices. That will demand great restraint and great wisdom on the part of organised labour. I look forward to an

increasingly high standard of life for the people of this country, but the general wage level cannot be raised more rapidly than our productivity increases. We have to earn our standard of life. The policy of full employment does not promise wealth without work for anyone; but we must recognise that. Full employment increases the bargaining power of labour. Unless that power is used with a full sense of responsibility, the whole policy of maintaining employment will ultimately be wrecked. The wage earner will be the chief sufferer: though he may take home every week more pieces of paper money, each piece will buy fewer and fewer goods. If wages start to chase prices our plans will have failed, and the working people will suffer as they saw others suffer on the Continent after the last war.

I must make this confession to you: the policy of maintaining employment as outlined in the Government's White Paper has never before been tried in any society determined to preserve its democratic traditions. But I speak to the descendants of Merchant Venturers. I like to think that our children will look back upon the introduction of this policy as a progressive step in the application of democratic principles, and a step in which England led the thought of the world. We now recognise to the full—and the whole world recognises—that the toughness of British *political* fibre and the solidity of our social organisation arise from certain qualities that our citizens at their best have always shown—tolerance, readiness to listen to the other man, and a human concern for his interest. This Government plan for employment gives us the opportunity to exercise these qualities in our *economic* life, to impose upon ourselves those restraints and to embark on those adventures in our economic relations which will serve the common good.

Together let us rebuild Britain's trade. Let us build up a new and active partnership between Government and industry, between one industry and another, between employers and trade unions—a partnership that brings peace, stability and prosperity.

Government has defined its industrial policy. It is a policy of which the public approves. Business men must take the lead in it or surrender it to Government. The battle against unemployment must be won. Industry has said it desires freedom from Government control; it admits the need of a floor below which wages and working conditions shall not fall. But if our society is to have, and to hold, its cherished freedom, the business world and organised labour must both, and together, accept this challenge to win the battle against unemployment.

Life in Britain in the future must be worthy of the sacrifices that have been made by this generation. This is the greatest hour of our history and a time when our young by their example daily rekindle in the nation the quality of courage and the hope for adventure, qualities on which, with confidence, we can resolutely and confidently rest our future hopes.

THE MOST PRESSING PROBLEM OF ALL

Wulfrun Hall, Wolverhampton, 26 January, 1945

*Speech at the official opening of an Exhibition
entitled "Wolverhampton of the Future"*

I HAVE come to Wolverhampton today to open this Exhibition and to pay tribute to a far-sighted municipality who have outlined so commendable a democratic policy. I have seen this Exhibition: I found in it bold, adventurous planning for the future: a plan that is flexible: planning that is patient: planning that is prepared to be tolerant of the views of future generations: and, perhaps most remarkable of all, planning that accepts the proposition that it will pay for itself. This is an unusual catalogue of virtues in a town plan.

Planning is not universally popular or generally considered to be necessary: it is associated, in the average mind, with visionaries and idealists who have no thought for cost. That is why some practical people are inclined to disdain the word "planning," and forget that the most successful people in the manufacturing world, the most practical world of industry, plan their production with great care. Town and country planning, in principle, is a paying proposition: I say nothing about any individual place or plan: but if, in the next decade, we are to avoid wasting money, a master plan for each of our towns must be produced before we begin post-war building on any extensive scale. We must try to imagine the whole before we begin to build the parts.

After the war large sums of money will be spent in rebuilding our towns: some of the buildings that will

be erected may well last for a hundred years. Is it not plain, practical common sense to try to look into the future before building begins, to visualise what the requirements of a particular district are likely to be, assuming normal development? If we look ahead in that way, and if we make good, sensible guesses about the future, our capital expenditure will be so planned that, throughout the long period of life of the buildings, the public who pay for them will obtain the best value for their money. Money is wasted if buildings, because they have not been well planned, have to be rebuilt before their earning capacity is exhausted.

This suggested plan for Wolverhampton is not a statute: it is a proposal. It is a White Paper. So it starts off well. It follows a similar line of policy to the one which, since I became Minister of Reconstruction, I have followed—and for that I like it the more. It places clearly before the public an idea: it invites discussion unfettered by party or other loyalties, and so gives the public the opportunity of forming an educated opinion on the proposal.

This is wisdom. If we are to be prosperous after the war, neither towns nor businesses can afford to ignore sound planning. But if we are to be free as well as prosperous the plans must be our plans—democratically devised and flexibly administered, as you in Wolverhampton evidently intend.

Many people will be startled by the prospect you put before them. One of the reasons why planning is so often derided as starry-eyed idealism is that many of us have a natural nostalgia for the past. We fit into our old clothes better than into new ones: we fit into the world we know more securely than into the prospect of the future, and so we ask, "Why change? Was it not good in the past?" It is true that the past was

very good—for some of us: it was good because we made it better than its past: that is life and progress. But, whether it was good or bad, it is past, and the future is not going to be the same as the past.

