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## ECONOMIC POLICY TO-DAY AND TO-MORROW

RECENT debates in the House of Commons, notably on the War Damage Bill, have amply vindicated the value of our democratic institutions in sustaining and guiding the national effort. Without questioning its confidence in the present Government, the House of Commons shows no signs of abdicating its associated practice of vigilant supervision and the voicing of public opinion ; and by its co-operation with the Government as a kind of Council of State, while maintaining its vigilant watch over policy and achievement, its sensitive interpretation of public opinion and constructive but searching criticism of administration has gone far to rehabilitate the prestige of Parliament and silence criticism which was rampant in the years immediately before the War. Mr. Pethick-Lawrence claimed with justice that in the War Damage Act debates we see democracy at its best, and Sir Percy Harris added that "the Chancellor has justified, in war-time, the working of the democratic machine. The House of Commons has been for this Bill, a Council of State." Much the same could have been said of the recent debate on the War, when keen criticism was focused on those questions of production and man-power which have so far restricted severely our policy and our strategy.

Nor is the House of Commons alone in exercising such functions. It is reinforced by its own Select Committee on National Expenditure, the reports of which, inspired by a wide view of its functions, have been models of the type of searching scrutiny and constructive proposals demanded, and have admirably supplemented the work of the House of Commons. Other bodies also are maintaining a watchful attitude. Among them is the Vigilance-for-Victory Group, composed primarily of politicians, prominent newspaper men and publicists who can report accurately upon public opinion and

give it expression, and experts of trade and the professions affected by the problems which the Group examines. Its bulletins are complementary to the admirable contributions which the broad-sheets issued by Political and Economic Planning (P E P) have already made to the national effort, and they supply an example of the type of contribution which scientific workers themselves may be expected to make in their own particular fields.

Informed, searching and constructive criticism is one of the first duties of the scientific worker ; there should be no excuse for slackness in this field either through failure to use effectively the machinery already established, from the Scientific Advisory Committee downwards, or to create new machinery if that already in existence is inadequate. They have, as it were, to play the same part as the Observer Corps to the Fighter Command, watching each situation as it develops in fields that are their special concern, and as quickly mobilizing expert opinion to consider and recommend effective and urgent measures to the authorities.

This is the view of its own functions taken by the Vigilance-for-Victory Group and is reflected in its fourth bulletin, which deals with the new plans of the Minister of Labour and National Service. The bulletin agrees with Mr. Bevin that compulsion should be avoided wherever possible on account of its effect on morale, but considers that more could have been done to reduce the need for compulsion by the comprehensive organization of all productive resources, especially of the distributive trades, which are probably the largest untapped source of man-power ; by a rational wages policy designed to facilitate the transfer of workers from non-essential to essential work ; and by a training scheme more attractive and extensive than that now in force. The measures now

announced, it is considered, will not yield an adequate turnover of labour unless accompanied by an undesirable amount of compulsion. To be effective they must be supplemented by economic and financial planning of the kind which the Government has been reluctant to undertake.

Recent changes in the Government may indicate a belated move in this direction. The new appointment of Lord Beaverbrook as a Minister of State free from departmental duties may betoken recognition of the value of Cabinet Ministers capable of detached views and of co-ordinating policy, while the merging of the Ministries of Transport and Shipping is obviously intended to facilitate co-ordination. They are, however, only a short step towards the measures which the Vigilance-for-Victory Group believes are necessary.

In the sphere of industrial reorganization, the first need is to establish a pooled and controlled industrial machine, so as to increase productivity and facilitate the transfer of labour. The machinery for distributing orders for military and other supplies must then be reformed on a unified basis, and in the distribution of orders between localities the question of adequate labour supply must be one of the most important considerations. This latter point is also strongly made by Mr. G. D. H. Cole in an article on man-power in the *Political Quarterly* of April-June; Mr. Cole suggests that the regional shortage of workers is likely to be the principal difficulty in the way of expanding the output of munitions during the next twelve months.

This question is linked up with man-power policy, where the evolution of a national wage policy is the first essential. This depends on a rational consumption and price policy, that is, rationing, and on the establishment of a central wages tribunal. Revision of the wage structure is the next essential, including overtime for night shifts, so that it stimulates the transfer of labour where it is required. As a revision of relative wages must take place by an upward revision of the wages paid for occupations where man-power is needed, this depends, if inflation is to be avoided, on a strict rationing of goods. To improve the unsatisfactory position of training, the Vigilance-for-Victory bulletin, like Mr. Cole, recommends that training be paid as a job. Moreover, to prevent injustice or profiteering, billeting should be compulsory on the householder and all extra costs resulting from the transfer of labour borne by the State; stress is also laid upon finding a logical

plan of compensation in place of the present system of allowances for members of the Fighting Forces.

