

FOR SOCIALISM & PEACE

13

1934



the labour party's programme of

ACTION

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FOR
SOCIALISM
AND PEACE

**The Labour Party's
Programme of Action**

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AN APPEAL TO THE NATION

IN support of the ideas and policy set out in these pages, the Labour Party appeals to the electorate of Britain. It seeks an effective majority, not only in the electorate as a whole, but in each separate section of those who labour by hand or brain in the industrial centres, in the suburban areas, and in the countryside.

It seeks a majority based not upon mere dissatisfaction with the record of the present Government, but upon an active and courageous faith in the possibility of creating a new social order and a British Socialist Commonwealth, which shall lead the world to a secure and universal peace. It appeals, as a democratic party, for a popular mandate to translate that faith into reality.

It appeals to the working classes, because they know, in the bitterness of their experience, how profoundly Capitalism has failed.

It appeals to the technician and the professional man, because it believes that it can offer them a wider and more creative opportunity of public service than is theirs to-day.

It appeals to women, in every section of the community, because it offers them peace, and for their children the hope of health and happiness.

It appeals to the young to enlist in the high adventure of building a new world, and to bring the special gifts of youth—imagination, audacity and energy—to that great task.

It appeals, finally, to all in the nation, whether rich or poor, who are disturbed by the gross inequalities of wealth, by the anarchic waste of the present system, by the menace of another and still more terrible war.

Labour does not underestimate the difficulties which lie in the path. It believes that if the British people so determine, they can win their way to peace and prosperity, justice, equality and freedom.

LABOUR'S AIMS

I—PEACE

1. The great dominating aim—the organisation of peace through the League of Nations, and the removal of the causes of war. No secret alliances, treaties or engagements of any kind.
2. To pass a Peace Act of Parliament which would
 - (a) Make it impossible for any British Government to use force as an instrument of national policy, without violating the law of the land.
 - (b) Empower the Government to apply any economic and financial measures necessary to take its share in collective action.
3. To create machinery and obligations for settling all international disputes by pacific methods.
4. To promote drastic disarmament by rapid stages through international agreement, with the ultimate object of the abolition of national armed forces and their replacement by an international police force.
5. To abolish the weapons of aggression forbidden to Germany.
6. To abolish the private manufacture and sale of armaments.
7. To abolish national air forces, internationalise civil aviation, and create an international air force.
8. To develop friendly relations, commercial and political, with the Soviet Union and the United States.
9. To combat economic nationalism, particularly tariffs, and press for international agreement in economic and financial questions, transport, travel and communications, raw materials, loans, hours and conditions of labour, public health, etc., using to the utmost the League of Nations and the International Labour Office.
10. To seek the partnership of the members of the British Commonwealth of Nations in the world leadership for the attack on war.
11. To enforce the principle of trusteeship in the British Colonial Empire, to develop self-government, and to ensure the economic well-being and security of the inhabitants along Socialist lines.

II—ECONOMIC REORGANISATION

1. To apply a policy of full and rapid Socialist economic planning, under central direction.
2. To establish public ownership and control of the primary industries and services as a foundation step, including the banking system, transport, coal and power, water supply, iron and steel, and other key industries.
3. To establish public ownership of the land and its proper utilisation, including the provision of national parks.
4. To reorganise agriculture under public direction and control.
5. To apply public regulation, including enforcement of reorganisation, of industries and services not under public ownership, in accordance with general economic planning.
6. To establish the right, acknowledged by law, of employees in socialised industries to an effective share in direction and control.
7. To utilise fully the Consumer's Co-operative Movement in national economic planning.

III—INDUSTRIAL LEGISLATION

1. To repeal the Trade Unions Act of 1927, and restore Trade Union rights.
2. To raise industrial standards by the improvement, extension and vigorous enforcement of the Factories and Workshops Acts, the Shops Acts, the Acts relating to the employment of children and young persons, the Workmen's Compensation Acts, the Merchant Shipping Acts, the Minimum Wage Acts, the Mines' Regulations Acts and other industrial legislation ; and by new legislation to regulate the conditions of employment in offices, the distributive and catering trades and other industries.
3. To establish the 40-hour week.
4. To promote the policy of higher wages, by such legislative and industrial changes as may be required, including the far wider enforcement of a strengthened Fair Wages Clause, a great extension of Trade Boards and similar legislation, and making wages and conditions for the first time a paramount consideration in the conduct of industry.
5. To assume leadership in the development and enforcement of international labour standards.

IV—SOCIAL SERVICES

1. To carry out a bold and continuous programme, through the public authorities, of houses to let at rents which the workers can afford to pay ; including the clearance of the slums with the rehousing of displaced tenants, the widespread provision of ordinary new houses to let, the abolition of overcrowding, and the thorough repair and sanitary condition of all houses.

2. To establish permanent control of all houses now controlled under the Rent Restrictions Acts ; with the reconrol, subject to certain adjustments, of all houses of corresponding rateable values which have been decontrolled.
3. To develop a State Medical Service for domiciliary and institutional medical care, with a great immediate extension of existing public health services.
4. To raise the school-leaving age to fifteen forthwith, and to sixteen with the least possible delay.
5. To develop equality of opportunity in education by a great improvement of the primary schools, including many more nursery schools ; by expediting and completing the reorganisation of schools for children of eleven and over as part of a unified secondary system, with common standards of accommodation, staffing and equipment ; by freeing secondary education ; by the inspection of all schools and educational institutions ; by reducing the size of classes and raising the standards of accommodation and equipment ; and by ensuring that nobody with the necessary intellectual qualifications is debarred on financial grounds from a university education.
6. To extend greatly the provision for pensions, and take the older workers out of industry by such means.
7. To make the adequate maintenance of the unemployed a national charge, and abolish the means test.

V—NATIONAL DEVELOPMENT

To undertake and promote bold schemes of national development, and so reduce unemployment, through the national economic reorganisation and extended social services already described and by other schemes, including the re-equipment of socialised industries and of other industries requiring reorganisation, a programme of electrification, including the electrification of the socialised railway system, the erection of publicly-owned plant for coal utilisation, the large-scale building of houses, schools, hospitals, etc., nationally-planned water supply, agricultural development, including land drainage, afforestation and re-equipment generally, a great programme of roads, bridges and harbours, and local authority activities of many kinds.

VI—POLITICAL DEMOCRACY

1. To maintain Parliamentary democracy, and oppose dictatorship in any and every form.
2. To maintain the supremacy of the House of Commons, by taking steps to abolish the non-democratic House of Lords as a legislative chamber, and by bringing Parliamentary procedure up to date, while maintaining adequate facilities for discussion, criticism and effective decision.

FOR SOCIALISM AND PEACE

LABOUR'S PROGRAMME OF ACTION

THREE years have passed since the nation, in a mood of sudden panic, gave the present "National" Government the largest Parliamentary majority in the history of British politics. That Government came into power with an unexampled opportunity. There was no limit to the reorganisation it could have effected. There were no obstacles to any great accomplishment to which it might have wished to lay its hand.

Yet the temper of the nation to-day is more gravely disquieted than at any time since the World War. The record of the Government and the menacing world situation more than justify that disquiet.

Failure of the "National" Government

In home affairs the Government proudly proclaims its achievement of stability, but it takes a narrow view of what stability implies. It is complacent in the face of deep and widespread economic suffering. It is indifferent to the harsh administration of the Means Test, and to the grim inequalities of the sacrifices it has imposed. By its Sedition Act it threatens public liberty. Progress in education, comprehensive development in housing, real advance in public health—all these, essential to a civilised standard of life for the people, have been ruthlessly halted. On armaments alone is there a willingness to expand expenditure.

Despite the pledges of its leader, the Government has penalised, in the interest of private traders, the great Co-operative Movement. The adoption of a high and haphazard tariff policy has seriously injured both exporter and consumer, and disregarded the claims of the worker in protected industries.

In Imperial affairs, the Ottawa Agreement—so loudly trumpeted as the beginning of a new era—has stimulated that very economic nationalism which even the Government itself admits to be one of the main causes of the world crisis. Repression has increased the difficulties of an agreed settlement with the Indian people. In Africa solemn promises have been broken and native populations sacrificed to gold hunters.