Let us, therefore, welcome this spirit of adventure, looking forward with faith that the future can retain what was good in the past and improve the heritage we pass on to successive generations. Many of our cities will be rebuilt in the next few years: let us ensure that the work that is done in these early stages conforms to a long-term plan, and let it be worthy of this great period. Present needs and future requirements can be made to dovetail. Most of our roads were built in the age of horse transport: mechanical transport has brought great benefit to our towns, but has created new demands. We must prepare for its further development: some of it is better left outside the town. We must decide where new factories can most suitably be situated: many of them can be housed in factory flats. We must give people space in which to live and to play: and we must recognise that in the future office workers must have better accommodation in which to work than many of them now have.

This is planning for the future: it seems to me to be both practical and sensible. In commending your enterprise I have but one plea to make. It is that you will remember that you are planning for people with homely tastes and desires. When an artist is told to plan a new town it is not surprising that he draws beautiful plans. But the architect's dream may not be the people's paradise. Whatever is done about public buildings and shopping streets, I beg that you will so plan your housing that people will have some sense of community life around their homes. Now is the time to make those plans, and I am glad to see that you are planning not

only houses, but also churches, schools, shops and places of entertainment.

I was glad also to see that you have arranged for space for allotments. This is wisdom. We live in an island: the more we know about growing our own food, the greater the opportunity we provide for doing it, the safer we may be in the future and the happier we shall be in the present. If we provide for allotments in their proper place they can be beautiful as well as useful.

Except in so far as they concern housing, these plans cannot be put into execution for some years. I observe that the committee comment on this in their report: they say, "Undoubtedly the most pressing of the post-war problems will be the provision of houses." They are right: houses are priority No. 1A, and this is a problem about which I would like to occupy your attention for a few minutes.

Let us look at the facts. Before the war we were building 350,000 houses a year: some were built by local authorities, the majority by private enterprise. That building has been suspended for over five years. If we had not been at war 1,750,000 more houses would probably have been built during this period. Meanwhile our needs have increased. To this loss of new housing accommodation must be added 450,000 houses that have been either destroyed or rendered uninhabitable, and a further 4,000,000 that have been damaged by enemy action.

That is the problem: it is a large and a grave problem: it is one that arises almost entirely from the war, and its solution must be found by applying to it the spirit with which we have faced our war problems. It is no more a question of party political division than was the question of building aeroplanes or tanks. I work, and in harmony,

with all three political parties in the State: I see no difference in the desire of each of them to secure that the maximum possible number of houses is built as quickly as possible.

Hard facts, and not political resolutions or election propaganda, will determine the extent of house-building in the next two years. The vital factor will be the supply of labour that will be available whilst we are still engaged in war with Japan, although Germany may be beaten.

People expect Government to deal with facts. It is by performance, and not by promise, that we shall be judged. Whilst the Japanese war goes on, and whilst we are taking our part in the control of enemy territories in Europe, we believe we can have 300,000 permanent houses built, or being built, by the end of the first two years. In addition to that we shall erect temporary houses to the extent that labour and suitable factory space are released from the production of munitions. The over-riding limitation to any building programme is the shortage of labour. By the end of the first year after hostilities cease in Europe we shall secure, by special releases from the Forces and by training schemes, a labour force in the building industry of 800,000 men. This force will be built up progressively over the whole year, starting from the present figure of less than 350,000: the average strength throughout that first year, therefore, will be about 500,000—only one-half of the pre-war number.

We must also remember that for building houses other labour is necessary in addition to that of the building industry. Baths, pipes, windows, doors, fireplaces, and many other house fittings have to be manufactured and brought to the housing sites. During the last few years production in many of these industries has been either restricted or diverted to war work. Labour must be

drafted to them to get them working again for the peacetime production of house-building accessories.

When I stress the shortage of labour I do not imply that our supplies of materials will be sufficient for all the houses that we should like to build. Some materials and components will be scarce, although there again the ultimate cause of the shortage will be manpower. There will be other cases, notably that of timber, where the shortage is due to other causes, such as shipping or exchange: some of these shortages will have to be remedied by the use of alternative materials. In the main, however, we expect to have enough materials to keep fully employed all the labour that can be applied to house-building.

We face one great danger—that of the whole housing programme being wrecked on the matter of price. After the last war the Government of the day was, I suppose, just as anxious as we are to get houses built. Local authorities were then authorised to build 160,000 houses in the first 16 months: they only built 1,200, whilst, between May, 1919, and September, 1920, the prices of houses increased by 50 per cent. The local authorities had been allowed to invite tenders that were beyond the capacity of the building industry: so prices rose—and building stopped! We shall have a big programme, but this time, whilst scarcity lasts, the control of the Government and the good sense of the building trade will keep prices to the level at which we can secure continuous work for a decade for the building trade.