Regional committees of production experts, with power to enforce their advice as to training, direction and use of skilled workers should be established, without interference from the Supply Departments, and appropriate social services should be introduced where necessary to increase the supply of man-power. These measures would go far to achieve the necessary transfer of labour by voluntary action. Certain measures enabling the Government to use compulsion, however, should also be enacted. The prohibition against leaving employment without permission should be replaced by a general prohibition of hiring without permission, and people not at the moment employed in industry should be required, by registration, to show reason why they are not in employment. If they do not fall into certain well-defined exempted categories, they should be asked to undertake suitable work. Modification of the unemployment insurance and assistance schemes for the duration of the War, securing to all displaced labour its previous wage and subsistence and separation allowances, provided it accepts training or suitable jobs, accompanied by a stringent and fair distribution of available supplies and goods by compulsory mobilization of property, and a fair system of taxation, would limit direct compulsion primarily to compelling *entrepreneurs* to reorganize production on a war-time basis. Reorganization on the supply side would minimize the necessity for migration, which is now causing most of the friction, discontent and bottlenecks.

These conclusions and recommendations are strikingly in harmony with the main points made by Mr. Cole, who considers that the problems arising out of migration—billeting, difficulties of transport and allowances and irrational differences in wages and earnings between one district and another—are the most serious obstacle to the full utilization of the available man-power of Great Britain. The second principal obstacle is the continuance, despite Government control, of each privately owned business as a separate unit, with which the Government departments enter into separate contracts. He considers that man-power could be much more effectively applied if the Government took over completely all the important munition-making firms, and pooled their resources in each locality under unified local management—in any event to the extent of grouping all firms engaged in closely related types of

work. This step, by assisting transference, would help immensely to solve the other problems of labour migration.

Industrial mobilization is now proceeding on definite lines whether or not the pace can yet be regarded as satisfactory. The notion of a total war economy using all available reserves, specialized or otherwise, is gaining ground and the principle of complete concentration of those industries which are being contracted because they do not contribute directly to the war effort or to the maintenance of civil life has been unhesitatingly accepted. If, however, it is to be worked out adequately, it may be necessary for the Board of Trade to accept greater responsibility for directing industry towards the agreed ends. Certainly it cannot be achieved unless the policy of concentration and distribution of man-power is guided by a scientific and carefully worked-out plan.

Mr. Lyttelton in recent speeches has indeed shown an encouraging grasp of the essentials of war economics, and his statement of the Government's economic objectives in the War shows that it has already begun to think about post-war economic policy. These objectives he put under five heads: the mobilization of plant, raw materials, shipping, etc., for war production; secondly, the rationing of the civil population so that only essentials are made; thirdly, the mobilization of man-power; fourthly, the avoidance of inflation and the cheap finance of the war; and fifthly, the starting of the creation of post-war plans. Mr. Lyttelton already has a special section charged with examining particularly the problems of the first two or three years after the War.

Once again, then, we find that the war effort is linked up with post-war plans, and on this aspect Mr. Lyttelton makes two points. Internationally, we shall be a debtor nation and may require to continue a selective export policy and to control imports. We shall also have to prevent an unregulated replacement boom. Government control of industry can therefore only slowly be released, and must continue for some time after the War. The economic peace must rest on domestic and international regulation and co-operation. These points were elaborated in the speech made by Mr. Anthony Eden, on May 29, when he pointed out, among other matters, that the British Empire and Allies with the United States and South America will alone be able to undertake the reconstruction of Europe, and that "it will be our wish to work with others to prevent the starvation of the post-armistice period, the currency disorders and the wide fluctuations of employment, markets and prices" which followed the War of 1914-18.

Whatever may be thought of the adequacy of particular solutions, we are moving far from the assumptions on which our pre-war discussions of trade and the control of industry were based. We must be prepared for and endeavour to create a new technique in economic government. Mr. Lyttelton's emphatic vindication of the Government's economic policy as inspired by a comprehensive plan embracing the whole problem and clearly relating each part to every other should induce scientific workers to see that the framework of scientific co-operation and organization is adequate both to the demands of war-time and to the reconstruction to follow.

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## STARS AND ATOMS

**The Birth and Death of the Sun**  
Stellar Evolution and Subatomic Energy. By Prof. George Gamow. Pp. xv+238+16 plates. (London: Macmillan and Co., Ltd., 1941.) 12s. 6d. net.

**The World and the Atom**  
By C. Møller and Ebbe Rasmussen. Translated from the second Danish edition by Gerald C. Wheeler and Bernard Miall. Pp. 200. (London: George Allen and Unwin, Ltd., 1940.) 10s. 6d. net.

**I**T is often alleged that men of science are culpably indifferent to the cultural and

intellectual needs of the society in which they live and work. The tremendous uprush of scientific discovery during the last fifty years, an uprush which as yet shows no signs of abating, has raised social and intellectual problems which make it imperative that the man in the street should acquire some appreciation of scientific method and the results of its application, if only that he may be able to distinguish the true prophet from the charlatan. It has even been suggested by a recent correspondent to NATURE that the education of the public in general, and of the leaders of public opinion in particular, may be the most