In foreign affairs the constructive leadership in the League of Nations so proudly and successfully assumed by this country under the second Labour Government has been wantonly thrown away. Loyalty to the League in words has been belied by betrayals of the Covenant in deeds and lack of deeds. Democracies in Austria and Germany have been destroyed without a word of protest from the British Government. By its high tariff system, its domestic policy of contracting public expenditure, its Ottawa commitments and its total lack of leadership, the Government made the failure of the World Economic Conference inevitable. Headstrong Japanese imperialism in the Far East has been assisted by the timid and supine attitude, not to say the tacit connivance of Great Britain. A feeble and disingenuous policy on disarmament and security has helped to frustrate the attempts to achieve a reduction in armaments and has stimulated the arms race to which Far Eastern events gave the initial impulse. The danger of war looms over the world.

In every field of policy the Government presents a spectacle of moral and political bankruptcy. Its supporters view its policies with doubt and uneasiness. Its members are united on nothing except their desire to prevent the coming of Socialism.

Downfall of the Liberal Party

The Liberal Party has been split once again into fragments. A section still seeks to prolong its existence by servile support of the Government. Another part has been driven, at long last and reluctantly, into feeble and unconvincing opposition and is hopelessly compromised by its previous share of responsibility.

Post-War conditions have made the continued existence of the Liberal Party a tragic anachronism and a standing disservice to the causes—Democracy, Freedom, Peace—for which Liberalism used to stand. The Liberal Party no longer has a message for the new world. That is why the younger generation finds no hope in the Liberal solution. That is why the country, as the by-elections show, recognises emphatically that the Labour Party alone can provide a genuine alternative Government.

LABOUR'S AIMS

The choice before the nation is either a vain attempt to patch up the superstructure of a capitalist society in decay at its very foundations, or a rapid advance to a Socialist reconstruction of the national life. There is no half-way house between a society based on private ownership in the means of production, with the profit of the few as the measure of success, and a society where public ownership of those means enables the resources of the nation to be deliberately planned for attaining the maximum of general well-being.

The Labour Party therefore seeks a mandate from the electorate to replace a Government representative of nationalist reaction and anti-social vested interests by one which expresses the needs and voices the aspirations of the community as a whole.

The aims of the Labour Party can be stated, briefly, as follows:

- (a) To establish peace, freedom and justice by removing from among the nations the root causes of international disputes, by conciliation and arbitration, by renouncing war as an instrument of national policy, by disarmament, by political and economic co-operation through the League of Nations, and by agreements with States which are not yet members of the League.
- (b) To secure to every member of the community the standards of life and employment necessary to a healthy, independent and self-respecting existence, and to give equality of opportunity, both political and economic, to men and women alike.
- (c) To convert industry, with due regard to the varying needs and circumstances of different sections, from a haphazard struggle for private gain to a planned national economy owned by and carried on for the service of the community.
- (d) To extend rapidly and widely those forms of social provision—education, public health, housing, pensions, and maintenance during unemployment—in the absence of which the individual is the sport of economic chance and the slave of his environment.
- (e) To adjust taxation in such a way that due provision is made for the maintenance and improvement of the material apparatus of industry, and that surpluses created by social effort shall be applied for the good of all.

The Labour Party is essentially a democratic party. It seeks to attain its purposes by persuasion, and not by violence, and to maintain that right to full freedom of criticism and association without which human life is deprived of dignity and fullness.

Labour takes the view that political democracy cannot be a reality without economic democracy. It seeks to establish a free and prosperous society of equals, and believes that the highroad to such a society lies through the gateway of Socialism.

Fascism provides no remedy for our economic and social troubles. It would deepen and aggravate them. All that it has done in countries where it has brutally seized political power is to inflict gross tyranny, and even torture and death, on great communities. It has achieved no social or economic improvement. On the contrary, the condition of the people in Fascist countries is far worse even than that of our own people under the "National" Government. Fascism is merely Capitalism in its worst and most brutal form.

LABOUR AND PEACE*

Because it is a Socialist Party, the Labour Party believes in the brotherhood of man. The advance of science has bound the peoples of the world together by a thousand ties. It has also produced instruments of destruction so potent that the institution of war has become incompatible with the survival of civilisation. The Labour Party regards war as senseless and wicked, a blasphemy against the human spirit. It detests national and racial as much as class barriers. The Socialist faith is as passionately opposed to international anarchy as it is to economic anarchy. It recognises that both spring from the fundamental and incurable anarchy of Capitalism.

The Labour Party believes that the only final guarantee of peace lies in the development of a Co-operative World Commonwealth of Nations. The League of Nations can succeed only in proportion as it develops in the direction of world government. Planning and control in international life both postulate and follow from national planning and socialised control of our national life. A foreign policy directed to establishing a Co-operative World Commonwealth of Nations is the inevitable corollary to a home policy which actively works for the establishment of the Socialist State. Such a foreign policy is the only effective alternative to the present drift toward another world war.

The Labour Party therefore seeks for power to plan a new society to replace the old, not only on a national but on a world scale. It does not deny the difficulty of the task. Opposition to change is strong, and formidably organised. Yet the Labour Party believes that, given courage and determination, the difficulties can be surmounted.

The central feature of the events of the last two years is that, in spite of the League of Nations and of copious lip-service to the League, there has been a return to pre-War standards and methods, leading to a revival of pre-War conditions—a race in armaments, a groping for alliances, the search for a Balance of Power.

* See (a) *Labour's Foreign Policy*; (b) *War and Peace*, which is included in the Report of Annual Conference, 1934; and (c) *The Colonial Empire*.

The Collective Peace System

The next Labour Government would take immediate steps to put an end to the race in armaments and the growing danger of war. It would do so by the only effective method, a method which the present Government has signally failed to adopt. It would submit to all nations at Geneva a bold and far-reaching plan both for all-round disarmament and for the international organisation of security. The plan will provide for

- (a) the abolition by all States of all the arms forbidden to the Central Powers by the 1919 Treaties, with a system of regular supervision and guarantees;
- (b) the limitation of Armaments' Budgets;
- (c) the abolition of national air forces, the internationalisation of civil aviation, and the creation of an international air police force;
- (d) the nationalisation of the manufacture of arms, and the drastic international control of the trade in arms;
- (e) a treaty of non-aggression, linked with the sanctions system of the League; and
- (f) machinery and obligations for settling all disputes by pacific means.

The adoption of a plan on these lines would transform the political atmosphere in Europe, by restoring faith in the rule of law and banishing the fear that violence would be used to effect changes in national territories. It would be a mistake, however, to suppose that peaceful change can ever consist principally in frontier revisions between sovereign states. The greatest peaceful change must be the progressive disappearance of enflamed nationalism and the growth of international arrangements for economic co-operation across frontiers, and, in the political field, the fair treatment of minorities. Any necessary revision of frontiers can only be considered in an atmosphere from which the fear of war has been banished.

The ultimate object which the Labour Party will keep in view is the removal of the causes which give rise to national armed forces as we know them to-day, their abolition and replacement by an international police force under the League of Nations.

A Labour Government would always endeavour to secure world-wide acceptance for its policies of organising peace. But it would not make a fetish of unanimity, and would avail itself to the full of the facilities afforded by the Covenant for concluding regional agreements with such states as accepted the establishment of a World Commonwealth as our common objective, with all its implications in the realms of pooled defence, joint economic and social policies, and common duties of citizenship on the issue of preserving peace.

In accordance with this general peace policy, a Labour Government would publish any international agreement not yet disclosed or only partly disclosed, and submit all international treaties to the House of Commons before ratification. This was the practice of previous Labour Governments.

The Far East

The problem of Asia is regarded by the Labour Party as pivotal to the peace of the world. It is here that the present Government's disregard of its solemn treaty obligations has had the swiftest and direst consequences—nothing less than the menace of a great war. Here the Labour Government would take its stand squarely on the Covenant, the Nine-Power Treaty and the Paris Pact, as interpreted in the unanimous Report of the League Assembly. It would keep in closest touch with the United States and the Soviet Union with regard to a concerted attitude against aggression and the violation of treaties in the Far East. It would make clear that any fresh resort to war would be met by world-wide action on the basis of the treaties forbidding war. It would use all its influence to impede any effort which sought to make China the victim of imperialist exploitation or endeavoured to extort acquiescence in the violation of China's territorial integrity and political independence. It would endeavour to secure by common action those conditions under which alone a reasonable standard of life is attainable by the peoples of the East.