This time the Government will plan the scale, the scope and the pace of this socially-strategic operation. The spearhead of our attack will be the local authorities and the building industry; but, in the light of our knowledge of the resources available, the Government will decide from time to time how many houses each local

authority shall undertake to build. New methods of construction will be necessary to meet this vast demand for houses: I believe that many of the lessons we have learned in preparing pre-fabricated "temporary" houses can be applied to permanent house-building. If, by the use of these methods, we can provide more permanent houses instead of temporary ones, that will be a domestic benefit and a national economy.

We shall bring down the cost of building not only by these new methods of construction but by trying to secure increased standardisation of fittings. The number of fittings made before the war was absurd and almost unbelievable: I think we could obtain all the variety we want from 28 sizes and grades of cisterns instead of 120, and out of three, instead of 40, different designs and sizes of baths. We can obtain the benefits of mass production whilst retaining a sufficient degree of individuality, and the Government have told local authorities to secure this economy from standardisation.

As a Government, we shall see that labour and materials are released to firms who will make the component parts of houses. We are prepared to take this responsibility in the fullest measure to ensure that supplies are available at a controlled price, whilst the demand so far exceeds the supply. We cannot, however, afford the time to allow manufacturers to wait until orders come in from builders all over the country. We must give them an assurance, if they need it, that they can proceed with large-scale production of standard types of components and fittings, and be certain of a market for them. We have, therefore, estimated the total demand for these articles, and their production will be planned under a properly-phased programme, so that the various parts come forward at times that correspond with the progress of house-building. During the war we have

had ample experience of this complex business of planned production: there are many component parts to a house, but many more are used in the making of a Lancaster or a Halifax, and we have made plenty of those recently.

This, therefore, is the Government's programme. First, housing that is planned as to its location so that it may enable people to live in places that are healthy and convenient to their work and leisure. Secondly, to release, train and organise an adequate labour force for building immediately after the end of the war in Europe. Thirdly, to organise our manufacturing resources so that supplies of builders' materials and accessories are available. And fourthly, to urge local authorities to prepare now the maximum number of sites and then, when the signal is given, to place orders in such a manner that we speedily obtain houses without an inflation of prices. I hear and I read that the public wants to know what is the Government's housing policy and plan. I have taken the opportunity of this occasion to define them: I hope I have done it with a clarity of definition that can leave no doubt in the minds of reasonable people.

When I first took office as Minister of Reconstruction, I said I would make no promises: I am interested in performance. I tell you now, therefore, that, whatever methods we employ, the supply of houses will, for a time, be inadequate to meet the fall demand. This shortage is one of the payments that war will exact long after the cease-fire has sounded. No effort of Government will be spared to secure the maximum number of houses, but we will not make rosy promises: if it transpires that our performance outstrips our promises, then the credit of Government will be enhanced.

In commending your plans for Wolverhampton, I have dwelt longer than does your brochure on the housing problem: that may be because you thought that housing

was the business of Government. The Government have their part to play, and we shall play it: I have tried today to show you how we shall play it. But the local authority is the housing authority, and by that good democratic principle we shall secure the houses that are most suitable for the neighbourhood and for the people who have to live in them. Housing is at the root of all progress and of all planning, because it concerns the family and the home: and the home is the centre, the core, of British character and British greatness.

SOCIAL STABILITY THE FOUNDATION OF PROSPERITY

Durant Hall, Newcastle, 24 February, 1945

MUCH of post-war planning is necessarily concerned with material matters—with the reconstruction of the industrial and commercial life of the nation. But the human aspect of national life transcends the material in importance, and side by side with problems of housing, overseas trade and industrial reconversion we are preparing for a wide extension and development of our national social services.

War quickens the social conscience of a nation and changes current habits. It is proper that it should engender a widespread sense of gratitude to the men who have fought, and a deep concern for those who have suffered. This war, even more than any others we have endured, has been a great leveller. A system of universal conscription for men and for women has brought all classes into the nation's battle; war has come to us in our own country and in our own homes. The suffering and havoc caused by bombing has made us more acutely conscious of our common risks and of our dependence upon each other. There have been great personal and social upheavals. Vast numbers of our young people have been removed from the routine that, in other circumstances, they would have regarded as their normal way of life. There are indeed few of us who have not been subject to changes, and to anxieties and disturbances, which have affected both our ways of living and our attitude to life—and to one another. These new and unexpected happenings have made us ready to con-

sider a future way of life in this country based on a somewhat different pattern from that of the past.

Circumstances compel changes—many of our towns must be largely rebuilt. Many of our industries that have been either closed down, or had their peace-time production changed over to the making of munitions, must be re-established.

