

SPEECH BY THE PRESIDENT OF THE BOARD OF TRADE AT THE OPENING OF THE "ON OUR WAY" EXHIBITION, MARBLE ARCH SITE, LONDOND ON MARCH 21.

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I have been asked by the Chancellor of the Exchequer to offer you his apologies for his inability to keep his original engagement to open this exhibition. The exceptionally heavy tasks which fall to the Chancellor of the Exchequer at this time of the year, together with some other burdens, have forced him to be away from London for a few days. I am, however, very glad indeed to be able to take his place and to have the opportunity of meeting you.

The exhibition now being opened to the public is, as you know, part of an extensive campaign of economic information conducted both centrally and by departments. This campaign is regarded by the Government as an essential part of the United Kingdom's recovery programme. We have set ourselves to make an exceptional effort in the economic sphere in order to make good the losses of war and not only to re-establish, but improve upon, our former level of wealth and prosperity. This is an effort not of the Government but of the whole community. Much is being asked of British citizens today—much in action, and much in self-restraint. Workers of every grade and kind, and their wives, are being called upon not only to be unwearied in well-doing, but also to wait for their reward.

Certain economic controls form a part of this programme, but they make no real difference to the personal freedom of the citizen. In the main the programme stands or falls by the voluntary acts and the voluntary abstentions of the citizens, based upon their understanding of the national need and their own long-term interests. The required results—and they are being achieved steadily month by month as we go on—are not being got by compulsion. They are being got because from the time when the country stood face to face with its economic crisis two years ago, Ministers have deliberately shared with the people their knowledge of the full realities of the situation. They have gone out of their way not merely to give the facts but to make them intelligible, and they have called upon the official information services to support and follow up their efforts with all the resources of modern publicity. That is the significance of the exhibition you have seen. It is not just a stunt. It is a communication from the Government to the citizens—an essential part of our democratic administration.

It gives me particular pleasure to welcome here guests from so many of the countries which are our friends and partners in the great European Recovery Programme. They have come as representatives of the information services of their countries not merely to see this exhibition but to examine our economic information campaign in all its many aspects, and to (page 2) tell us something of their own activities. This is one more example of the partnership in effort and experience which ERP represents. The whole of the programme is based on the great act of imaginative generosity, which many of us still know best as Marshall Aid, and we are delighted to have with us this morning the head of the American Mission Administering Marshal Aid in this country, our friend and good neighbour Thomas K. Finletter, and his colleagues.

We have now reached a point in our national recovery well beyond what might have seemed probable or even possible two years ago. But we do not want or need to stop very long for self-congratulation on the distance already covered or the speed with which we have covered it. It is more realistic and much more useful to look ahead, measure the distance still to be covered, and weigh up the tasks still to be performed.

There is no doubt about the nature of the two great tasks for 1949 and later years. The Economic Survey, itself a great record of achievement in 1948, sets out in great clarity what these tasks are. First of all we are still eating food and working with raw materials paid for by American dollars which we don't earn. The most immediate of all tasks, therefore, is to reduce and then abolish our need for those dollar gifts and loans, partly by learning to depend less upon dollar goods, but mainly by earning our own dollars. The best of all ways to earn more dollars is to sell more goods to the dollar countries—the United States and Canada. This we are determined to do. Industry and Government together must set about a major effort to increase our sales of British goods to the American and Canadian people. Mr. Finletter's chief, Mr. Paul Hoffman, another good friend of this country, and of Europe, has said plainly that in his country there are many unrealized opportunities waiting for exporters in this and other European countries. Other Americans repeatedly tell us of the chances that lie before us. Competition in America is keen and hard, but when we remember that our present sales are less than one per cent of the total consumption of the people of the United States the extent and the reality of our opportunity stands plain to be seen. There is an equal opportunity, and equal friendship and goodwill in the Canadian market. Our Canadian friends know that while our desire to buy from them is unbounded our ability to do so is limited to the extent that they increase their purchases from us. This year we must move much further and faster to grasp it. This is a time for adventure; the spirit of our merchant adventurers of centuries past, is being re-awakened, in the efforts and missions of our manufacturers and merchants to seek new markets, to speed the country's recovery, in exporting to North America.

The second great task, and it is closely connected with the first, is to go on increasing the output of our industry. This is not merely for the sake of the extra volume of goods, but also because when we get more output from the same number of workpeople—as we must do, for there are very few more workpeople to be found—we are bound to do it by improving our methods and so cutting our costs, and increasing our competitive power in the dollar markets and elsewhere.

Industry and Government are therefore now engaged in a co-operative drive to improve our productivity. It is being done partly by a vast programme of investment in new plant and machinery, especially in our basic industries. Better tools will always be, as they have always been, the supreme method of doing a better job. But investment programmes take time. Speedier improvements are possible, and are taking place, through the overhaul of methods (page 3) of organisation and working in the factory, and through the realization of a greater sense of partnership, joint discussion, and sharing of information between management and workpeople. We know ourselves, and friendly American observers have said the same thing, that if we can raise the efficiency and smooth working of the average factory much nearer to the level that already obtains in the best of our own plants, we shall have gone a very long way to solving our whole economic problem. With that in view various branches of industry are planning to exchange information and 'know-how' among themselves, and the Trades Unions are playing their part in planning a programme of exchanges of visits between works, and dissemination of information. The Anglo-American Productivity Council has been set up to facilitate the interchange of knowledge and ideas between industry in the two countries, and the first British party has just landed in America to see and to learn.

Without belittling for one moment the fundamental importance of improved plant and machinery, I do want to emphasise once again what great results can be achieved, apart from new machinery, by improved methods of organization and by forms of industrial relations which capture the interest and release the full energies of all concerned in the factory.

Is there anything to show for all this effort? Yes, indeed there is—more perhaps than is generally realized. For the past nine months the production of British industry as a whole has been about 7 per cent above its rate for the same period a year earlier, and the rate of increase has not varied very much

from month to month. In the four latest months for which we have figures—October, November, December and January—the total of our output has been 6 or 7 per cent above the same months a year before. The increase in the labour force during that year has been on an average about 1½ per cent. This suggests, as a very rough and ready measurement, an increase in productivity during the year's interval of the order of 4 or 5 per cent. There is no present sign that this rate of increase is falling off, and it is a very high rate indeed. It is nearly twice the rate called for under the 4-year Programme, which aims at independence and solvency in this country by 1952, and it is appreciably higher than the rate that was achieved year in and year out before the war. We shall be wise if we assume that there are special factors at work arising out of the end of the war, demobilization, reconversion and so forth, which help us at present to keep this rate of increase high. But there is no inherent reason, no inescapable technical cause, why it should not be maintained. Obviously this will call for all our very best efforts. Much as some industries, many individual firms, and the T.U.C. are now doing, they will need to do more still—they will need to think and work to still better effect if the present rate of improvement is to be kept up. But if it is kept up, it holds out the hope of a very happy outcome to our present efforts in a few years' time. It points to the achievement of economic independence. It points to our ability to build up our overseas trade and hold it against all comers, so earning our vital food and raw materials and keeping our full employment policy secure. It points to a rise in the standard of life of all of us. And it points to our making an ever-greater contribution to the recovery and reconstruction of our friends and partners not only in Europe but in every war-stricken and backward part of the world.

That is the objective, that is the hope. Its realization turns upon what men and women do with their brains and hands in our factories, firms and places of work, and what the whole community does by its understanding, its patience and its self-restraint, to support their efforts.

I declare the Exhibition 'On Our Way' formally open. Board of Trade