International Economic and Labour Conditions

War must be attacked, however, on a far wider and deeper front than hitherto. The Constitution of the International Labour Organisation states that "The League of Nations has for its object the establishment of universal peace, and such a peace can be established only if it is based on social justice," and goes on to explain that "conditions of labour exist involving such injustice, hardship and privation to large numbers of people, as to produce unrest so great that the peace and the harmony of the world are imperilled."

The Labour Party agrees with this analysis. But it contends that the only way of establishing social justice is by getting rid of production for private profit and substituting production for the use of the community. It insists that the chaotic conditions arising out of unbridled competition give rise to social injustice that imperils peace, and the scramble for markets and fields for investment which are a direct cause of war.

The Labour Party is committed to far-reaching measures of co-operation, utilising to the full the various sections of the League and the International Labour Organisation. Just as in home policy it would insist upon decisive control over the whole economic life of the country, so in international policy it would press for international planning in economic and financial questions, transport, travel and communications, hours and conditions of labour, public health, etc. It would aim at stabilising the level of wholesale prices at home, and seek by international agreement to stabilise rates of foreign exchange. It would endeavour, through suitable machinery under the League, to deal with the many problems relating to international loans. It would attack the disastrous economic nationalism of the present age by working for an all-round lowering of tariffs, and their substitution by a system of planned international exchange.

With this work, it is essential that all the potentialities of the International Labour Office should be associated, so that no machinery may be left untried by which industrial standards may be safeguarded in an era of technological revolution. A Labour Government would therefore in particular seek to strengthen the international regulation of the conditions under which goods are

produced which enter into international commerce, and to prevent unfair competition in world markets by debased standards of wages and employment. The International Labour Organisation has suffered from its subordination to the interests protected by capitalist Governments. A Labour Government would seek to free it from these shackles and encourage it in a bold effort to take its proper place in that planning of international economic life which is the only alternative to disaster.

The Soviet Union

The entry of the Soviet Union into the League is a tribute to the strength of the fundamental idea of international co-operation to maintain and enforce peace, and a proof of the realism of Labour's peace policy. It is a valuable assurance of that collective security which, to the Soviet Union, as to Great Britain itself, is vital. It will create new opportunities for the effective co-operation of the Soviet Union with all significant international action in the economic and political fields, and assist in a general advance of the peoples of the world towards a Co-operative World Commonwealth. A Labour Government would propose a treaty of non-aggression and conciliation with the Soviet Union, and would seek the rapid development of mutual commercial relations.

The United States

Inherent in the great purpose of organising peace is the necessity for full co-operation with the United States, which is now outside the League. The Labour Party would seek to associate the American people with each stage of its policy, and to find the terms on which they might co-operate, through the League of Nations or otherwise, in the conviction that they, like ourselves, will be prepared for active steps in a creative effort of this kind.

The British Commonwealth

The Labour Government would regard the Dominions as partners in the world leadership for the attack on war. A wise policy could secure for our Commonwealth that unity of outlook which is a condition for such leadership. The unhappy Anglo-Irish dispute; the failure to find those terms of accommodation upon which India can become a willing partner in this great enterprise; the inadequate regard paid to the principle of trusteeship in our African colonies*; the ill-guided economic policies of which Ottawa is the embodiment: these all stand in the way of the full contribution the British Commonwealth could make to a peaceful and prosperous world.

The Peace Act and Citizenship

The Labour Party recognises the necessity for driving home the meaning of our international obligations into the public consciousness by national legislation. Foreign policy must become fully democratic, the concern of every good citizen, which he feels as intimately affecting his civil rights, his duties to the State, and his conception of patriotism. For ultimately, the issues dealt with by foreign policy are the awful issues of life and death, of the destruction or re-birth of our civilisation.

- See *The Colonial Empire*.

The most important national legislative measure contemplated by Labour's foreign policy is the Peace Act of Parliament, which would put on the Statute Book our national interpretation of our obligations under the collective peace system, and thereby show to our own people and to the world how seriously we take these obligations and just what we understand them to mean.

The Peace Act would bind the Government to submit any dispute with another State to some form of pacific procedure, and not to resort to force as an instrument of national policy; and to report at once to the League and to comply with the League's injunctions on the basis of reciprocity, in case of having to use force in self-defence. The Act would also empower the Government to apply any economic and financial measures necessary to take its share in collective action.

Finally, the Labour Party recognises that making a reality of the collective peace system implies profound changes in our views of the duties of citizenship and the nature of patriotism. We are world citizens as well as national citizens, because of our country's membership of a world community bound by common treaty obligations—the rudimentary constitution of a World Commonwealth of Nations. We are responsible for seeing that the British Government acts as a loyal member of the world community, in particular by carrying out its international obligations under the collective peace system. This means that we must:

- (a) Insist that our Government settle all its disputes by peaceful means and eschew force.
- (b) Unflinchingly support our Government in all the risks and consequences of fulfilling its duty to take part in collective action against a peace-breaker, making sure at the same time that such action is inspired by a sincere determination to enforce the rule of international law.
- (c) Refuse to accept our Government's unsupported claim to be using force in self-defence, and insist on submitting this claim to the test of international judgment or of willingness to arbitrate.
- (d) Refuse to serve or support our Government if it were ever condemned as an aggressor by the League, or designated itself as an aggressor by becoming involved in war after refusing arbitration.

The Peace Act would put these duties of world citizenship on the Statute Book, and so make it impossible for any British Government to use force as an instrument of national policy without violating the law of the land.

A Peace Crusade

This, then, is Labour's foreign policy. It is a peace policy, clear-cut, challenging and comprehensive. It has been worked out consistently with reference on the one hand to the existing collective system and on the other to the final Socialist objective—the establishment of a Co-operative World Commonwealth of Nations.

The Labour Party has abjured once for all the old, negative, competitive backward-looking idea of the Balance of Power. That idea is based on the pre-War assumptions of unqualified national sovereignty and the continuance of

war as an institution, and implies that mankind can never rise above the present stage of political organisation. It is a profoundly pessimistic doctrine, the product of a decaying social order without hope of saving civilisation.

The Labour Party knows that the road which leads to enduring peace is hard. Ancient traditions, fanatically-cherished, must be broken, powerful vested interests must be vanquished. In the grim enterprise of mastering the blind forces that drive unwilling peoples into war, nothing will suffice short of a mass movement made formidable by the power of a burning faith. To our opponents peace is a pious hope. To Socialists it calls for a crusade. We believe that the Labour Party alone is capable of raising and leading a great mass movement against war. For war is an integral part of the old order. To have peace we must build a new type of civilisation.

NATIONAL RECONSTRUCTION

The electors are entitled to know what the establishment of Socialism means in terms of concrete domestic measures. They have been so continuously deafened by the vituperation of Press and politician, that only a detailed knowledge of what they are asked to vote for will enable them to resist the clamour of hostile propaganda. The Labour Party warns them, in the light of past experience, that deliberate misrepresentation will be employed by its opponents. They will be told that a Labour victory means financial ruin, as was suggested by the "Savings Bank lie" of 1931, or that it means dictatorship or revolution; or there may be, as in 1924, some last-moment "Red Letter" scare to induce that panic temper by which reaction always profits.

The Labour Party asks the electors to scrutinise its proposals calmly now and to judge them rationally.

The next Labour Government will have a twofold national task. It must embark on great fundamental measures of economic reconstruction; and, at the same time, it must build up many forms of social provision, rendered specially urgent by the failure of the present system. The two aims are inseparable, and a Labour Government would energetically seek to make them complementary. The whole basis, however, must be the recognition that what the nation now requires is not mere social reform, but Socialism. That is the end for which Labour asks the mandate of the electors.