These necessary changes have inevitably suggested to progressive minds that when we rebuild we should improve on the past. In the interests both of the nation and of the individual, those of us who are charged with the responsibility of Government have thought it right that we should not trust to the blind operation of circumstances to determine the shape of our future national life, or to the indiscriminating chance of misfortune to determine the fate of the individual. My duty as Minister of Reconstruction has been to try, in association with my colleagues, to cast a penetrating eye into the mists of the future; to consider the hopes and desires of the people of this country—and particularly the young people, to whom we have especial obligation; to seek to evaluate the industrial and commercial capacity of the nation, and, on this estimate of the material at our disposal, to prepare, as an architect does, the plans to which the builders of the new Britain should work. We have prepared these plans. Whenever the war may end, the working schemes for demobilisation from war and for reconstruction for the future are ready. As is almost inevitable with a man trained in the practical school of life, I must confess to casting an envious eye sometimes on those who will have the satisfaction of doing the job rather than of planning for the unknown.

Many people delight in building castles in the air. I notice that this pleasant pastime grows in popularity as an election approaches. It would have been easy for us

to have created a series of plans based on a romantic ideal and an optimistic outlook of the sort of life we would like for our people, and of the industrial organisation that this country ought to have, and indeed of how quickly things could be done. We have resisted that temptation. I will be no party to wild speculation on future possibilities. I have not allowed the office of the Minister of Reconstruction to issue plans about the future unless I myself, the Chancellor of the Exchequer, and other Ministers more experienced than I in the practice of Government were convinced that the plans we propounded were practical and likely to prove acceptable to the electorate of the nation and to Parliament. The people of this country don't want grandiose schemes: they don't want blue prints of what might be done: they want to be told what can be done and when: they want practical plans that will give them houses in which to live, food to eat, work to do, and the chance of a fuller life for their children than they themselves had. These are indeed humble and elementary human demands from a society as civilised and as sensitive as ours.

But there is one further thing they want: it is to be relieved of the overhanging dread of what may happen to them and to their families if misfortune comes their way. It is on this latter point and on this aspect of our reconstruction plans that I have come to Newcastle to talk to you.

It is proper that I should come here, for Newcastle is to be the home of the largest single unit—the lynch-pin—of the new Ministry of National Insurance. Let me tell you what this new Ministry will do. No Ministry has been more publicised at its birth than has this one: I think I may say that no child of Government has ever been so widely advertised before its birth, and about

none has there ever been so much doubt as to its precise paternity.

In the first place, the Government, through Mr. Arthur Greenwood, appointed a committee to consider the broad issues of social security and to make recommendations as to what might be done. The Government asked Sir William Beveridge to preside over this committee. The result was a report of a most stimulating character. It was not the business of that committee to work out the final detail of proposals in legislative form. When the report was finished a group of Ministers tried to work out practical proposals that would be acceptable to the country and that would be capable of being translated into legislation and into practice. These proposals represent a vast and complicated mosaic of detail: they bring together in one scheme a whole range of services designed to give "social stability."

You will notice that I say "social stability," not "social security." Sir William Beveridge in his report talked of a plan for social security. We did not like this title for our scheme or for the new Ministry which has now been set up to administer it. Security from the evils of mischance is indeed one of the primary aims and objectives of this Government. But by social security we mean far more than a minimum cover against misfortune to be bought under this plan for personal contributions of a few shillings a week to an insurance fund. Social security means far more than this. Full employment and full opportunities for education, a rising standard of living, good housing and enough of it, improved standards of public health—all these go to provide the sense of social security which we want to build up in our time and to bequeath to the next generation as our contribution to the well-being of a great Britain.

National insurance, and the services allied to it, are

only a part of this larger plan. Before I ask you to look at that part of our plan let us take a glance at the past. In the period of my own lifetime, if a man or woman had to resort to public help in times of distress it was considered an act of social degradation, and indeed of political ostracism. That was the world in which some of us were born. It is easy to applaud the virtues of such a system. To those who were strong it added strength: it encouraged hard striving and great endurance, it brought rich rewards to the successful and the self-reliant. But there was another side to it. It involved great, and often unmerited, distress. It engendered a sense of injustice. Have you not, in this city, seen hard-working men lose their employment, compelled by necessity to sell up their homes—whilst they and their families were slowly driven to destitution and hunger and despair? Can we, in good conscience, say that all those men merited the misery and misfortune that came to them? Have you not, from your charitable hearts, subscribed according to your capacity for the relief of their unmerited distress?

Always the heart of man has responded to human suffering, and that is a noble and proper gesture. But it's more intelligent to use our national power for the prevention, rather than the relief, of human misery. Our greatest national wealth is our skill and our labour power. To preserve that wealth against preventable depreciation we have decided to embark on this organised scheme of national insurance. It is comprehensive, for it will cover all the main risks. It is universal, for people of all classes and occupations will stand in together, sharing the burdens of each other's misfortunes, just as we have shared them in war. And it is a blend of new and old, for like most of the good things in this country

it has its roots in the past and much of it has been justified by test and experience.

