

## I

SOCIAL AND ECONOMIC POLICY<sup>1</sup>

FOR several years the British people have been passing through great experiences. They have borne themselves greatly in face of them. For what they knew was right, they entered this war and challenged its terrors. For what they knew was right they fought down the blitz; and hundreds of thousands of them bore the loss of homes and material possessions, of life and limb. Since then they have faced shock and boredom; crisis and disappointment; and they have kept their nerve, their courage and their devotion.

Now we can look forward to the days of victory—provided we do not regard it as easy or “just round the corner”—and our minds begin to turn to the question of what sort of nation we hope to make after the war. I ask nothing better for Britain than that she should face the problems of her own and the world’s future in the same spirit in which she has faced the storms of war—putting first things first, and spirit above matter.

Lately we have all been thinking about a great post-war plan—the Beveridge Plan for social security. Of the Government’s attitude to that particular plan I have at present nothing to say. But of the Government’s intention to bring about a more secure standard of life for our people, many utterances by Ministers have already given proof. For myself I have no doubt that it is the duty of this, or any other Government, to make provision for a minimum standard of life that will keep our population, without exception, decently fed, and properly looked after in illness, misfortune and old age.

It may be asked, can we afford to do this?

I would say—can we afford *not* to do it? The mere instinct of self-preservation warns us not to allow in our midst the continued existence of a depressed, insufficiently fed minority. But if it did

<sup>1</sup> Delivered at Swindon, 20 December 1942.

not, the instincts of common humanity would prompt us not to leave our brothers and sisters in fear and in need, while our national family has the means to lift them up to decent living.

Once a community has reached a point of enlightenment and education where it is aware of the plight of its old, sick, out of work and unfortunate citizens, there is an imperative moral obligation upon it to care for them. This must be done. I myself see no practical reason, economic or financial, why it should not be done. I also feel that a cautious, niggling worldly wisdom, counting chances while children went hungry, would be a miserable foundation for our future life together as a family, and for that moral leadership which I trust Britain will long continue to give to the world.

But now, what is a social security scheme, after all? Don't let us get it out of focus. At best, it is nothing more than ambulance and salvage work: rescuing and patching up our social casualties: making good, so far as we can, the results of our failures in self-government. These things must be done; but the right basis to start from is that there shouldn't *be* any standing army of unemployed, any sick of preventable disease, any elderly people decrepit and infirm before the allotted span. In our true policy for the future, social security can play but a part and, if we succeed, it will and should be an ever-lessening part. We cannot rouse ourselves and others to heights of achievement with the slogan—minimum subsistence for all. We've got to provide it, but not regard it as an end in itself.

If we make it our ideal, and let it hypnotise us, not only shall we relapse into fatty degeneration of the spirit, but we shall find that by one means or another we have lost even the security at which we aimed so exclusively. Security is like happiness, as many an individual has found: if you put it first and make it your aim, you lose it. Security is like peace, as many a country has found: if you make it the isolated object of policy, you lose it.

I think it is this truth which is at the back of the minds of those who fear that schemes of social security may sap the people's

initiative and enterprise and rob them of their will to work. They see the need of a spirit of effort, initiative and adventure, and I agree with them. I agree that if people have security and no purpose, no sense of loyalty to something beyond themselves, they will relapse into inertia. I agree that there are dangers in security alone. I remember that in the twenty years between the two wars, though we had too little social security, we had more of it in Britain than ever before, and yet we very nearly went to sleep and lost our freedom. But the conclusion I draw is different from that of the critics. I don't believe in the moral value of imposing security on people for its own sake. I don't believe in trying to whip them into achievement with the lash of fear and of want. I believe in getting the best out of people: I believe the best in our people is magnificently good: I believe they can be led to rise to great occasions in peace as in war: I believe that education is a better task-master than unemployment, leadership than want, faith than fear.

As we look forward to a world after the war, we can perceive a need for all that this country and this people can achieve of leadership and faith. It is not my purpose to-day to speak of international affairs, but on the Home Front there are points I should like to make.

Once again I turn to the hours of crisis for a reminder of what qualities we shall need in the post-war world. At that time one found a strong sense of national unity and a disregard of private and sectional interest—both of them based, not merely on the knowledge that our own lives were at stake but also, I am convinced, on the knowledge that the cause of all mankind had for that hour been entrusted to our keeping. There were many men and women for whom the bombs blasted away, not only bricks and mortar and all the trappings of their past lives, but also, for a time at least, the mistaken idea that these things really mattered, when weighed in the balance against that for which we stood—the hope of progress, the supremacy of law and truth, the dignity and fellowship of man.

After the war, the fate of our people will depend upon their power to put first things first. If I speak to-day of the national business of getting a living, it is not because I think that material standards are the most important, but because in this phase of man's history it is in the economic sphere that many of the most urgent and testing of his problems must be faced. We must rise above domination by our economic machine: cease to be the creatures of our own needs: be the masters, not the slaves, of material things. Our people have a right to be well fed and shod and housed and schooled: they have a right to achieve these things for themselves and to enjoy a sense of constructive usefulness in doing so. Not all their jobs can be inherently attractive, but all can be done with a sense of worthwhile purpose, as our jobs, whether dull or exciting in themselves, are done in war time.