ECONOMIC REORGANISATION

What is the nation's position in the economic and industrial sphere? The unemployed remain at the intolerable figure of over 2,000,000; wages in all the basic industries remain depressingly low; the shrinkage of the export trades has been alarming. These conditions prevail at a time when scientific discovery has made our power to produce greater than at any period in the history of the world. Literally, as has been so often insisted by Labour, and is now widely recognised, we starve in the midst of a potential plenty, just as we drift to war in a world longing for peace. In this tragic situation, Capitalism has little answer save the withholding of supplies and the increase of prices; and it accompanies this fatal policy by a steady and relentless pressure on the level of wages. Neither competition nor private monopoly has proved able to rescue the nation from its sorry plight. The one sane alternative which is left is a policy of full and rapid Socialist planning.

Key Industries and Services*

Economic reorganisation and control will take many forms; but the public ownership and control of the primary industries and services is an essential foundation step, and on no other terms, as their previous history and present situation make manifest, can these industries and services be freed from the fatal restrictions placed upon them by vested interests and chaotic conditions. The method of approach in any particular case will, of course, depend on the nature of the industry concerned.

Banking and credit, transport, water, coal, electricity, gas, agriculture, iron and steel, shipping, shipbuilding, engineering, textiles, chemicals, insurance—in all these the time has come for drastic reorganisation, and for the most part nothing short of immediate public ownership and control will be effective.

Public ownership of industries and services will be marked not only by the introduction of a new purpose, but by a new spirit in relation to the workers engaged therein. Wages and conditions will become for the first time a paramount consideration in the conduct of industry. On these the Labour Party would proceed after the fullest consultation with the appropriate Trade Unions, whose status and agreements would be safeguarded under the statute creating the national service. The Labour Party also believes that the employees in a socialised industry have a right, which should be acknowledged by law, to an effective share in the control and direction of the industry.

The public acquisition of industries and services will involve the payment of fair compensation to existing owners; but thereafter the former owners as such should have no further part of any kind in the control or management or policy or finances of the publicly-owned concern. The suggested basis of compensation, broadly, is the net reasonable maintainable revenue of the industry concerned.†

The task of organising the public ownership and control of fundamental industries is no easy one; and the adequate regulation of those which remain in private hands will also create serious problems. The Labour Party does not minimise the difficulties. Much will depend on the actual economic situation when it acquires power.

There has been a phenomenal increase in modern productive capacity; and to release it for the common good must be the primary objective of any rationally-organised society. The relation of this release to the public ownership of the means of production has already been emphasised. Upon that basis the advantages to be derived from improved technique become available to the community as a whole. Reorganisation, from the point of view of productive efficiency, must aim at six objectives:

- (a) The introduction of efficient methods of production.
- (b) The organised purchase of raw materials.
- (c) The establishment of effective selling agencies.
- (d) The elimination of all unnecessary charges.
- (e) Reasonable wages and conditions for the producers.
- (f) Reasonable prices for the consumers.

* See *Socialism and the Condition of the People*.

† See *Public Ownership and Compensation*, which is included in the Report of Annual Conference, 1934.

To attain these ends, it will be necessary for a Labour Government, whilst it is engaged according to its priority plan in bringing primary industries under public ownership, to secure from Parliament the necessary powers to enforce reorganisation upon other industries which have so far shown themselves recalcitrant to the demands the community makes upon them. Such reorganisation will include, as required, the regulation of structure and methods, of prices, profits and accounts, and of wages and other conditions; and this will be accompanied by full recognition of the Trade Unions.

Only as industries are reorganised can their increased productive capacity secure the higher wages, the shorter hours of labour and the economic security which ought to be the logical outcome of scientific progress. While the Labour Party recognises that the full advantages of reorganisation cannot be secured until a Socialist-planned system is in active operation, it believes that measures of rapid amelioration are possible even now, if the capacity for production is released and co-ordinated and the interests of the private profiteer subordinated to the common welfare.

Banking and Credit*

The pivot of any economic and social system lies in the control of its currency, its banking institutions, and its methods of investment. For so long as these remain predominantly in private hands, any attempt to raise the general standard of life is in danger of frustration. To leave them so is to leave them the servant of private interests, which thereby are masters of economic and political power. If, therefore, they are to serve the community as a whole, their public ownership and control is fundamental.

The Labour Party believes that, in view of the breakdown of the gold standard, the aim of British monetary policy should be to stabilise wholesale prices at a suitable level in this country, to seek by international agreement the largest practicable measure of stability in the rates of foreign exchange, and to safeguard the community against exploitation, such as has been inflicted on it in recent years by speculators and manipulators.

To carry out this policy, to undertake effectively the planned development of the national resources, and to transfer to the nation the enormous powers now wielded primarily by the private owners of the finance machine, it is necessary to bring the Bank of England and the Joint Stock Banks under public ownership and to exercise control over investment.

At the centre of the financial system stands the Bank of England, the arbiter of national financial policy. It is proposed that the Governor of the Bank should be appointed by the Government and be responsible to a Minister of Cabinet rank, who would in turn be responsible to the House of Commons for banking and credit policy, the day-to-day business of the Bank being carried on by the Governor and his staff.

The Joint Stock Banks should be amalgamated into a single Banking Corporation and run by a small directorate appointed by the Government on grounds of ability and willingness to carry on the work. The Government

* See (a) *Currency, Banking and Finance*, and (b) *Socialism and the Condition of the People*.

would indicate the general lines of banking policy and would require the Corporation to co-operate with the publicly-owned Bank of England and a National Investment Board.

No policy of economic reconstruction can succeed unless there is effective control of investment. That control is, indeed, the very essence of a planned economy since it secures the direction of capital into the activities central to the main purposes of a planned economy. It is in order to substitute Socialist planning for the present anarchy that the Labour Party proposes to set up a National Investment Board.

The Board would likewise be appointed by the Government on grounds of ability and willingness to carry out the work, and would be assisted by a permanent staff of economists and statisticians. The Board would act as an instrument of the Government engaged in operating national planning, but enjoying flexibility and discretion within that plan for the efficient performance of its functions. It would organise the mobilisation and allocation of that part of the national wealth which is available for capital investment, and would license new capital issues. It would prepare annual estimates of the national income, showing what new money was likely to be available for investment. It would co-ordinate all schemes of capital expenditure proposed by Government Departments, Local Authorities, other public bodies, and industries either socialised directly or operating under public control. It would be able to recommend to the Government a comprehensive scheme of investment.

That such control is possible is shown by the experience of the War; and the Labour Party takes the view that the position of industry to-day represents a similar emergency.

It is impossible here to deal in detail with the working of these new institutions. Suffice it to say that the depositors on the one hand, and industry on the other, will be far more completely safeguarded under a scheme which is built on a systematic response to public need than one which, as the disastrous history of the present crisis has shown, is wholly chaotic in its methods.

Transport*

No one who examines the transport situation can fail to see the urgency of co-ordination under public ownership.

The position of the railways is well known. Heavily over-capitalised, unnecessarily competitive (despite recent pooling arrangements), unimaginatively managed (as their attitude to road transport has made clear), governed by unwieldy directorates, they have not only failed to meet new conditions, but are in a thoroughly bad financial position.

Without national regulation of road transport there is bound, from the very growth in the number of vehicles, to be chaos. Some order has been introduced into road passenger motor transport by the Road Traffic Act of 1930, passed by the second Labour Government; but problems of consolidation remain to be faced. The Road and Rail Traffic Act of 1933 does not touch the fundamental problems of goods motor transport by road.

* See *The National Planning of Transport*.

Canals and inland waterways are smaller and more manageable. But, even here, the improvements and amalgamations which are necessary are obstructed by vested interests. Harbours and docks are in a relatively better case; but the change in our fiscal policy has affected the whole problem of docks reorganisation and development. Many of the smaller ports are falling into decay, and competition between the great ports is resulting in serious waste through lack of co-ordination. Coastwise shipping is also in need of reorganisation; and its proper co-ordination with ports and land transport is as imperative as it is impossible without unified control. Moreover, there looms up increasingly the future of air transport. When all these elements are considered, it becomes clear that no co-ordination can be either effective or scientific unless there is unification of ownership; and only the nation is in a position to effect an operation of this magnitude.