From the past we have taken the well-tried schemes of State insurance that have been growing up over the past thirty years, schemes in which the Prime Minister takes pride in having helped Earl Lloyd George to formulate. We have given them a new scale and a new scope.

From the past also we have taken the idea of workmen's compensation. But the system that has been in operation for many years will now be put on a different basis. For the first time the relief of loss of earning power through industrial injury will take its proper place as a social and national service. All the nation shares the benefits of our industrial life: all will help to meet its human calamities. Allowances will be related to disability, and no longer determined by the previous earnings of the injured: the atmosphere of the law courts that surrounded the old plan will be removed.

Now I come to what is entirely new in the scheme. First there is the system of family allowances. Pre-war experience showed clearly that malnutrition and other forms of social distress were more commonly and more damagingly found in households with a large number of children than in any other section of the community. Family allowances are not designed to meet the whole cost of the children, but to supplement the income of families with more than a single child. The scheme will give that extra amount of income which should ensure that large families get enough to eat. Coupled with the scheme for providing free milk and meals in schools it will, in my opinion, do more to improve the nutrition and welfare of the younger members of the community than any other single measure in the social history of this country.

The second great new venture which is allied with this insurance scheme is the Government plan for a National Health Service. A healthy and vigorous manhood and womanhood is essential to our national prosperity. A rising standard of living is dependent on increasing industrial production. Without health we cannot have that increase. People who are not well cannot work well. This is therefore not only a personal and human problem concerning the individual who is sick: it is a national and economic problem and concerns us all.

In the operation of the National Health Insurance scheme we have had 25 years' experience of the value of an organised health service. From that experience we have been emboldened to create a national scheme that covers the entire family—and covers it throughout its life. We have put forward proposals which, without destroying the freedom of the medical professions, will provide a full range of health services for all who wish to use it. No one will be compelled to use it. But to those who do, it will offer the care of a family doctor, freely chosen by the contributor, the skill of consultants, treatment in hospital, dental and ophthalmic treatment, and all other services essential to health. This scheme will open up to the whole public the great and beneficent services which medical knowledge and the skill of its practitioners can render to the community. No longer will people struggle on enduring bad health because they are afraid of the cost of calling in the doctor. This nation can't afford bad health: it's a luxury that only the wealthy can afford!

Under these plans, operated for one stamp on one card, all persons whose capacity to support themselves by their own earnings is interrupted by bad health, unemployment, industrial injury or old age will have an

assured minimum income to which they have paid their proper and equitable contribution and on which they can rely when the time comes for them to need it: and if it never comes—well, they won't complain of ill luck.

Let it be clear that this minimum income won't cover the whole of the problem for everyone. There will be a minority of people who, for various reasons, may still find themselves severely embarrassed. Insurance on this national scale cannot provide for the exceptional cases. So behind them there will be a supporting structure, a supplementary service of national assistance, and it will be administered by one central Department of Government, instead of 200 or more local authorities as at present.

I have tried to lay before you an outline of our proposals. They will be brought before Parliament stage by stage. Already by Act of Parliament we have established the Ministry that will be responsible for their execution. Last week we presented our legislative proposals for family allowances. During this session of Parliament we hope to introduce a Bill for dealing with compensation for industrial injury. We are now drafting a Bill, which I fear will be one of great complexity, for bringing health insurance, unemployment insurance, widows' benefits, funeral and old age benefits into a comprehensive measure which, because it has been agreed by a Coalition Government, every major party in the State is committed to bring into being as soon as it is ready and as soon as parliamentary time permits. Whatever Government we have in the future, and whatever party may be in power, the leaders are committed to this programme of National Insurance.

I conceive it to be a great scheme. I believe that it will enable the people of this country to survey their

future with confidence. It will relieve them of the debilitating anxiety that, for generations, has been the lot of so many. What is more, they will have a contractual right for such relief. For in the main our scheme is based on the principle of *insurance*—that is, benefits to be paid for premiums received. There is no smell of charity or the soup kitchen about it. We all pay for it. Each individual will contribute for his own protection.

Some critics say this plan will discourage thrift. How can that criticism apply to a system of insurance? Insurance does not discourage thrift: it is itself a form of thrift—organised thrift. And National Insurance—developed, as it is, out of the old Friendly Society movement—is organised thrift backed by the Exchequer. In this North Country city I don't need to emphasise virtues of thrift and of that spirit of independence which has contributed so much to the character and well-being of this country. We built our national life on those qualities: they are great qualities, and they encouraged industrious endeavour: they stimulated men to self-reliance and self-respect. But they are not threatened by a system of national insurance. The weekly contributions are, after all, only a new form of saving against a rainy day. And they provide only a minimum cover. They put in a floor, not a ceiling. They leave plenty of room for voluntary insurance to supplement State insurance benefits.