Our economic life must be organised directly to achieve its object, a right standard of public well-being. That means turning our backs for ever on schemes of restriction, whether of goods or of labour. If, tempted by any short-term argument, we ever again dabble in such schemes, in that instant our national future is threatened and our scheme of social security becomes a burden instead of a benefit, a load on our shoulders instead of a weight off our minds. Never again dare we, on any grounds, whether economic or moral, be indifferent if our productive machine is standing idle or running down or if the energies of the people are unused or under-used. It will be suicidal, after the war, for financial authorities and Governments to stand by, while great industries are more than half idle and great areas of the country are in distress. We shall be unable to afford such folly. You may say we never could; and I agree. But in future we shall be brought sharply up against the fact that we can't afford it, and thereby led to ensure that it doesn't happen. This end will not be realised in a day. It will take discipline and patient struggle. But achieved it must and will be.

In my view to ensure full national output and a proper welfare standard for all, much of the social control of production which

we have learnt to accept and to value during the war will need to be continued during the peace. And do not misunderstand this word “control”. We have not adopted war-time public control for control’s sake, or only to keep naughty producers in order. We have adopted it because of the paramount need to put the interest of the whole community first and because it is the best way of getting the most of what we want. People used to talk as though control were a cramping, limiting thing. It isn’t. Wise social control is a stimulating, enlarging thing. I myself can see no sharp distinction in nature between the economic problems of war and the problems of the strenuous, difficult peace that lies before us. If control is right and useful to-day, nobody can assume it will be wrong and dangerous to-morrow.

Remember that enterprise doesn’t have to be private in order to be enterprise. In the nineteenth century it might have been true to contrast the vigour and freshness of private enterprise with the restrictive effect of public regulations. In the twentieth century, with its inevitable trend towards centralised organisation of big industry, private control has often tended towards a slowing down of men’s hands and of their minds, while many of the most remarkable examples of enterprise which the world can show have been public—from Britain’s Electricity Grid to America’s T.V.A. and Russia’s Dnieper Dam.

Social control of production, however, may take many different forms; how much of it we want, and in what forms, cannot be settled in terms of any political dogma. The sole test must be whether the public interest is served by such measures in particular cases or not. Some forms of economic activity would, like our postal and telegraphic communications, respond well to ownership and management by a Department of State. But the public concern in this form is certainly not a universal panacea. Rather it is likely to be exceptional. What, for instance, should we do with our natural monopolies: industries which cannot be carried on properly at all except on a monopoly basis? It may be that instead of leaving them in private hands, tied down and hedged about by a

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tangle of statutory restrictions or bureaucratic checks, we should get better national service from them if we turned them into public corporations like the Central Electricity Board, the London Transport Board or, in another sphere, the B.B.C.

Again, what should be done with industries which are not natural monopolies but have, by their growth and development in modern conditions, come nearer and nearer to being monopolies in fact, through the operation of mergings and trade agreements or cartels, like the iron and steel or chemical industries? These are great basic industries on which national well-being in peace, and safety in war, directly depend. We can't leave them alone in their monopolistic glory—we don't want to turn Britain into a corporative state and to adopt Fascism in its economic form. The answer may be anything from a public corporation to some form of management under a board of directors with a nationally nominated chairman. The thing that matters is to secure in these large-scale basic industries a due measure of public guidance and public accountability—and these are not things which can be left to chance.

Then there are kinds of business where individual enterprise has a lot of value even in modern conditions—small businesses and some kinds of medium and small-scale manufacture. Here the answer may be that the community will best serve itself by standing aside, apart from insisting upon proper business practice and standard minimum pay and conditions for employees of all grades.

There will be a substantial place, too, as there is now, for the Co-operative Movement in trade, and also, I believe, for co-operative enterprise in agricultural production and marketing. Farmers may find the answer to many of their problems, and the means of preserving much of what is best in war-time arrangements, by schemes of mutual aid on a systematic basis.

After the war we shall, as a community, have to set about making the best living we can. We shall have to approach all our economic problems on the basis that the interest of the community comes first. We should, I believe, have an annual economic and industrial budget as we now have an annual financial budget. We shall need

each year a statement of the cost, not merely of government, the social services and the armed forces, but also of our national needs for wages and salaries, new capital outlay and capital repairs and renewals. We shall, in fact, have to estimate the size, not merely as we do now, of the State budget, but of the national income as a whole, and relate it to the demands we want to make upon it. If it falls short, we shall have to find ways of increasing it; or else we shall have to reduce our demands on it and to decide where, in the national interest, the cuts must be made. After the war, successful government will need a basis of public statistics, much more extensive and far-reaching in kind than anything we possess to-day. No longer must we be in any doubt about whether we can afford this form of social security or that enlargement of government activity. Such questions must not be left to the conjectures of partisans with an axe to grind. They must be matters much more of ascertainable fact than they were before the war.

And now I come back to my starting-point. To adopt sound measures of law and administration is not enough. Our public policy as a whole will not be sound unless it is founded firmly upon a clear appreciation of values other than material ones. Efficient organisation of industry is right, but it is not enough. Social security, too, can be abused—at both ends of the economic scale. Poor people may learn to depend upon public schemes of welfare without developing a corresponding sense of their duty to the community. Richer people may equally defraud the community's productive labour force by enjoying their incomes without feeling or discharging a corresponding obligation.

We must be humane and understanding in our approach to such questions, but we must not be soft or sentimental. We want better standards than the old Victorian code of doing the best one can for oneself. We need to love our neighbour as ourselves, not merely in the sanctity of the home or in the circle of friends, but in the practical workaday world of business; and while one cannot enforce the golden rule by a process of law, one can build an economic society in which it is easier to be unselfish, and much less profitable to be selfish, than the world in which you and I grew up.