The Labour Party therefore proposes to set up a National Transport Board, which would include representatives of the workers in the industry, and which, subject to general Ministerial control, would be broadly responsible for the efficient planning and management of the national transport system. Immediate public ownership of every section of transport is impracticable, but the Statute creating the Board should provide for taking over the railways and certain other major services forthwith, and for taking over the rest as and when found convenient. The Board will be responsible for publicly-owned transport; and in the meantime the remainder will be subject to such terms of regulation and license as seem most likely to secure an effective co-ordination of the whole system.

The enabling statute would set out the general principles of direction and confer upon the Board defined responsibilities; and it would be the duty of the Minister of Transport to satisfy himself of the Board's efficient operation in terms of those general principles. But, otherwise, it is proposed that the Board should work on its own initiative, though it would be subject to criticism and discussion in the House of Commons. It is also proposed to create a Consultative Committee in which organised Labour, users of transport, and Local Government Authorities, should sit to discuss with the Board the effect of its policies upon their various interests; and it will probably be necessary to create a quasi-judicial tribunal to settle on appeal matters concerning prices, charges and transport facilities.

Coal

The national co-ordination of coal and power (including electricity and gas supply) under public ownership and control, is urgent.

So far as the coal industry is concerned, every enquiry since the War has condemned the present system. Prevailing methods of production and distribution are wasteful; the lukewarm attitude taken to the scientific treatment of coal and the production of by-products is a national economic danger. Attempts at reorganisation by consent have either broken down or made little progress. The result has to be paid for not only by the miners, but by every coal-user, whether industrial or individual.

The Labour Party therefore insists that unification under public ownership is the one effective method by which the industry, including the treatment of coal, can be rescued from the chaos of inefficiency. There are various problems

of demarcation and decentralised administration and marketing; but always there must be central direction of general policy under public ownership. Every branch of the industry must be reorganised and full advantage taken of scientific discoveries in relation to the treatment and use of coal.

Repeatedly has the Trades Union Congress and the Labour Party, in agreement with the Mineworkers' Federation of Great Britain, urged this policy—before the Sankey Commission and the Samuel Commission, and in published form. The nation simply cannot afford to allow this great key industry, on which so many other industries depend, to continue in multiple and inefficient ownership. No body of workers has suffered more from the ineptitude of employers than the miners; and only a comprehensively reorganised industry, nationally owned, and on the direction of which the workers in the industry would be represented, can effectively serve both the miners and the community as a whole.

Electricity Supply Industry*

The electricity supply industry is particularly ripe for public ownership. A start has been made with comprehensive planning under the Central Electricity Board. The scheme includes the concentration of electricity generation in a limited number of selected "stations" which, although remaining in municipal or company ownership, are operated under the control of the Board. The Board purchases the output of these stations and sells it to authorised distributors; the stations feeding the main transmission system known as the "grid," which is owned by the Board and from which supplies are provided in bulk to distributors.

The generation side of the industry is not wholly satisfactory even under these conditions, and private generating plants, which account possibly for a third of all electricity generated, are not subject to control.

The unco-ordinated nature of distribution is much worse. With over 600 distribution undertakings, good, bad and indifferent, it is impossible to secure a reasonable uniformity of charges, or the necessary development of difficult areas, or a real pushing sales policy, or an efficient service organisation. Both the character and policy of the distributors vary enormously.

Unification of ownership is urgent and vital if the industry as a whole is to play its proper part in the national economy. The Labour Party proposes, therefore, that a National Electricity Board, on which the workers in the industry would be represented, should be established, to which would be transferred all the authorised undertakings for generation and distribution, the national grid, railway and traction generation, and certain non-statutory undertakings. Privately-owned generating plant would be taken over as and when required in the public interest. The composition of the Board and the general organisational arrangements would be on the lines of the proposals for transport.

* See *The Reorganisation of the Electricity Supply Industry*.

Iron and Steel*

The reorganisation of the iron and steel industry raises somewhat different problems; but of the necessity for such reorganisation, as even the present Government admits, there is no doubt. It is proposed that a British Iron and Steel Corporation, on which the workers in the industry would be represented, should be appointed by the President of the Board of Trade to take over all undertakings manufacturing iron and steel products, from pig iron to finished goods. Precise lines of demarcation, as to the classes of product to be included, would be laid down.

It is contemplated that for each of the large divisions of the industry a sectional Board would be established, which would be solely responsible for the production of its particular class of goods, subject to the general policy determined by the national Corporation. Marketing would be undertaken by the sectional Boards, in conjunction with the Corporation.

It is also proposed that the home production of ores which form raw material for the industry should be brought under public ownership and control.

The Land*

The Labour Party regards the proper utilisation of the land as an integral part of Socialist planning. This question extends far beyond the reorganisation of agriculture—profoundly important though that is—and involves problems relating to the best grouping of communities with reference to economic needs and opportunities and the provision of transport, social services and amenities; the preservation of natural beauty; the provision of national parks and facilities for recreation; and, indeed, a whole range of problems affecting the efficiency of the nation, the conservation of our resources and the well-being of the people.

For all these purposes, and particularly for the restoration of agriculture, only a unified ownership of the land can provide a satisfactory basis for effective and bold action. Such unification, under public ownership, would be carried out by means of a General Enabling Act giving the State power to acquire any land, rural or urban, at any time after the passing of the Act, and laying down the basis of compensation.

Agriculture*

The case for the national reorganisation of agriculture is overwhelming. The depressed condition of the industry; its failure to provide either a decent living or reasonable conditions of life for the wage-earners it employs; the continued depopulation of the countryside; the inability of the private landlord system either to supply the necessary capital or to maintain a good standard of husbandry—these are outstanding defects of the present position. Grave difficulties have arisen from the burden cast upon owner-occupiers who cannot provide the capital necessary to carry on efficiently. Land is often waterlogged; water supplies frequently insufficient; soils deteriorate; farms are only too often of an unsuitable size; there is widespread under-farming and much out-of-date technique of cultivation. Moreover, as is well-known, the marketing side, from the treatment of products to retail selling, is inadequate at every turn.

* See *Socialisation of the Iron and Steel Industry*, which is included in the Annual Report of the Trades Union Congress, 1934.

* See *The Land and the National Planning of Agriculture*.

Only by unified public ownership of the land would the State be in a position to plan a fully co-ordinated agricultural policy; and it is therefore necessary that, as rapidly as is administratively possible, the ownership of all agricultural land should be transferred to the nation.

It is proposed to set up a National Agricultural Commission, under the Minister of Agriculture, whose members would be appointed for their special knowledge of administration, finance, marketing, etc., and would include representatives of the farmers and farm-workers and of consumers, including the Co-operative Movement.

The work of the Commission, largely exercised through specially-appointed County Agricultural Committees, would be to see that the land was effectively managed and used. It would lay down general principles for the production, treatment and marketing of particular products, and would also be concerned, directly or indirectly, with such matters as direct public farming, drainage, reclamation, afforestation, research and education, transport, power, water supply and credit facilities. The very diversity of the problems involved, and the fact that most agricultural production will be for long undertaken by the individual farmer, will necessitate decentralised administration and co-operation with the producer at the source. It is not proposed that the Commission should itself undertake farming; but it is of great importance to develop public farming corporations (responsible to the Commission), on which the workers in the industry would be represented, which can farm directly on a large scale or manage co-operative farming groups, while the County Agricultural Committees would have power to farm where desirable.

Great importance is attached to the treatment and marketing of agricultural products. The first big step was taken in Labour's Agricultural Marketing Act of 1931. The Labour Party proposes to develop rapidly the method which it originally visualised, and to deal with products through Commodity Boards of various appropriate types in which the interests of both producers and consumers will be fully safeguarded.

On the monetary side, Labour would use its control over finance to secure a reasonable stability in the price level. In addition, it would be the task of the Commodity Boards, under the general supervision of the National Commission, to arrange suitable contracts with producers from time to time, requiring a sufficient and regular supply, and giving in return a price either definitely fixed for a period, or varying within certain defined limits. Herein is a security to the farmer which is fundamental to his operations.