Voluntary insurance has become a common practice with our people: it will remain so. That habit, which has not been dulled by the growth of social legislation during the present century, is in no danger.

And now, finally, what of the cost? "These social reforms may be all very well," say the critics,^M but can we afford them?"

Well, let us look at the cost. If this scheme had been in operation this year the total cost of benefits would be £673,000,000.

This is a big figure, but it is not all new expenditure. For the White Paper on National Insurance estimated that in 1945 our present social insurance schemes and allied services would involve an expenditure of £411,000,000.

Let us carry the comparisons further. Our new scheme is to give social stability and increased chances of health to the people of this country. And some idea of what we shall gain by having these can be obtained by looking at what we lose now by not having them. In this war loss through sickness and absenteeism has been as high as £280,000,000 a year.

One thing is certain. No nation that has suffered such diminution in its national wealth as we have suffered, as a result of two wars in a single generation, can with wisdom fail to take care of the greatest source of its potential wealth. That wealth is healthy and vigorous man-power.

It is to preserve that wealth that we introduce this scheme of national insurance and other social services. For today these are no luxury. They will encourage social stability. Social stability is the key to commercial prosperity. The two run together. We must create the conditions which make for contentment and health if we are to get maximum production and production that will be competitive in the world's markets.

I believe that the social reforms which this Government have put forward will create these conditions. I commend these plans to the country on humanitarian grounds: I commend them also as sound business proposals. I believe that they will provide for this nation a healthier and more contented race which, with in-

creased confidence and zeal, can embark on that great national work that lies before us—the building of a Britain that, in all aspects of its social life, shall be worthy of the great place that this generation has established for itself among the people of the world and in the pages of our island history.

THE RISING GENERATION

Birmingham, 10 March, 1945

*Speech to the Warwickshire Federation of
Women*s Institutes*

MY purpose in attending your Conference today is a simple one. There is one aspect of our public life during these last five years of war which I think has had a determining effect on the success of our national efforts: it is that the people of this country have had defined for them their particular job, whether in the fighting services or on the home front. They have been given the reasons for Government action: and those actions, sometimes of a most unpalatable nature, have been acceptable because they have been explained.

This is the democratic method of Government: it has called forth not only services that have been willingly conscripted or directed to particular tasks, but it has enabled Government to enlist an immense body of voluntary workers who have accepted and adopted Government objectives, and have supplemented the official machinery for executing them.

Your organisation can look back on your war service with great pride. I thought it proper that I, who have particular reason for gratitude to you, should come to this Conference today, and, speaking on behalf of His Majesty's Government as well as on my own, thank you for the distinguished and disinterested service that you have so faithfully rendered.

I was interested to note that your officers decided some time ago that I should speak on "Rural Recon-

struction," and, furthermore, in order that there should be no doubt left in my mind as to your desires and intentions, you have placed a resolution on the paper, expressing a good democratic point of view. As I read the resolution it says that if somebody in the family has to be inconvenienced by the placing of houses in relation to other necessities of social life, then it had better be father! I should support that resolution!

There are many problems of reconstruction of particular application to rural areas, and not the least of them, to my mind, is the proper development of rural areas as centres of communal life. I am not content with the negative attitude that we should prevent the towns growing bigger and encroaching on the countryside: what we should aim at is to encourage the development of rural areas so that people who live in them have a fuller life, with a wider choice of employment and greater opportunities for a full life, and therefore want to continue to live in them.

It was as one of the means to this end that the Government asked the authority of Parliament for powers for the Minister of Health to ensure that there should be an adequate water supply in all homes in the country. I called it "a tap in every home": I was told that that was just an ideal: it seems to me a very elementary standard for a civilised country, and we deserve no credit as a nation for having been so slow about it in the past. I have no doubt that these powers will be granted by Parliament.

There are very many other things I want to see happen. I want rural housing to be at least as good and to have at least the same amenities as town housing. I want to see electricity, at prices that people can afford to pay, in every home and on every farm in the country. I want to see a great development of rural industries

in general, and in particular those that can follow from extensive afforestation. I want to see agriculture keeping, in the days of peace, the place in national esteem that it has won in war, with the agricultural worker recognised as a skilled craftsman and paid a wage, in peace-time, that will enable him to pay the rent of a decent house.

Let us have a care for the beauty of the English village when we embark on rural development. The English countryside is indeed one of great beauty, but when I look at the modernised village streets and at many of the houses built in the prosperous days of the last 50 years I am bound to recognise some of the aesthetic limits of what was called progress. And much as I dislike extension of control, I say that people should not be allowed to build houses or other buildings of materials or of designs that jar against the landscape; and shopkeepers of integrity can rely upon the quality of their goods to attract their customers and have no need for blatant exteriors to proclaim their individuality. I hope we shall preserve the beauty of our villages, and also of our English country towns, which have suffered even more, and let development be accompanied by the creation of further things of beauty.

