

PLANNED PRODUCTION

Means, Methods and Results

Sir Stafford Cripps, now raised to supreme direction in his new post as Minister of Economic Affairs, addressed a joint meeting of trade unionists and industrialists in London on September 12th. Having emphasised the urgent need for increased exports, a mass of statistics supporting his case, he set forth what the Government proposed to do about it. The following are some of the more significant passages to which our readers can easily supply their own appropriate comment.

Sir STAFFORD CRIPPS said :

The Board of Trade is responsible for the organisation and direction of exports through the various production departments which deal with particular industries. The export programme is administered through the Department of Overseas Trade and under it is the Commercial Relations and Treaty Department interested in the bilateral agreements that will have to be made.

At the Board a guiding committee for the export drive has been formed, representative of all the production departments, the Treasury, the Foreign Office, and the Commonwealth Relations and Colonial Offices, and the Planning Secretariat; with sub-committees dealing with more detailed matters.

There shall be the closest association and integration of the whole team of administrators, managers and workers. For various industries development councils are to be set up. There must be the fullest consultation between workers and managements by joint production committees and works committees; and if the formation of those committees lags, steps will be taken to enforce their constitution. There will be fresh opportunities for useful work in the regions through the boards and regional staffs. The number of export officers will be increased.

There is no proposal to introduce industrial conscription unless it is proved there is no other way out. The Control of Engagements Order has been introduced and in certain circumstances direction may be used to implement it. The question of unproductive labour will be tackled so as to make it available for first-line production.

An extensive and careful enquiry has been made into all the main industries to see what export task can be realistically placed upon them, with due regard to the existing difficulties in selling goods abroad.

It is extremely difficult to say what goods will be most saleable in the next twelve months. But if there is to be any plan at all, as, of course, there must be, "we must make the best guess we can." Flexibility must be retained to switch over from one export to another as the actual demands in foreign markets are ascertained or as those demands change.

The production of exports must be distributed among the various industries of the country. Materials, labour and capacity will be needed. Where from? By cutting down in some other sector. A substantial part of the additional exports must take the form of capital goods. This means a substantial postponement of the flow of new machinery to our own industries.

Many who have hitherto devoted themselves to the home market exclusively or almost exclusively will have to seek foreign markets energetically. Where industries find themselves unable to sell their export quota abroad, such goods cannot be allowed to be diverted to the home market. If new and appropriate foreign markets cannot be found,

the labour and materials will have to be withdrawn from that particular form of production.

The export task must be performed and part of that task is the correct direction of exports. It is desired to impose as little compulsion as possible, but the possibility of compulsion must remain in the background.

The manufacture of new types of goods may have to be embarked upon to provide the supplies particularly desired by foreign markets. Private enterprise will be encouraged to undertake the extensions or these new manufactures. Failing a willing response, the Government will have to undertake them, entailing the cessation of some less useful type of production.

In the present situation controls are absolutely essential. They should be made as economic as possible for those who have to operate under them. Practical and concrete suggestions as to how the operation of controls might be improved without losing their effectiveness will be gladly considered.

We must see that as much as possible of our extra exports go to hard-currency countries; avoid selling a lot of our exports in inconvertible currencies; make best use of resources in negotiations with other countries; direct our exports to those countries from which our major supplies are drawn. We must make sure that the components and manufactured parts required in the make-up of exported goods are not used up in home manufactures; concentrate on saleability; use every device of efficiency to reduce costs; have modern and up-to-date design; exercise economy in materials, in paint and in packages; tighten up the organisation with regard to salvage [and other directives and disciplines for the manufacturers and exporters now under the tutelage of the State].

Temporarily the home market will have to suffer many shortages in many things.

Increased pressure upon production for export will tend to put an even higher premium upon black market activities. It will be even more profitable to be dishonest and we must all of us be on our guard to stop such activities and to take the responsibility of reporting them if they come to our knowledge. Only managements and workers can effectively police this kind of activity. The great body of genuine and honest producers must join in stamping out this conduct which might, if it were allowed to extend, gravely embarrass the accomplishment of the planned increase in exports. *"I do beg that everyone will review their own ideas on this matter of black markets and will decide that they must not only abstain themselves from dealings on those markets, but help by giving information as to the persons who continue to deal in them."*

LABOUR UNDER COMPULSION

UNDER the Dictatorship Act of August 11th, 1947, legislatively entitled the "Supplies and Services (Transitional Powers) Act," Mr. George Isaacs, the Minister of Labour, has issued the new Control of Engagements Order, which takes effect on and from October 6th.

In a public statement, reported in the *Manchester Guardian* of September 19th, Mr. Isaacs explained the general scope of the Order. It has the approval of the Trades Union Council and the British Employers' Confederation. It throws a searchlight on what is involved in industrial conscription.

At present only those who are likely to become unemployed are likely to be directed, Mr. Isaacs making