Whatever the complexities of detail, a scheme for stabilised prices presents no impossible difficulties where the home producer has a monopoly. Where there are competing imports, a different position arises; and the Labour Party accepts the principle of regulating imports through Import Boards. Where the production of a commodity is efficient, both in quality and organisation, it should be defended against price fluctuations. The proper planning of imports is not only an inescapable part of the national planning of agriculture; it is also essential to any international planning which aims at the proper distribution of world-supplies and the stabilisation of world-prices. The

method of control will naturally vary with the type of commodity involved, the main factors of decision in each case being administrative practicability and the protection of the consumer against exploitation.

Moreover, it is imperative to make provision for a reasonable standard of life for the farm-worker. The present scandalous position is well known; and it is only too often accompanied by victimisation. The Labour Party proposes to revise the present wage-machinery so that the final word would rest with the National Wages Board and that, in view of the present gravely low rates, provision should specifically be made for a progressive increase of wages over a period of years. It proposes, further, to make for the farm-worker adequate provision comparable to that for other workers when unemployed. It would abolish the tied cottage as incompatible with personal freedom; and, after a given date, every farm-worker in a tied cottage would be regarded as a tenant under the Rent Restrictions Acts, and the employer would not be entitled to possession until suitable alternative accommodation had been provided. It will be necessary, further, rapidly to stimulate the provision of new rural houses, and to plan their development alongside the provision of those social amenities—playing fields, village halls, allotment gardens, etc.—which are so woefully lacking under the present system.

The Labour Party realises that much of this evolution will be facilitated by the transfer of the land to public ownership. The present failure is bound up with the very nature of the existing rural order. In setting the land free, the high road to freedom would be open to the farm-worker. He would be protected from the intimidation of which he is now so widely the victim. It is only on this basis that agricultural Trade Unions will advance upon the necessary scale and that the farm-worker will be able to take his rightful place in the effective governance of local life.

Water Supply*

In a similar way there is urgent need for the comprehensive planning of water supply. Labour proposes that the utilisation of water resources should be controlled by a National Water Commission, and that local water supply should be undertaken by executive Regional Water Boards functioning over wide areas. Labour in the industry would be represented on the Commission and the Boards.

The drought of 1933-34 has served to draw attention once more to the present unsatisfactory situation. The water resources of the country as a whole are ample for all foreseeable needs, but there are many districts whose supplies are inadequate in quantity or quality or both. Some of these latter have never had a proper supply; others have been working on a small margin of safety. Most are rural; but not a few are urban. A sufficient supply of pure water to every house is Labour's aim.

The sources of supply will depend on local circumstances. Generally speaking, it is most economical to utilise the resources nearest at hand, and these will include reservoirs, artesian wells, regional mains and the tapping of trunk mains feeding large centres of population.

* See *National Planning of Water Supply*, which is included in the Report of Annual Conference, 1934.

Industrial Legislation

The whole of the policy outlined in this document has a direct bearing on the individual worker. Only by the maintenance of peace, the diminution of trade barriers, the raising of industrial standards in other countries, the socialisation of basic industries and services, and the bringing of all industry under the direction of a planned economy, can there be any hope of security and decent conditions of employment.

Much also remains to be done by way of industrial legislation.

In the first place, the worker's primary safeguard is his Trade Union. A Labour Government will take action to promote the organisation of the Unions and to rid them of unfair disabilities imposed in recent years. It will regard it as a duty to secure the passage into law of a measure which will restore to the Unions the full powers they were deprived of by the Trade Disputes and Trade Unions Act of 1927.

Secondly, industrial standards are gravely deficient. The Factories and Workshops Acts, the Shops Acts, the Acts relating to the employment of children and young persons, the Workmen's Compensation Acts, the Merchant Shipping Acts, the Minimum Wage Acts, the Mines' Regulations Acts—these and other measures are riddled with gaps, and their practical enforcement is often seriously defective. The next Labour Government will make it its business greatly to extend their scope and improve their administration.

A new Factory Act is overdue. The standard of working conditions in factories and workshops has not been materially altered by law since 1901. Under the conditions in which the two Labour Governments held office, the Factories Bill which was planned could not be carried through. The next Labour Government will take in hand without delay the task of bringing factory legislation up to date in respect of safety, health, ventilation, sanitation and cleanliness, inspection and welfare, and also the question of hours and conditions of employment for women and young persons.

Labour will deal with conditions in shops, warehouses and offices. Hours of employment, and arrangements for the health and comfort of employees in the distributive and catering trades require to be regulated by new legislation. Legislation is also necessary for the regulation of employment in offices, with a view to bringing the standard up to a satisfactory level and enforcing it by adequate inspection.

Radical changes are required in regard to Workmen's Compensation. The present system encourages wasteful litigation; methods of insurance against employers' liability are unsatisfactory; and measures must be taken to prevent injured workmen losing their compensation through the insolvency of employers and other devices by which liability is evaded or terminated. The next Labour Government, therefore, will introduce legislation on the lines of the Bill framed by the Trades Union Congress, the Labour Party and the Parliamentary Labour Party. This provides for the establishment of a Workmen's Compensation Board with exclusive jurisdiction over all matters arising, including compensation claims; and for the creation by the State of a Compensation Fund to provide adequately for the workpeople concerned and their dependants.

Thirdly, convinced that the low economic standards of one nation react injuriously on all the others, and that it is at once the duty and the interest of Great Britain to lead the way in humanising the conditions of employment, a Labour Government, as already indicated, will take the lead to secure the international adoption of a progressive code of industrial legislation in respect of hours of work, mining conditions, seamen's conditions, etc.

Fourthly, organised Labour is convinced that the evil of unemployment has been intensified by present methods of utilising improvements in machinery and other technological developments. The gains of modern technique must in part take the form of more leisure for all by the introduction of the 40-hour week (with daily maxima) without reduction of wages or earnings, and by drastic restriction of overtime. Without relaxing the effort to secure general agreement on an International 40-hour Week Convention, the next Labour Government will promote the 40-hour standard in British industry by setting the example in the public services, national and local, and by legislation, and will assist the Trade Unions in every possible way in the negotiation of 40-hour week agreements without reduction of earnings, holidays with pay, and the regulation of overtime.

Finally, the Labour Party holds that the prevailing economic depression is in a large measure the consequence of the operation of an economic system which fails to distribute purchasing power in effective relation to its capacity to produce and to the movement of prices. More spending power must be provided for the great body of consumers whose income is represented by wages and salaries. The present policy of restricting production must be abandoned in favour of the policy of enabling the community to make use of the abundance of goods and services which labour and skill, in alliance with machinery and scientific invention, have made available.

Accordingly, the Labour Party supports the Trade Union claim for higher remuneration, and will endeavour to give effect to this policy by such legislation and industrial changes as are required. Thus, the Fair Wages Clause must be strengthened and rigorously enforced on a far wider scale. A great extension of the Trade Boards Acts to many classes of workers who are at present defenceless is an obvious necessity. The agricultural wages machinery must be improved in directions already indicated. It must be an essential part of national planning, as regards both publicly and privately-owned industries, that adequate wages machinery on a national scale is provided; and that every appropriate legislative and administrative effort is made to ensure reasonable minimum and progressive standards, not only of wages, but of all conditions of employment. Rigorous enforcement is vital.

The Nation's Choice

In principle, the choice before the nation is a simple one. It is not a choice between private enterprise and public control; it is a choice between the conduct of industry as a public service, democratically owned and responsibly administered, and the private economic sovereignty of the trust and the combine.

It is possible, in the Labour view, to regard the foundations of the national industrial life as a single system to be planned scientifically. In such a structure

the part which the Consumers' Co-operative Movement has to play needs no emphasis. That great Movement already secures some 5,000,000 families against the worst excesses of the profit-making system—doubtless the reason why it has been deliberately penalised by the "National" Government. The Labour Party has always worked in full alliance with the Co-operators. It proposes to extend and intensify that alliance at every stage of its work. It has no doubt of the important part the Movement, with its long experience and specialised knowledge, has to play in building the new social order.

SOCIAL SERVICES

Alongside this policy of economic reconstruction, integrated with it and advancing its possibilities, must go deliberate measures of social amelioration. These have become the more urgent since the "National" Government has consistently prevented their development.