These ideas of rural development are not idle dreams: they are not beyond our capacity, neither are they bigger than our need. They are the things that will give us food, homes and work for our countryside. Moreover, they are the factors that will help to repair the ravages that war has made on the physical stock of the nation.

No problem of reconstruction can outweigh in importance the problem of rearing a physically fit and educated race. This is a side of reconstruction about which I want to speak to an audience of women; indeed, that was the second reason that led me to accept your

invitation. I believe that in this aspect of our social life we can take pride of place among all the nations of the world. In recent years we have learnt new things, and, since public opinion determines these issues, I am anxious to secure public support, the support of your organisation and of the large number of people whom you can influence, so that by the positive and final act of legislation our society shall advance in this matter in step with our growth of knowledge and our awakened social conscience.

Surely we have learned a great deal during this war about the ways in which we can improve the nation's health. I remember, as do many of you, the physical deterioration that was common among the children of this country during and after the last war. You doubtless remember too the terrible conditions that stirred our imagination and our sympathy at the end of the last war when we learned of the condition of the children of Austria.

When I became Minister of Food I resolved that, whatever else might happen, we should not, during the war, allow the children of this country to suffer in health because of insufficient or improper feeding. The advance of science had given to us much more knowledge than was available 25 years ago; I concluded that if we failed to use that knowledge we should be "sinning against the light." So we framed a nutritional policy for the preservation of the health of the children and nursing mothers. It was a bold venture: it departed from administrative precedents: it ran many risks of being abused, and I freely admit that we did not fence it round with all the safeguards that might have been necessary against such abuses. . . . We took these risks, but we got it into operation within six weeks.

In the face of our knowledge that milk was going to

be in short supply, we gave priority for a pint of milk a day, at 2d. per pint, or if necessary free, for all expectant and nursing mothers, and for children under five. We took the most active steps to persuade local authorities to see that all the children in the schools received at least one-third of a pint of milk each day, regardless of whether they could pay for it. We sought and obtained the help of the teachers in the task of distributing it. At present the school milk scheme covers 4,250,000 out of 5,500,000 children.

In all this work for feeding children the teachers of this country have done magnificent voluntary service during the war and have earned our gratitude and our praise.

The success of the national milk scheme has put the demand for milk in this country on to a permanent footing. Consumption in England and Wales has increased from 767 million gallons in 1938 to 1,052 million gallons in 1943. In Northern Ireland, where milk has not been rationed, consumption has risen from 14 million gallons to 32 million gallons. I believe that no money has been spent during the war to better purpose than this.

The Prime Minister, in one of his broadcasts, and using his characteristically graphic phraseology, said that "there is no finer investment for any community than putting milk into babies." I hope the country will remember that, and when the emergency regulations, under which this policy has been authorised, expire, I beg that both the policy and the practice, with whatever adaptations may be necessary, will become an accepted part of our national health system. This need will remain when the war is over.

At the same time that we arranged for children to have milk, we encouraged local authorities to strengthen the maternity and child welfare services, so many of

which have been dependent upon the voluntary efforts of your members. We arranged for the distribution of vitamin products, orange juice, cod-liver oil, vitamin and calcium tablets for mothers and babies. Striking evidence of the success of these schemes is provided by the vital statistics for the war years. In 1943, the last complete year for which figures are available, the birth rate in England and Wales was the highest since 1928. In spite of this increase in births, the stillbirths and neo-natal and maternal mortality were the lowest on record. These figures were even better in the first three quarters of 1944 than in 1943.

Mortality rates for children between the ages of one and five years fell from 4.59 per 1,000 living in 1938 to 3.34 in 1943. Deaths between five and ten years of age fell from 1.87 per 1,000 living in 1938 to 1.40 in 1943.

The maternal mortality rate per 1,000 total births fell from 3.10 in 1939 to 2.30 in 1943. These are the results of our war-time efforts to protect the health and to nurture the rising generation. They must not end with the war.

As we pass from war to peace, we shall all be hoping to pass from restriction to freedom. We look forward to being able to buy what we want and to eat what we like. I subscribe most heartily to that view. I ask, however, that as we move towards freedom we shall not discard the good things that we have learnt in the war. Don't let us throw out the baby of sound nutrition with the cold bath water of restriction and control. We have become more educated regarding the use of food during these last five years: we have become receptive to new ideas and new knowledge. It is proper that the State should educate public opinion—point the way that knowledge has enlightened: and provide the opportunities for the individual to benefit by it.

Amidst all the problems of reconstruction my own

mind perpetually turns to those that affect the rising generation. The young need protection, and it is proper that for them the State should take deliberate steps to give them opportunity. First, I crave for them the chance of health. Justice demands it: the nation requires it.