The Labour Party proposes a fundamental change of outlook. Whether the object of expenditure is housing or public health, education or the care of the unemployed or pensions, it takes the view that a wise provision, efficiently administered, is a definite addition to the national well-being. It refuses to accept the view that "economies" are justified in the health of the people. It cannot believe that raising the standard of national education can be other than a safeguard of our industrial efficiency. It insists that the provision of proper housing accommodation is a vital duty of the organised community. It holds that those who are unemployed through no fault of their own are entitled to humane and generous treatment. It seeks the removal of the many anomalies from the existing pensions schemes, and a widening of the provision made for the unfit and the aged.

Housing*

In housing, a Labour Government will at once embark upon a great programme of houses to let at rents which the workers can afford to pay, and on a planned scheme for the final destruction of slums; and subsidies sufficient to achieve this must be provided.

The twofold aspect of the campaign must be emphasised—the clearance of the slums with the rehousing of displaced tenants, and the widespread provision of ordinary new houses to let. Slum clearing and rehousing are vital; but the abolition of non-slum overcrowding, the provision of structurally-separate accommodation for each family, the avoidance of new slums, and the supply of fit houses with decent facilities, are dependent on the building of ordinary new houses.

In addition, it is essential to secure the thorough repair of every house that can be made properly fit; and in the wider aspects of housing to secure the replanning of built-up areas with provision for open spaces, the strict control and planning of developing areas, and the preservation of the countryside.

Literally millions of new houses are necessary to secure a decent standard of accommodation, and it is proposed that, apart from any other building, there should be a great housing drive to build from 250,000 to 300,000 new houses per year.

* See *Up With the Houses! Down With the Slums!*

For the purpose, it is proposed that while the Minister of Health should be responsible for the size and speed of the national programme and its constituent local programmes, and have concurrent powers to undertake local programmes where the Local Authorities are unwilling or unable to carry them out, a National Housing Commission should be responsible for administration and for arranging and ensuring that the programmes are carried out.

The case for a Commission with defined administrative powers is that it is more likely than the housing section of a Government Department to focus attention on its specific task. The Commission is envisaged as the higher command of a great housing crusade, wholly devoted to its single task of smashing the housing evil. Acting on behalf of the Minister in case of default by any Local Authority, and exercising on his behalf wide powers to control the prices and production of building materials, and, if need be, undertake production itself, the Commission will allow no obstacle to stand in the way of urgent action.

An immediate and rapid development of housing is essential to the work of national reconstruction. Its direct repercussions upon employment are clear, its indirect returns in terms of public health are obvious.

Rent Control†

An important aspect of the housing problem to which the next Labour Government will give its attention is the rents of existing houses. The decontrolling provisions of the 1923 Act have resulted in extortionate rents being charged for many decontrolled houses; and it is therefore proposed, not only that rent control should continue beyond 1938 (the year fixed by the present "National" Government for the abolition of all rent control), but that all houses at present controlled should remain "permanently" controlled. This would include a large number of medium-rented houses now liable to be decontrolled under the 1923 Act on the owner obtaining possession. In addition, there is a case for some reduction in the permitted increase of controlled rents; and it is absolutely essential that the law relating to repairs be rigorously enforced.

In respect of houses which have already been decontrolled, whose rateable values correspond to those of the houses to be permanently controlled, and which are at present let wholly or partly and not wholly owner-occupied, it is proposed that the rents should be regulated. The new rent would be the rent charged immediately prior to decontrol, plus, say, 10 per cent., and control would apply to the rent and not to any particular tenancy. An owner, however, would be entitled to apply to the Courts for a further increase if he could show good cause, *e.g.*, in respect of appreciable improvements which the 10 per cent. was insufficient to cover.

Health Services*

Labour proposes to utilise medical discovery to the full in the service of the nation. The extension of the maternity and child welfare services, the strict public control of private nursing and maternity homes, the adequate care of children in the pre-school years, the large-scale development of open-air nursery schools, are all urgent matters. The disastrous "economies" in the School Medical Service should be ended, and increased provision made for the

† See *Fair Rents and No Profiteering*.

* See *A State Health Service*, which is included in the Report of Annual Conference, 1934.

treatment of ailments. The provision of school meals must be greatly developed. Far more special schools and classes are needed for children with physical or mental defects. All health functions will be taken away from Poor Law control, and the hospital service must be greatly extended.

Labour's general aim is to provide eventually domiciliary and institutional care to the community as a whole—a State Health Service evolving round a system of up-to-date clinics, with provision for specialist and other forms of treatment. Individual poverty must not be a barrier to the best that medical science can provide.

It would be a mistake, however, if comprehensive health provision were to be built up on the basis of National Health Insurance. What is needed is to take medical benefits entirely away from Health Insurance, and confine insurance to cash benefits only, on a higher scale than at present. The medical benefits (the panel system, "additional" benefits, etc.) would be provided through the Local Authorities. A service far superior to the existing panel system would be essential, and would also apply to non-insured persons and all dependants. That is the aim of Labour policy, and a Labour Government will make rapid progress towards its achievement.

There are, of course, other directions in which Labour will immediately press forward in health matters, notably in the welfare of the blind, of the deaf and dumb, and of the mentally deficient.†

Education*

A great step forward must also be taken in national education. The paralysis of this service by financial parsimony is indefensible. Under the "National" Government, there has been an increase in the size of classes, a refusal to put urgent educational changes, like those proposed by the Hadow Report, into effective operation, and a number of other retrograde steps. This reaction must be stopped forthwith. Economy in education is a denial of equal opportunity. It is a perpetuation of vicious class distinctions. The Labour Party proposes, therefore, so to reshape the educational system as to bring within the reach of all children and young persons, irrespective of parental income or occupation, such opportunity as will ensure the fullest possible development of their powers. Labour's ultimate aim is a unified system of education through which all children should pass.

A first step in a Labour Government's programme must be the immediate raising of the school-leaving age to fifteen years, and as soon as possible to sixteen years; and this must be accompanied by a system of adequate maintenance grants. This measure is not only of primary educational importance, but one of significance in relation to the problem of unemployment.

So long as fees are charged in secondary schools, secondary education will continue to be regarded as a privilege reserved for a minority of children. The policy of the Labour Party is that all children should be entitled to receive one type or another of free secondary education, and the next Labour Government would take the immediate steps necessary to make education free in all State-aided secondary schools.

† See *The Welfare of the Blind*, which is included in the Report of Annual Conference, 1934.

* See (a) *Labour and Education*, and (b) *Socialism and the Condition of the People*.

Fundamental to educational equality is the creation of a unified system of secondary education. Labour would press forward rapidly Hadow re-organisation for children of 11 and over, on lines which will ensure that the new post-primary schools form an integral part of the secondary system and are on an equal level of staffing and equipment. The "National" Government, on the other hand, has deliberately sought to strengthen class privilege in education by treating the post-primary schools as elementary and not secondary.

Increased facilities for higher education, whether secondary, technical or university, are a vital necessity for training the best intelligence of the nation. The Labour Party insists that the proper development of the primary schools, including infant-nursery schools for infants up to seven years, is a necessary foundation of the educational system.

There must be inspection, by the Board of Education, of all schools and educational institutions, the replacement of obsolete or defective school buildings, and the equipment of the primary schools with books and amenities on a proper scale. Labour would insist on a reduction in the size of classes. In England and Wales to-day there are some 8,000 elementary classes containing fifty children and upwards. The Labour Party holds that a maximum of forty children per class must be attained during its next period of office, as an indispensable condition of creative activity in the schools, with a view to a subsequent reduction to not more than thirty.

Finally, the Labour Party insists that the universities shall be free from any atmosphere of privilege, and that no person with the necessary intellectual qualifications shall be debarred from entry on financial grounds.

Maintenance of the Unemployed

The treatment of the unemployed by the "National" Government is a national scandal. The Means Test must go. Its harsh cruelties are a disgrace to our public life. Nor is it defensible to classify the unemployed according to the time they have been without work. The Labour Party proposes to make their adequate maintenance a national charge. It would seek to secure work for the unemployed by embarking upon a bold programme of public development. It would raise the school-leaving age, and take the older workers out of industry by a proper and necessary revision of the old-age pension system. It does not accept the view of the "National" Government that, during the next ten years, no serious impression can be made upon the problem of unemployment. Industrial and agricultural reconstruction, and the removal of young and aged workers from industry, are all methods of dealing directly with unemployment. But the proper treatment of those who remain without work is a debt which the nation must honour as a primary duty.

UNEMPLOYMENT AND NATIONAL DEVELOPMENT*

The nation is confronted at the present time with the paradoxical situation of idle men side by side with idle industrial plant and idle money lying on deposit with the banks—increasing power to produce wealth alongside of increasing

* See *Socialism and the Condition of the People*.

unemployment and a falling standard of life. This vicious circle can only be broken by the adoption of a bold policy of planned development on Socialist lines.

The socialisation of key industries and services, the control and reorganisation of industries not yet brought under public ownership, the wide developments in the social services, and the freeing of the Local Authorities from the financial shackles which hinder local development—all these together constitute a great programme of national development which is bound to have substantial results in reducing unemployment.

Thus, such a programme would include:

- (a) The re-equipment of socialised industries, and also of industries not yet socialised, but requiring drastic measures of reorganisation under public control.
- (b) A programme of electrification, including the electrification of the socialised railway system.
- (c) The erection of publicly-owned plants in the mining areas for the extraction of oil and other by-products from coal, to be worked in conjunction with the socialised mining industry.
- (d) A programme of building, to include housing, schools and hospitals, worked out in accordance with national and local plans.
- (e) A programme of land drainage.
- (f) A programme of water supply, on regional lines.
- (g) A programme of agricultural development, including a vigorous extension of afforestation and forest holdings, based on the public ownership of the land.
- (h) A programme of roads, bridges and harbours.
- (i) A programme of municipal development of many kinds.

There is no question that a varied programme on these lines would provide employment in a large number of industries, and in many different parts of the country. It should be emphasised also that such a programme would be directed to the development of publicly-owned and publicly-controlled economic resources, so that the benefits would accrue to the community as a whole.

Moreover, such a programme of national development will not only diminish unemployment substantially, but, by increasing public revenue and reducing expenditure on unemployment benefit, will relieve Budgetary stringency and make possible further programmes of social development and extensions of social services which, owing to the impoverishment brought about by the collapse of private enterprise, are at present out of reach. It should not be forgotten that new expenditure on development not only creates employment, directly and indirectly, in respect of the particular schemes of work put in hand, but creates further employment in an ever-widening circle, through the payment of wages to those who are now unemployed, and who, through their increased purchasing power, are enabled to buy additional goods and services.

Many items in the programme, moreover, are directly revenue-producing, and would pay for their own cost. The financial resources of the country,

especially when reorganised through the social control of finance, are amply sufficient to support a programme of development of this kind. Moreover, in proportion as such a programme is carried through, the national wealth and financial resources will grow.

TAXATION

A great effort of social reconstruction necessarily requires a wise administration of the national income. The Labour Party differs from its opponents in its interpretation of what this involves. The latter seem to think that the less the income of the rich is touched, the more prosperous is the community. They regard wealth devoted to such objects as health and education as less truly wealth than when it is spent on luxuries. Such a view Labour emphatically rejects. In common with enlightened economic opinion all over the world, it takes the view that urgent national requirements are a first charge upon the national income.

This means adjusting the burden of taxation to the backs most capable of bearing it. It is both economically desirable and socially just to raise the sum required for a vigorous social policy from those elements in our midst which contribute relatively little to social efficiency and often squander their resources unproductively. This is not only vital to the wage-earner. The clerk, the teacher, the professional man, the intellectual worker have everything to gain and nothing to lose by Labour's policy.

The Labour Party stands, therefore, for direct, as against indirect, taxation. Remembering that in Great Britain two-thirds of the wealth in private hands belongs to less than 500,000 persons, it proposes to revise the system of death duties, not only as just in itself, but as a step towards breaking that tradition which binds poverty in one generation to poverty in the next, and towards preventing the perpetuation of great fortunes by unearned inheritance.

Labour would also deal with the practices of tax evasion developed with increasing ingenuity in recent years. It would overhaul the graduation of income-tax and surtax with a view to relieving the smaller incomes, and increasing the contribution from the larger. The public ownership of the land is a primary Labour objective, while the proper utilisation of the land must be determined in accordance with national planning; subject to these considerations, Labour will provide for the taxation and rating of land values.

The Labour Party believes that the vast differences in wealth poison the relationships between classes in a way that increases all the difficulties inevitably inherent in the adjustments demanded by a changing world. The Labour Party does not desire to treat harshly those who have profited by the consequences of an earlier and unjust system; but it denies that they should continue to profit at the expense of urgent adaptations which are necessary to the very survival of the nation.

PARLIAMENTARY GOVERNMENT

No party in Great Britain to-day can seriously embark upon the task of Socialist reconstruction without adapting the machine of government to this purpose. Not a little of the discredit which is attached to Parliamentary government by its opponents is due to the fact that its present forms were devised to suit the purposes of the negative State in the nineteenth century, and are unsuited to the needs of the positive State in the twentieth. The Labour Party believes that the effective adaptation of these forms, while preserving their spirit, is both possible and desirable. Nothing is so likely to secure respect for Parliamentary institutions as the proof that they are capable of great achievement.

The defects of the present regime are the existence of an hereditary chamber with power to destroy by delay the work of the Government chosen by the nation, and the old-fashioned procedure of the House of Commons which facilitates obstruction and delay.

The problem of the House of Lords has two aspects. It may interfere with the legislation of a Labour Government from the outset of that Government's accession to power, and it remains, even if it holds its hand for a period, the reserve power of those vested interests in society which have always been hostile to progressive legislation. A Labour Government meeting with sabotage from the House of Lords would take immediate steps to overcome it; and would, in any event, during its term of office pass legislation abolishing the House of Lords as a legislative chamber.

In a democratic community there is no case for an hereditary second chamber. The Labour Party believes that power must rest with a popularly-elected assembly.

A Labour Government would deal immediately with the reform of the procedure of the House of Commons, and would ask the House of Commons to set up, at the beginning of each Session, a Committee on the Time-Table of Legislation, to allot a reasonable amount of time to Bills in the governmental programme. These Bills would, after their second reading, be sent to Standing Committees.

Parliament would thus be enabled to deal simultaneously with an important body of legislation; and the time-table system would obviate unnecessary waste of time in its discussion. Such a system would preserve all the historic rights of an Opposition—rights for the preservation of which the Labour Party is not less jealous than any other Party in the State. Criticism, censure, the ventilation of grievance, the discussion of principles and general legislative structure, the initiation of inquiry—all these would be fully maintained.

Moreover, electoral reform, including the abolition of plural voting, is overdue; while an efficient democracy needs to revise the foundations of its whole administrative system. This is not the place to enter into the details of such a revision. The Labour Party deems it important, however, to place on

* See *Parliamentary Problems and Procedure*, which is included in the Report of Annual Conference, 1934.

record its view that the Cabinet requires reconstruction, that a regrouping of Departmental functions is necessary, and that the time has come for a re-organisation of the machinery and methods of local government.

It must also be added, that in the event of the return of a Labour Government being accompanied or followed by an emergency situation for which the normal powers of government are not now adequate, the Government would seek for the necessary emergency powers from Parliament. This method follows the course adopted by Governments in 1914, 1926 and 1931. Only such powers would be sought as the nature of the emergency required, and they would be operated with a view to the most rapid return possible to the processes of normal government.

The Labour Party by tradition and inheritance is a democratic party; that is why it attaches so much importance to the machinery of government. The nation cannot afford to face the problems of this century with the mechanisms of the last. In the adaptation of national institutions to national needs, there is every reason to hope that we can strengthen the power of the democratic system. In the past, that system has won great triumphs in the political sphere. The Labour Party believes that the nation has the courage to seek the repetition of those triumphs in the sphere of economics. It sees no reason why a people who, first in the world, achieved through Parliamentary institutions their political and religious freedom should not, by the same means, achieve their economic emancipation.

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