As Minister of Food I tried by experiment and by example to lay the foundation for future policy to this end. I believe that it will endure and improve. This issue is one that will be settled by the Parliament that is in being when Food Control comes to an end: the public must insist on the right settlement.

Even midst the stress of war my Right Honourable friend the Minister of Education has produced an Education Act which constitutes a beneficent revolution. I think it is a great Act, and there is one aspect in particular on which he and I worked together which I wish to commend to your particular notice. It is the part that deals with the feeding of children in schools. You must make that effective. Legislation is not enough. Feeding is not enough: it must be good feeding. The food must be properly chosen in the light of knowledge of what a growing child needs for the building of a sound body. And when the food has been well chosen it must be well cooked. This is a task that calls for the highest degree of scientific catering: it mustn't be left to chance.

I believe that we can use this section of the Education Act to bring home to people the immense improvement in their health and happiness that can come from the knowledgeable use of their food. It is the business of Education Authorities to see that this chance is not missed. I beg you not to be afraid of developing school feeding. There is much good social discipline to be learnt at the common table, and school feeding will be as great an educational benefit as it will be a material one.

We have taken another step of great social significance. We have introduced the system of family allowances, in order to make sure that the people who are willing to have large families are not unduly penalised by doing so. The nation wants large families: but we don't want families to be half starved because they are large. Family allowances are going to cost a large sum of money: £57,000,000 a year. For a people burdened as we are with taxation this is a bold adventure for future gain. If, as a result of it, the nation rears a larger population, and one less prone to the wastage of disease, one more vigorous in physical capacity, it will prove profitable expenditure.

I have spoken this afternoon of some of the reconstruction plans to which we in the Government have put our hand, but let us make no mistake about this: the responsibility for the actual working of all social reforms rests on each one of us as individuals. These great and vast schemes are not going to be paid for by some indefinite organisation called the Treasury: the Treasury is a tax collector. These plans will have to be paid for—by you and me. And we shall be able to pay for them only out of the wealth that we produce by hard work.

If the housewife wants her house to look nicer she has to work to make it nicer: if the people of this country want a better Britain we shall have to work to make it better: and "work" doesn't mean making propaganda speeches about the brave new world; it means the sheer hard daily endeavour that produces more and better goods and services from the raw materials, from the land and from the manpower of the country. We must earn the money for benefits if we are to continue to enjoy them.

First then we must make the national wealth to pay

for these social blessings. This is no new doctrine: the majority of the people of this country are very willing to work hard and very willing to share such burdens of other people that come from unmerited misfortune.

But these reconstruction plans must not only be good plans: they must be well and economically carried out. This is going to throw increased burdens on our administrative services, on public servants and on men and women occupying public offices. We must be equal to the task. It is from organisations such as yours, experienced in the work of public welfare, that these voluntary workers for the public service should come.

The world of the future is going to be no bed of roses for any of us, and the demands it will make on the individual, be he producer, administrator or public-spirited citizen, will be very great. But I have no doubt myself that the individuals with whom the greatest responsibility of all will lie will not be those in public life, but those in domestic life—the mothers and fathers—those who help and work to make a home.

Consider the case of family allowances. The State will make financial provision, but action will lie with the parents. They are left free to spend the money from family allowances well or ill. The community is trusting them—not compelling them—to spend it well and in the best interest of the children. Housewives have shown especially in war-time how well they deserve this trust: if they had not exercised a wise and even-handed stewardship in their daily housekeeping the Government schemes of rationing and priority could never have succeeded in nourishing the growth of healthy children and sustaining the vigour of the workers in farm and factory.

In the new scheme of family allowances the State is building on well-tried foundation: it is fortifying parental responsibility. Let us never forget that children are the

children of parents, not of the State, and the home is the centre of their lives and the source of their strength and the foundation of their characters. It was at home that we first learnt to *work*; at home that we first learnt to work *together* and for one another. Those are the lessons, that our children must go on learning and applying in the wider fields of life.

However large the scale of our planning may be—for full employment, for housing and health, for schools and colleges—let us never forget that these are but the tools for the job of reconstruction. All our hopes for the future depend upon how we use them: upon the quality of our work and life as individual members of the community—in short, on what sort of people we are.

The work and life of Britain in the future depend upon the character of its people. Let us give character a chance of growth in strong bodies, fortified by the best that we can offer in education and in opportunity.

These last five years we have seen what the British character at its best can compass: those unforgettable achievements of daring and faith and sacrifice that our young men—and our young women, too—have wrought in time of war against tremendous odds. Their character and courage have made possible our present hope for a better Britain and a better world. It is on the character of them and of their children—the new generation that will rise from the ashes of the most devastating of all wars—that the fulfilment of our hope depends. We must give those children their chance. Let us embark on the bold venture of faith that they will take it—and in doing so add yet further glory to the tradition of their fathers and the good name of the British race.

